

G&L BEIJER 2012



BEIJERS

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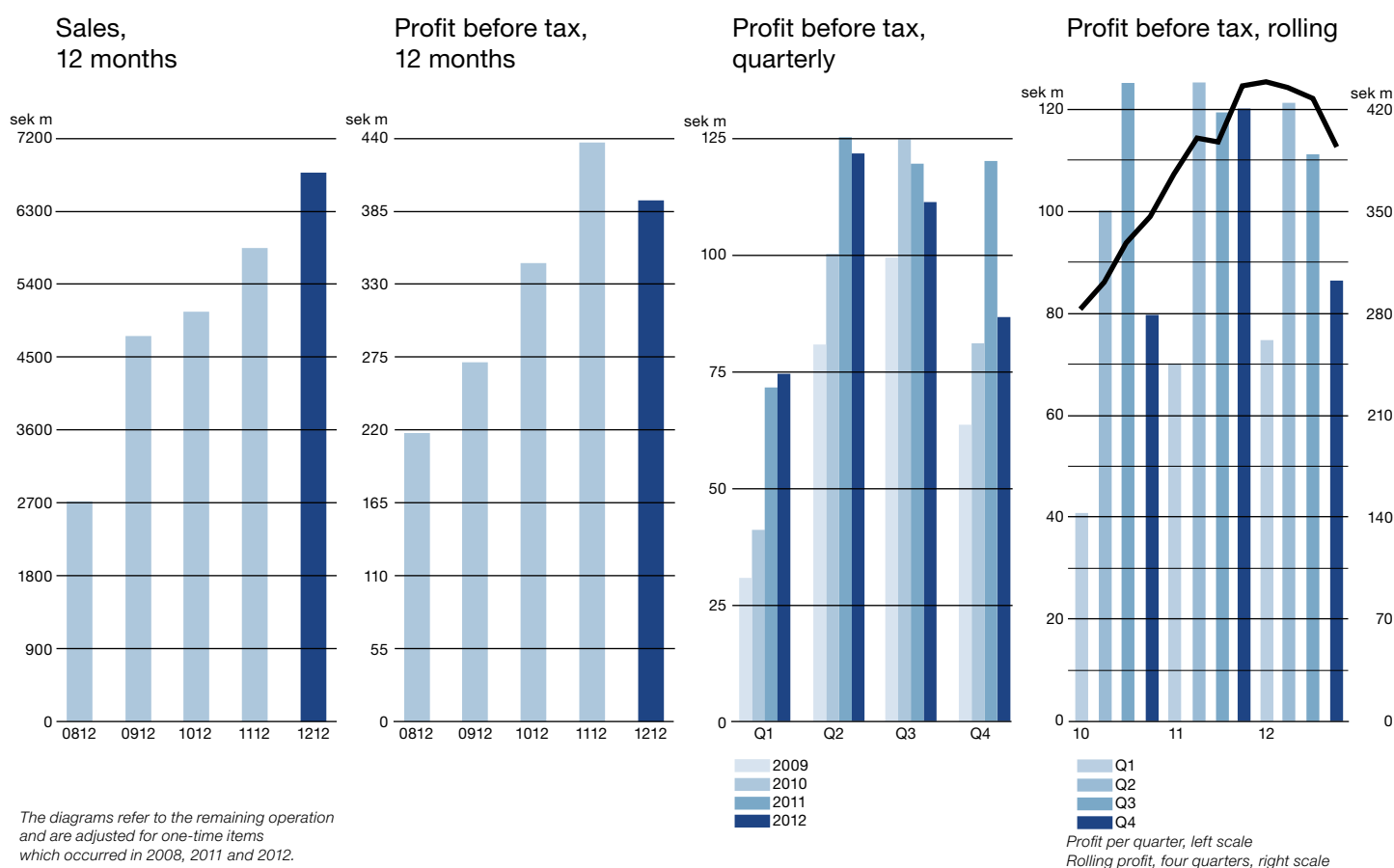
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4	2012 Highlights
6	Managing Director's Report
8	The Beijer share
10	The trading companies
12	G & L Beijer, 30 years on the stock exchange
16	The brothers Beijer
18	Business concept, objectives, strategy
20	2012 Operations
22	Sustainability Report
24	Group operations
28	This is Beijer Ref
32	This is Beijer Ref, The Toshiba operation
34	Board of Directors, Senior Executives and Auditors
37	Contents, Financial reporting
38	Directors' Report
46	Consolidated profit and loss account
47	Consolidated balance sheet
48	Consolidated change in equity
49	Consolidated cash flow statement
50	Parent company profit and loss account
51	Parent company balance sheet
52	Parent company change in equity
53	Parent company cash flow statement
54	Notes to the financial statements
75	Audit Report
76	Five-Year Summary
77	Addresses
79	Annual Meeting of shareholders



2012 HIGHLIGHTS



Net sales increased by 16 per cent to SEK 6,758.3M (5,846.4). Operating profit amounted to SEK 415.2M (432.5). Including one-time items, profit for the year was SEK 305.8M (374.0). Excluding one-time items, profit for the year amounted to SEK 293.0M (336.0). Excluding one-time items, profit per share amounted to SEK 6.66 (7.69). Including one-time items, profit per share amounted to SEK 6.96 (8.59). The Board of Directors proposes a dividend of SEK 4.75 (4.50) per share.

	2012	2011	2010
Sales, SEK M	6 758.3	5 846.4	4 991.9
Operating profit, SEK M	425.7	432.5	343.4
Profit after tax, SEK M	293.0	336.0	258.7
Profit per share, SEK	6.66	7.69	6.13
Dividend per share, SEK*	4.75	4.50	4.00

*) For 2012, in accordance with the Board of Directors' proposal.

The table refers to the remaining operation and is adjusted for one-time items.

Share split carried out on 29 June 2012. All comparative figures are recalculated taking into account the implemented split.



SIGNIFICANT EVENTS

In January 2012, G & L Beijer acquired the Norwegian company, Ecofrigo AS. The company reports annual sales of approximately SEK 35M and has six employees. Ecofrigo is a project-oriented refrigeration distribution company which mainly operates within the planning and distribution of environment-friendly chillers and refrigerants. The acquisition complements G & L Beijer's existing operation in Norway both geographically and product wise. Ecofrigo is included in G & L Beijer's accounts from January 2012.

In June, G & L Beijer carried out a share split (2:1) which meant that each share was divided into two shares of the same class. After the split, G & L Beijer's total number of shares amounts to 42,478,230 distributed on 3,306,240 A shares and 39,171,990 B shares. The total number of votes amounts to 72,234,390 after the split.

In August, G & L Beijer acquired the Irish refrigeration company, Gasco Ireland Ltd. Gasco reports sales of approximately SEK 22M and has six employees. The acquisition was a step forward in the consolidation of the Irish market. Gasco is strong within refrigerants and complements G & L Beijer's existing operation in Ireland, which has its main focus on refrigeration products and air conditioning. The Group's annual sales in Ireland after the acquisition amount to approximately SEK 50M pro forma. The merger is expected to generate synergy gains through cost savings. Gasco Ireland Ltd is included in G & L Beijer's accounts from 1 August 2012.



Acquisition in Norway

Share split

Acquisition of an Irish refrigeration company



STABILITY CHARACTERISES A TOUGH 2012

The past year turned out to be more difficult than most financial analysts had predicted at the beginning of 2012. The year was characterised by a decline in the economy and the figures for economic growth were revised down several times.

As always, weaker demand means tougher external prerequisites. In spite of this, the financial outcome for G & L Beijer was relatively good. Sales reached a new record level and increased by 16 per cent to nearly SEK 7 billion thanks to acquisitions. Organically, sales fell by just under three per cent. The increased feature of air conditioning through the acquisition of Toshiba HVAC in 2011 also meant greater sensitivity to economic fluctuations.

Operating profit was slightly lower for 2012, solely due to costs for restructuring and the investment in the German market within the refrigeration segment. At the same time as the acquisitions contributed positively to the result, the lower organic sales affected profit negatively. Although the profit margin was lower than in the previous year, it was at a sound level and not very far from the average for the past 10-year period.

For the shareholders it was, unfortunately, a less successful year. The total yield of the Beijer share amounted to three per cent against the comparable index which returned more than 16 per cent. We have no control over the market price other than an ambition to create long-term value for our shareholders. In the slightly longer term, the picture also looks radically different.

During 2013, G & L Beijer celebrates 30 years as a listed company. Those who invested SEK 1M at the stock market launch at the end of 1983, today have no less than SEK 77.5M if they have persevered and reinvested all dividends. The value increase is equivalent to a total annual return of 16.2 per cent on average. The comparable index has yielded approximately 11.9 per cent. Maybe a difference of slightly more than four percentage points does not sound very much for an individual year but, year on year, they become very large figures. In this case, G & L Beijer has enjoyed a total return of no less than SEK 51.5M more than the index, calculated on an initially invested capital of SEK 1M.

In addition, the total return and the difference against the index increased rather significantly during the latest 20-year period, most markedly during the years in the 21st century. During the period, 2001-2012, G & L Beijer reported an annual return of nearly 23 per cent compared with 4.9 per cent per annum for the index. The change of the strategy towards trading operations in 1992, and later the consolidation into the refrigeration sector during the 21st century, has created significant long-term value for the shareholders for which we are both satisfied and proud.

Long-term planning is also one of G & L Beijer's characteristics, although we are always prepared for changes in order to meet new challenges. Stability is another feature which characterised the slightly tougher last year. The Group's stable situation is based on several factors. We have a very broad customer base where the five largest customers account for only five per cent of total sales. We are close to the customers and around 80 per cent of our staff have some form of customer contact. Our sales have a good geographic spread and the aftermarket accounts for 60-70 per cent of sales. We have around 100 suppliers and we are not dependent on any individual supplier.



'There is scope for new aggressive investments and several exciting projects are under evaluation'

Although some stabilisation has taken place externally, some uncertainty remains about the economic growth during 2013. We are cautiously optimistic. G & L Beijer also entered the new year with an approximately SEK 40M lower cost basis as a result of rationalisation carried out during 2012. We will continue our work by taking further advantage of our size and focus more on the Group's capital employed.

After a year of consolidation, structural measures and cost savings, there is scope for new aggressive investments and several exciting projects are under evaluation. We also enjoy a continued strong financial position.

JOEN MAGNUSSON
MANAGING DIRECTOR



The G & L Beijer B share is quoted on the NASDAQ OMX Nordic Mid-Cap list.

Share capital

The share capital in G & L Beijer AB amounts to SEK 371,684,512.50, represented by 3,306,240 A shares and 39,171,990 B shares, amounting to 42,478,230 shares in total. Each share has a nominal value of SEK 8.75. Each A share entitles the owner to ten votes and each B share to one vote. The total number of votes amounts to 72,234,390. All shares have equal rights to the company's assets and profits.

Ownership structure

On 31 December 2012, G & L Beijer had 2,700 shareholders. Distribution of ownership is shown in the adjacent table.

Market value and trading

Beijer's market value measured as price paid was SEK 108.00 at the 2012 year end. Including a dividend of SEK 4.50, the total yield for 2012 was 3.0 per cent. The comparable index rose by 16.5 per cent. The highest price paid during 2012 for the Beijer share was SEK 142.50 and the lowest SEK 96.20.

Trading of the company's shares amounted to 1.53 million shares. The trading rate was approximately four per cent of the total number of shares.

Profit

Profit per share after tax amounted to SEK 6.96 (8.59).

Dividend

The Board of Directors has proposed a dividend of SEK 4.75 (4.50) for the 2012 financial year. The dividend proposal is equivalent to 68 per cent (52) of the Group's profit after tax for 2012 and to 8.3 per cent (7.9) of shareholders' equity at the year end. The yield – the proposed dividend as a percentage of the latest price paid during the year – amounts to 4.4 per cent.

Share split

G & L Beijer carried out a split of the share, equivalent to two shares of each old share (2:1).

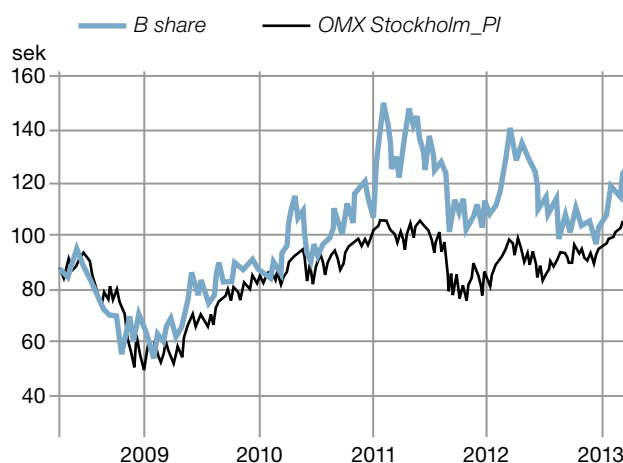
Shareholders on 2012-12-31

	A shares	B shares	Total	Capital	Votes
Carrier	717 420	16 874 858	17 592 278	41.4 %	33.3 %
Jürgensen, Peter Jessen	895 252	1 618 400	2 513 652	5.9 %	14.6 %
Magnusson, Joen (private & companies)	945 512	289 032	1 234 544	2.9 %	13.5 %
Bertland, Per (private & companies)	586 856	252 000	838 856	2.0 %	8.5 %
Lannebo fonder		3 420 626	3 420 626	8.1 %	4.7 %
Hain, Jan (private & companies)	160 000	124 000	284 000	0.7 %	2.4 %
Ekdahl, Gunnar (private & companies)		1 666 560	1 666 560	3.9 %	2.3 %
SEB Asset Management SA		1 353 800	1 353 800	3.2 %	1.9 %
SEB Investment Management		1 330 552	1 330 552	3.1 %	1.8 %
Skandia Fonder		877 574	877 574	2.1 %	1.2 %
Livförsäkringsaktiebolaget Skandia		861 518	861 518	2.0 %	1.2 %
Nordea Investment Funds		817 995	817 995	1.9 %	1.1 %
Swedbank Robur fonder		723 454	723 454	1.7 %	1.0 %
Didner & Gerge Fonder AB		672 818	672 818	1.6 %	0.9 %
Björman, Torsten (private & companies)		582 780	582 780	1.4 %	0.8 %
Carlson fonder		513 019	513 019	1.2 %	0.7 %
Handelsbanken fonder inkl XACT		495 818	495 818	1.2 %	0.7 %
Unionen (SIF)		423 712	423 712	1.0 %	0.6 %
Riksbankens jubileumsfond		399 980	399 980	0.9 %	0.6 %
Fjärde AP-fonden		332 456	332 456	0.8 %	0.5 %
G & L Beijers personalstiftelse		280 000	280 000	0.7 %	0.4 %
AMF-Försäkring och Fonder		278 450	278 450	0.7 %	0.4 %
Total holders of >200 000	3 305 040	34 189 402	37 494 442	88.4 %	93.1 %
Other owners	1 200	4 895 388	4 896 588	11.6 %	6.9 %
Shares in own custody		87 200	87 200		
Total	3 306 240	39 171 990	42 478 230	100.0 %	100.0 %
Votes			72 234 390		

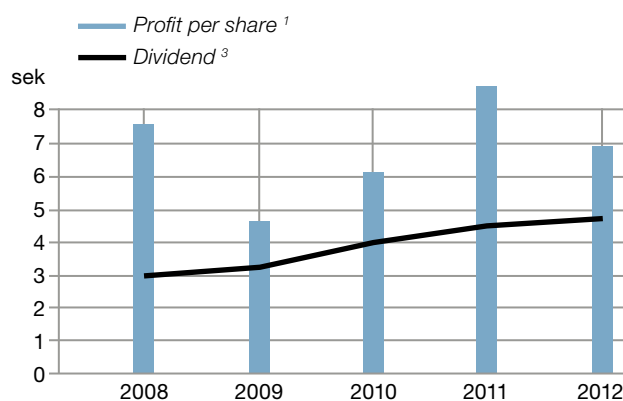
Share data per registered owner (sek)

Owners of	Number of shares	Per cent	Number of owners
1 – 500	259 721	0.6	1 783
501 – 1000	273 643	0.6	350
1001 – 2000	342 556	0.8	218
2001 – 5000	597 143	1.4	174
5001 – 10000	446 728	1.1	61
10001 – 20000	478 787	1.1	35
20001 – 50000	751 595	1.8	24
50001 – 100000	1 532 041	3.6	21
100001 –	37 796 016	89.0	34
Total	42 478 230	100.0	2 700

Share development, 5 years



Profit and dividend, 5 years*



Share data* (sek)

	2012	2011	2010	2009	2008
Profit per share ¹	6.96	8.59	6.13	4.69	7.58
Equity per share ²	57	57	56	51	40
Dividend ³	4.75	4.50	4.00	3.25	3.00
Market value ⁴	108	109	140	86	54.50
Yield, % ⁵	4.4	4.1	2.9	3.8	5.5
Cash flow per share ⁶	7.91	9.06	6.06	5.25	5.73

*) Share split carried out on 29 June 2012. All comparative figures are recalculated taking into account the implemented split.

Definitions

- 1) Relates to remaining operation. Net profit for the year divided by the average number of outstanding shares.
- 2) Shareholders' equity divided by the number of outstanding shares at year end.
- 3) For 2012, in accordance with the Board of Directors' proposal.
- 4) On 31 December.
- 5) Dividend in relation to market value.
- 6) Relates to remaining operation. Cash flow from current operations before changes in working capital divided by average number of outstanding shares.



SALES EXCEEDED THE PREVIOUS YEAR'S LEVEL

It was something of an off year for the trading companies on the Nasdaq OMX Stockholm Exchange inspite of the fact that they reached a new record level in sales during 2012. However, sales exceeded the previous year's level by the smallest possible margin. Total sales increased by less than one per cent to SEK 38.9 billion.

The slight increase in sales is explained by acquisitions. Sales for comparable entities, i.e. excluding acquisitions, fell for most companies compared with the previous year, essentially due to a slowdown in demand as a result of the weaker economy. In addition, several companies have been affected negatively by the strong SEK on translation from foreign into Swedish currency.

The weaker development of the sales volumes had the effect that the companies, with some exception, reported a lower operating result for 2012. The companies' combined operating result fell by nine per cent to SEK 2.5 billion. It meant that the operating margin fell from 7.2 per cent to 6.5 per cent. It was slightly lower than the average of 6.9 per cent for the past seven years.

The sector, which has achieved an annual growth of approximately six per cent during the past six years, has also reported relatively stable results. With the exception of the low performance in 2009, the operating margin has fluctuated between 8.4 per cent and 6.3 per cent.

At first sight, the companies' share prices seem to fluctuate more than the results. During 2012, the companies' combined market value rose by 10 per cent to nearly SEK 24 billion, in spite of the fact that the results fell by nine per cent. However, the stock market is looking to the future and values anticipated results in future years.

The stock market has been relatively successful in predicting the result development. During the years 2007-2008, the sector's total market value fell by 56 per cent. The combined result fell by 57 per cent in 2009 compared with 2007. During 2009-2010, the market value increased by 119 per cent and the results by 116 per cent during 2010-2011. The market fall of 25 per cent in 2011 indicated a significant fall in results in 2012. However, the fall stopped at nine per cent. Probably, the stock market's risk premium was extra high during 2011, partly due the euro crisis.

As far as can be judged, the market's risk premium decreased during the second half of 2012. The increase of 10 per cent for the companies' combined market value during 2012 would normally indicate an increase in the result of approximately as much during 2013. However, the increase can also be explained by a lower risk premium. Seen over a two-year period, the market value fell by approximately 18 per cent during 2011-2012 which indicates a continued fall in the result of 10-15 per cent during 2013.

The stock market's valuation of the trading companies measured as an historic EBIT multiple (market value in relation to the historic operating result) rose to approximately 9.5 at the 2012 year end compared with 7.9 a year earlier. The average for the period 2006-2012 was 9.6. The EBIT multiple measured as market value in relation to the actual outcome of the next year's result averaged 8.5 during the period 2006-2011.

The valuation at the year end, therefore, appeared to give scope for both increases and falls in the combined result for 2013. However, the sector's market value rose by 12

per cent from the turn of the year until mid-February 2013 which reflects an increased optimism about the economy and result development.

Overall, 2012 ended relatively weak. At the same time, several of the companies' year-end reports reported signs of a stabilisation of demand and a good start to the new year. The sector is also acquisition intensive. However, the activity was slightly calmer than during 2012. In total, around 30 companies were acquired with total sales of approximately SEK 1.6 billion, equivalent to four per cent of sales for 2012. A portion of the acquired sales will contribute positively during 2013.

	Sales 2012, sek m	Change from 2011, %	Operating profit 2012, sek m	Change from 2011, %	Operating margin, %	Market value on 31 Dec 2012, sek m
Addtech*	5 304	6	443	- 3	8.4	4 055
BE Group	4 634	- 14	26	- 80	0.6	830
Beijer Electronics	1 367	- 4	100	- 33	7.3	1 172
B & B Tools*	8 004	- 2	300	- 21	3.8	1 869
G & L Beijer	6 758	16	415	- 4	6.1	4 590
Indutrade	8 384	5	797	- 3	9.5	7 880
Lagercrantz*	2 311	4	206	16	8.9	1 579
Malmbergs EI	516	- 1	52	- 30	10.1	400
OEM International	1 631	3	174	- 5	10.7	1 554
Total	38 909	1	2 513	- 9	6.5	23 929

*) Company with a split financial year. The figures refer to rolling twelve months.

THE TRADING COMPANIES	2006	2007	2008	2009	2010	2011	2012
Sales	28 060	34 479	37 763	32 170	33 993	38 676	38 909
Change, %	18	23	10	- 15	6	14	1
Operating result	2 221	2 852	3 185	1 216	2 143	2 766	2 513
Change, %	55	28	12	- 62	76	29	- 9
Margin, %	7,9	8,3	8,4	3,8	6,3	7,2	6,5
Market value	22 843	21 903	9 989	19 162	29 159	21 824	23 929
Change, %		- 4	- 54	92	52	- 25	10



BEIJER SHARES ORIGINALLY PURCHASED FOR SEK 1M ARE NOW WORTH SEK 78M

G & L Beijer is celebrating 30 years as a listed company during 2013. It was at the end of 1983 that the company was floated on the then A:ll-list of the Stockholm Stock Exchange under the name of Sekretären. The past 30 years represent a piece of exciting corporate and stock market history which has resulted in the current operationally focused and internationally oriented G & L Beijer.

The 30-year period has seen the full range of economic conditions including a euphoric market high, a super-heated economy, new monetary and financial policies, interest rate shocks, a move from a fixed-rate to a floating currency, high and low inflation, at least five stock-market crashes, a near global financial collapse with an ensuing deep recession, globalisation, and the emergence of new growth countries, etc.

To cope with and mitigate all economic shocks requires flexibility, an ability to adapt and the ability to take action as well as some good fortune. G & L Beijer's history bears witness to new strategies, hundreds of acquisitions and the sales of numerous companies. It has seen restructurings, different financial solutions and ownership changes all undertaken in order to meet radical changes in the surrounding world.

The entire endeavour has been worth the effort. Those who invested SEK 1M at the stock market launch at the end of 1983, today have no less than SEK 77.5M if all dividends have been reinvested. An investment in a comparable index in the stock market currently has a value of SEK 26M. G & L Beijer has, therefore, realised an additional return of a somewhat unbelievable SEK 51.5M during 29 years. In total, G & L Beijer has achieved an annual return of 16.2 per cent compared with 11.9 per cent per annum for a total yield index on the Stockholm Stock Exchange.

The listing of Sekretären on the stock exchange in 1983 was a spin-off of the then named Skrinet. Investmentbolaget Skrinet was established in 1975 as a subsidiary of the investment company, Asken, which, at that time, was controlled by Erik Penser. Skrinet was listed on the stock exchange during 1977/78 and, as a result of a number of transactions which attracted much attention, the company made a meteoric impact on the stock market during the first half of the 1980s. In 1983, Skrinet formed the subsidiary, Sekretären, which was to focus on minority investments and act as a partner to the target companies. Eleven minority holdings were contributed to Sekretären, including Nederman, Curt Enström, Swanboard Masonite and Gusums Bruk. The shareholding amounted to SEK 77M and the visible equity was slightly more than SEK 140M.

The Managing Director of G & L Beijer, Joen Magnusson, piloted Sekretären to the stock market in his capacity as managing director of Sekretären. Skrinet sold approximately 40 per cent of Sekretären to its own shareholders and retained the remaining 60 per cent. The price was SEK 101 per share and the market value was SEK 149M which has since grown to the current nearly SEK 5 billion.

Several parallel histories

G & L Beijer's history runs along several lines. The name itself, G & L Beijer, dates to 1866 when the company was established as a trading house with its focus on exports of grain to England. The origin of the actual operation in the current G & L Beijer is AB Kylmaterial - later Kylma - which was founded in 1946. When Skrinet was established in 1975, Kylma was the first company to be acquired. The modern history can be split into a number of phases. One could say that the circle was completed with the divestment of Beijer Tech in 2010. A new era was then initiated with the consolidation into the Group's trading operation within refrigeration, heating and air conditioning. The road to the current G & L Beijer has not been dead straight and its history tells of many dramatic phases.

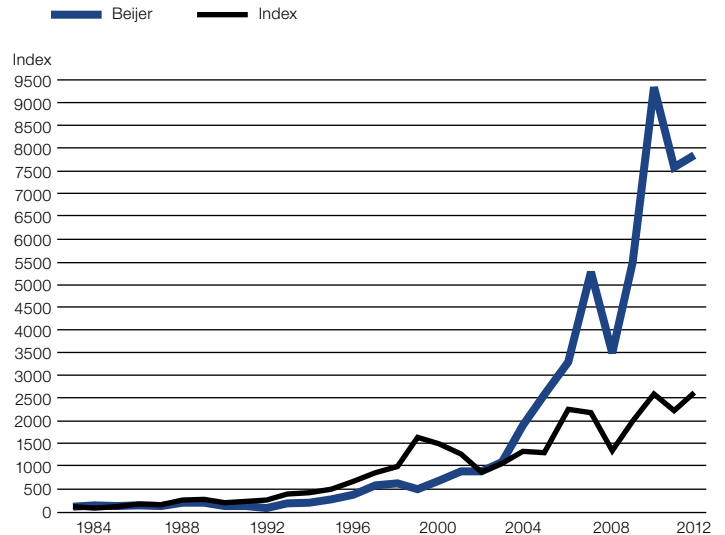
Following a significant fall in the stock market during 1984 and with high pledging, Skrinet landed in a crisis and the company became the subject of an ownership and bidding struggle which attracted considerable attention. It resulted in a split of Skrinet in 1985. The listed subsidiary, Sekretären, determined a new strategy which meant a priority for majority and full ownership of medium-size operating companies. In the split, Sekretären acquired five holdings, including Kylma, from Skrinet. In its turn, Sekretären sold six different holdings to Skrinet whilst Skrinet, at the same time, carried out a directed new share issue to Sekretären. Skrinet's shares in Sekretären were then sold to the shareholders in Skrinet. The transactions were completed by Sekretären changing its name to Skrinet at the end of 1985. The 'old' Skrinet had previously changed its name to Herakles.

Kylma, which consequently became a majority owned company of G & L Beijer (the then 'new' Skrinet as it was known in 1985), reported sales of SEK 159M and showed an operating profit of SEK 21M for that year. Through a number of acquisitions and organic growth, the Group's operation within refrigeration, heating and air conditioning had grown to sales of SEK 6.8 billion and an operating profit of SEK 415M in 2012. During this 27-year period, the Group has seen an average annual growth equivalent to 15 per cent. During the same period, the operating profit increased, on average, by 12 per cent per annum.

In addition to Kylma with its subsidiaries, the 'new' Skrinet contained five listed and three unlisted holdings. Shareholders' equity amounted to SEK 339M and the market value was approximately SEK 360M at the 1985 year end. During 1986-1991, the 'new' Skrinet was developed and restructured into an operating group with fewer but larger holdings. Minority holdings such as CF Berg were divested whereas Cranab became a subsidiary and Johnson Pump became wholly-owned. Stockamöllan (fork-lift trucks) was acquired in 1988 whilst the holding in Cranab was divested to the Finnish company, Valmet, and at the same time the holding in Nolato was sold to the shareholders.

During the same period, Kylma expanded via acquisitions and by establishing new operations. A company was established in Finland in 1985 and the Finnish company, Dimico, was acquired in 1990. The Norwegian company, Schlösser-Möller, was acquired in 1989. Up until the recession at the beginning of the 1990s, Kylma had doubled its sales.

Total yield 1983 – 2012



The Beijer share, including re-invested dividends, has increased 77.5 fold in value since 1983, equivalent to 16.2 per cent per annum on average. The corresponding index has risen 26 fold, equivalent to 11.9 per cent per annum. (Sources: Nasdaq OMX Stockholm, SIX, internal calculations).

Turbulent years

1990-1992 were turbulent and eventful years for Skrinet. The company acquired a new principal owner in 1990 when Bo Sandell, who was involved in the start-up of the original Skrinet, sold his holding to the owners of the boat manufacturer, Nimbus. Skrinet carried out a financial restructuring through the distribution of capital and a one-off dividend. In total, the shareholders received SEK 67.50 per share, equivalent to SEK 220M. During the same year, two associated companies were bought out from the stock exchange, AWA Patent and Depenova.

During 1991-1992, the Swedish financial crisis deepened. The Stockholm Stock Exchange fell by more than 50 per cent from a peak in August 1989 to a low in October 1992. Interest rates escalated rapidly. The deep recession relentlessly hit the companies' sales, profits and financial position. In spite of the increasingly difficult situation, Skrinet was able to go on the offensive at the end of 1991. The owners of the trading house G & L Beijer, the Hain family, became the new principal owners in Skrinet. At the same time, Skrinet acquired 62 per cent of the trading house G & L Beijer in a non-cash issue.

The transaction was carried out in 1992. G & L Beijer contributed operations to the Skrinet group within industrial sales, electronics, oil trading and service with total sales

of nearly SEK 600M as well as a strong financial position. During 1994, the remaining shares in G & L Beijer were acquired and, in 1995, Skrinet changed its name to G & L Beijer.

An investment in Sekretären at the end of 1983 proved not to be a spectacular transaction for the first nine years. The total yield fell by around 20 per cent during the period, partly due to the fact that dividends were reinvested at gradually lower market prices. During the same period, the stock exchange's total yield amounted to approximately 130 per cent.

From 1993, the picture becomes completely different. During the 20-year period 1993-2012 the G & L Beijer share rose 98 fold, equivalent to 25.8 per cent per annum on average. In total, the Six Return Index rose 11 fold, equivalent to 12.8 per cent per annum.

New strategy

The new strategy - a concentration and consolidation of the operation into trading and service - was adopted in connection with the acquisition of G & L Beijer in 1992. The business was, as a result of the new strategy, very successful. Holdings in manufacturing companies such as Johnson Pump, Stockamöller, Jeppsson Pac and TX Industrier were divested. In total, around 15 companies were sold up until 1994.

During the second half of the 1990s, G & L Beijer, with a strengthened financial position, could go on the offensive and expand its trading operation. In 1997, Lundgrens Maskinförnödenheter with sales of SEK 100M was acquired. The Danish refrigeration group, IKI, was acquired in 1998. IKI, which reported sales of SEK 400M, doubled the size of the Beijer Ref business area. In parallel, the consolidation of the Group continued through the divestments of 50 per cent in Depenova during 1997 and the shares in Nimbus in 1998.

At the turn of the Millennium, a further important step forward was taken. The electronics operation which consisted of the subsidiary, Beijer Electronics, was distributed to G & L Beijer's shareholders and quoted on the small-cap-list of the Stockholm Stock Exchange in mid-2000. Beijer Electronics accounted for 20 per cent of G & L Beijer's sales but the distribution gave the Group increased scope to focus on the two remaining business areas, Beijer Ref and Beijer Tech.

New principal owners

G & L Beijer entered a new phase in 2002 when the principal owner, Jan Hain, sold the majority of his shares to parts

of the Company's Board of Directors and Management. A couple of years thereafter, G & L Beijer carried out its largest transaction so far through the acquisition of the Danish company, Elsmark Holding. The acquisition comprised six companies in six different European countries and marked a milestone as Beijer Ref once again doubled its sales and took the step forward from being the leading refrigeration wholesaler in the Nordic countries to becoming one of the largest operators in Europe within the sector.

During the following years, Beijer Ref carried out a number of complementary acquisitions in both existing and new markets in Europe. At the same time, the operation was consolidated into trading as some manufacturing units were divested. The rapidly growing segments within air conditioning were also given increased priority.

The next large transaction was carried out during 2009 when G & L Beijer acquired the American company, Carrier, operations within refrigeration and air conditioning in the middle of, maybe, the worst financial and economic crisis that had occurred since the 1930s. The acquisition comprised Carrier's operations in six countries in Europe as well as an operation in South Africa, which doubled Beijer Ref's sales. In 2009, G & L Beijer reached yet another milestone when the Group passed SEK 5 billion in sales. In connection with the transaction, Carrier became G & L Beijer's largest owner with more than 40 per cent of the capital through a non-cash issue.

The final step forward in G & L Beijer's transformation into a core operator within refrigeration, heating and air conditioning was taken in 2010 with the divestment of the Beijer Tech business area. During the first decade of the Millennium, Beijer Tech had increased its sales to SEK 500-600M through acquisitions and restructurings. However, the business area was deemed to be able to develop better in a different environment.

New era

The divestment marked a new era. For the first time in G & L Beijer's history, the operation was focused on a single business area. It also significantly strengthened the Group's financial position and enabled the Group fully to concentrate its resources on developing G & L Beijer into a global operator within refrigeration, heating and air conditioning.

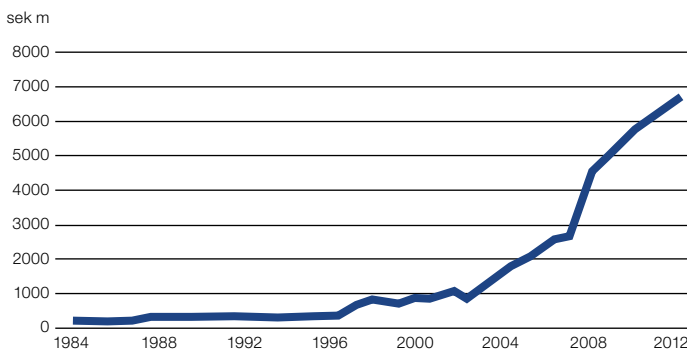
The expansion continued through acquisitions in Thailand and Italy during 2010. In 2011, two large transactions were carried out when G & L Beijer acquired Toshiba's operation within heating and air conditioning in Europe as well as United Refrigeration's refrigeration operations in France and the United Kingdom.

2012 was something of an off year due to the weakened economy. The year was characterised by consolidation, some structural measures and cost savings. A couple of minor acquisitions were carried out and, together with previous acquisitions, G & L Beijer was able to increase its sales by 16 per cent to around SEK 6.8 billion and report an operating profit of SEK 415M.

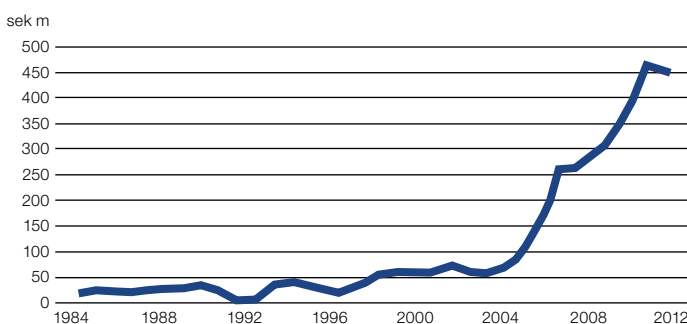
A brief summary of G & L Beijer during the past 12 years (2000-2012), i.e. since the distribution of Beijer Electronics and the gradual consolidation of the operation into trading and service within the refrigeration segment, gives the following picture:

- Sales have increased from SEK 1,162M to SEK 6,758M, equivalent to an average annual growth of around 16 per cent.
- Operating profit has risen from SEK 62M to SEK 415M, equivalent to more than 17 per cent per annum on average. Profit after tax and one-time items increased from SEK 31M to SEK 293M, equivalent to approximately 21 per cent per annum.
- A large proportion of the expansion has been financed with own funds and a non-cash issue of SEK 1,055M carried out in 2009. Shareholders' equity has grown from SEK 392M to SEK 2,415M and the equity ratio has strengthened from 43 per cent to 48 per cent.

Sales



Operating profit



The diagrams above relate to sales and operating profit within refrigeration, heating and air conditioning

- The total yield of the Beijer share has amounted to 22.5 per cent per annum compared with the SIX Return Index which has yielded 4.9 per cent per annum.

- An investment of SEK 1M in 1983 gave 9,901 shares. Share splits and reinvested dividends have meant that the number of shares had increased to 717,901 shares to a value of SEK 77.5M at the 2012 year end. Up until mid-February 2013, the holding had risen to SEK 84.7M. In addition, a dividend of SEK 3.4M is awaiting if the Annual Meeting of shareholders adopts the year's dividend proposal.

The historic development is no guarantee for the future, but G & L Beijer has a well-tried business model. In addition, G & L Beijer has extensive expertise of acquisitions, their integration and gaining synergies from acquisitions as well as a solid financial platform. There are also continued significant opportunities to expand both organically and through acquisitions in the global market for refrigeration, heating and air conditioning.

This is how we have made our calculation

Total yield includes reinvested dividends. For the period 1984-1992, the annual dividends, including distribution of capital, have been reinvested at the share price at the year end. For the period 1993-2012, the annual dividends, including the payment for the distribution of Beijer Electronics in 2000, have been reinvested at the share price on 31 May every year. The total yield has amounted to 16.2 per cent per annum.

It has not been possible to procure an index for the total yield during the period 1984-1992. The calculation is, therefore, based on the OMXS Index of the Stockholm Stock Exchange which showed a return of 7.65 per cent per annum during the period. The yield has been estimated to 2.35 per cent which gives a total return of 10 per cent per annum. For the period 1993-2012, the Six Return Index has been used. SRI returned 12.7 per cent per annum during the period. Linked, the total return for the index amounts to 11.9 per cent per annum during the years 1984-2012.

G & L Beijer's subscription price of SEK 101 in 1983 is today equivalent to SEK 4.28 after adjustments through bonus issue, distribution of capital, the distribution of Beijer Electronics and two share splits. The share price at the 2012 year end was SEK 108, equivalent to a price rise of 11.8 per cent per annum. The yield – dividend in relation to share price every year – has amounted to 4.4 per cent on average.

The OMXS Index of the Stockholm Stock Exchange without dividends increased by 9.1 per cent per annum in 1984-2012. During the same period, the yield amounted to 2.8 per cent per annum on average.

Inflation, measured as an annual average for the consumer price index, has amounted to three per cent per annum between 1984 and 2012. SEK 1M in 1983 is equivalent to SEK 2.37 in current monetary value. In real terms, G & L Beijer has yielded 12.8 per cent per annum whereas the real yield for the Stock Exchange has amounted to 8.6 per cent.

CONCERN ABOUT THE CITY'S 'UGLIFICATION'

This is the second part in a series of articles about the history of G & L Beijer. In 1861, Gottfried Beijer (born 1838) and his brother Lorens (born 1839) register the company, G. Beijer, in order to carry out agency and commission transactions of grain. When Lorens Beijer joined the operation, the company changed its name to G & L Beijer.

During the second half of the 19th century, Malmö was not known as it is today as the 'city of parks'. If anything, it could have been called the 'city of chimneys'. This is because, with some 90 factories encircled by canals, the city was in reality one large industrial estate.

However, in the midst of the chimney stacks and their sooty emissions, a 'green wave' began to emerge which would soon make Malmö a much leafier city. The keenest advocate of all towards this move was Gottfried Beijer.

Malmö developed at breakneck speed during the first half of the 19th century. The industrial revolution was in full swing and self-confidence had begun to recover after the 150 long lean years that had followed since the Swedes had captured Skåne in 1658. A signal heralding that new and better times were approaching for Malmö came when King Gustav IV Adolf and his Queen Fredrika moved the Swedish Court to the city and it provided great pride to the residents that the royal couple ruled Sweden from there during the Napoleonic Wars in 1806-07.

Rumours began to circulate that Malmö would be made the capital of Sweden which galvanised the city's leadership. The city wall and the moat, which had encircled the city since the Middle Ages, were demolished and filled in. Malmö was to become much 'classier' and the mediaeval city centre was expanded with Drottning Frederikas Torg and Gustav IV Adolfs Torg. When the King was dethroned in 1809 following his unsuccessful wars, the two squares were discretely renamed Drottningtorget and Gustav Adolfs Torg. Today, only a few Malmö citizens know after whom the squares have been named.

With the increasing prosperity that followed industrialisation, growing social divides started to appear. An affluent middle class developed in line with the increasing number of profitable factories whilst poor and large working-class families lived in crowded small apartments. At the time, there were no green areas nearby offering an opportunity for recreation. Instead, people lived in close proximity to the city's smoking factories surrounded by a

canal which, during summer, smelt like the slow-flowing sewage ditch which in reality it was.

From the surrounding world came signals of a new trend. Every self-respecting large city acquired forest-like plantations in city parks which offered its citizens the opportunity to breathe fresh air and enjoy the smell of grass. In Malmö, public opinion was greatly in favour of the city laying out a park in an area which is currently known as Gamla Väster.

In the mid-19th century, this area had been an uninhabited field for 200 years. As early as the 14th century, urban buildings had reached right up to the castle moats and, at the end of the 15th century, one of the largest Franciscan monasteries was constructed in this area. After the Reformation during the 1530s, the monastery was redeveloped into a hospital with an adjacent pauper's cemetery. Later, in 1660, after the new Swedish masters had the old monastery and all its surrounding buildings demolished in order to enable the unrestricted firing of the castle cannons. Later still, the area was left completely abandoned.

However, in the mid-19th century, a bizarre and rather macabre activity gathered pace when unscrupulous fortune seekers began to dig up the old graves in pursuit of skeleton parts. Bone meal could be sold as fertiliser and there was a lucrative trade in broken skulls. In the end, the city leadership took action and decided to transform the waste ground into Malmö's first park, Slottsparken. The Danish landscape architect, O. Hoegh Hansen, was engaged and, inspired by the modern romantic ideal emerging from England, he constructed a park with 25,000 newly-planted trees and bushes and where only two straight avenues betrayed the old fortification.

However, when Slottsparken was opened in 1872, it was not intended for public amusement. The park was fenced in and guarded by sentries. Walking on the grass was strictly forbidden, picnic hampers were not permitted and children were definitely not allowed to romp and play. It may not have been expressly stated, but the subliminal message was nevertheless crystal clear. Slottsparken, with its long gravel paths, was intended purely for sedate walks undertaken by the city elite and the privileged middle class.

Soon thereafter, a group of more socially-oriented people within the city's leadership raised the question of developing more green spaces. In 1881, Planteringsföreningen began its operation with several of the city's leading personalities on its board of directors. One item it promoted was to establish a large and open people's park which, in contrast to the conventional Slottsparken, would offer healthy recreation for all social classes. The brothers

Beijer were both involved, but the driving force behind Planteringsföreningen was its vice chairman, the wholesaler Gottfried Beijer.

The idea was originally that the people's park would be a continuous green passage which stretched from Kockums Mekaniska Verkstad at Davidshall across what was the Malmöhus hussar regiment's abandoned exercise ground south of the castle right down to Öresund.

On 16 February 1881, the representatives of Planteringsföreningen, Gottfried Beijer and the master printer G Alfred Nilsson, submitted 38 petitions and 1,078 signatures to Malmö City Council. Planteringsföreningen emphasised that it was concerned about the city's 'uglification' and the lack of green spaces accessible for all. The concept of social equality was definitely included in the vision, but this had to be advocated via representatives for, in spite of the fact that working-class population represented more than half of the city's 38,000 inhabitants, they lacked representation in the City Council.

Planteringsföreningen was of the opinion that its park proposal could increase the 'comfort, health and amusement of all social classes after they had ended their daily work'. With more than 30 acres of forest plantation adjacent to the city's western neighbourhood, Malmö would get an injection of much needed oxygen.

The issue was not a new one. As early as 1860, the mayor of Malmö, Jacob Malmborg, had wanted to construct a city park, partly with the intention of offering the workers of Malmö a sounder alternative for amusement in their very limited leisure time than going to the tavern where alcohol and gambling frequently resulted in family tragedies and social misery after the week's wages were gambled away.

However, the reasoning behind the park was not purely philanthropic. Revitalising the city and making it more representative would also be good for business. Planteringsföreningen, therefore, also argued for the replacement of the small cafeteria in Slottsparken with a more elegant restaurant. Malmö was to host an agricultural exhibition during the summer of 1881 and it would be embarrassing if the people of Malmö could not offer the city's visitors, who had travelled some distance to get there, a place for refreshments in the city's only park.

As the vice chairman of the city council, chairman of the park committee and vice chairman of the port board, Gottfried Beijer carried some weight. In his role as an interested party in plantation and park development, he emphasised that the embellishment of the city was vital. The decision regarding the restaurant was immediately pushed through and during the same year, in July 1881, King Oscar II inaugurated Slottsparken. During the inauguration, the King also approved the change of name for the park to King Oscar's Park. In popular parlance, this was soon abbreviated to Kungsparken, the King's Park.

However, it was tougher to push through the concept of a large and open people's park. When the decision was postponed, the brothers Beijer instead proposed that their company, G & L



Beijers Park in modern times

Beijer, should be allowed to lease a three acre site for constructing a forest park in Kirseberg which would accrue to the city after the end of the term of the lease. This was approved and Beijers Park was established in 1885. Thanks to their international trading operation, the brothers Beijer could buy plants from other countries which provided Beijers Park with a number of exciting and exotic features.

However, Planteringsföreningen had not given up the idea of the people's park. Through indefatigable lobbying it succeeded in getting through the planting of thousands of trees and bushes on parts of the exercise field which the Malmöhus hussars had started to abandon south of the castle. After the large industrial and handicraft exhibition in 1896, the city passed a resolution that all old military land should be transformed into a park area. Some 15 years after Planteringsföreningen's initiative, the large park had at last started to become a reality.

Once again, a Danish landscape architect, Edvard Glaesel, was given the assignment. Edvard Glaesel derived his inspiration from the American landscape architect, Frederick Law Olmsted, whose ideas for an everyday park for all ages and all social classes was probably best exemplified through his work with the development of Central Park in New York. Construction began in 1897 and, three years later, the 21 hectare Slottsparken could be inaugurated with forest areas, lawns, walking lanes, rippling streams and a smart transformation of the old marsh into a pond.

Possibly Planteringsföreningen's biggest enthusiast, Gottfried Beijer, just had time to experience the magnificent Slottsparken before he died in 1901. However, Planteringsföreningen continued to pursue the idea that the city of Malmö should also allow Beijers Park, leased by the company, to be transformed into a people's park. In 1904, it was finally opened as a 'green lung' for the rapidly growing population in Östra Förstaden and Kirsebergstaden. A new and greener Malmö had started to emerge.



Business concept

G & L Beijer is a technology-oriented trading Group within refrigeration, heating and air conditioning. Through a combination of added-value agency products and products of the company's own development, the Group will offer competitive solutions for a large number of customer groups.

Objectives

Beijer Ref aims to strengthen its position further as the leading operator in Europe and to increase its business activities in the global market. The objective is to grow faster than the market.

The Group aims to achieve a return on capital employed in operations of at least 11 per cent.

The Group normally has good cash flows and a high-dividend capacity. The objective is to distribute 30-70 per cent of profit after tax. However, the level will be weighted every year against the Group's capital requirements and prospects for the future.

The equity ratio shall not normally fall below 30 per cent.

Strategy

G & L Beijer will concentrate its operations on refrigeration, air conditioning and heat pumps.

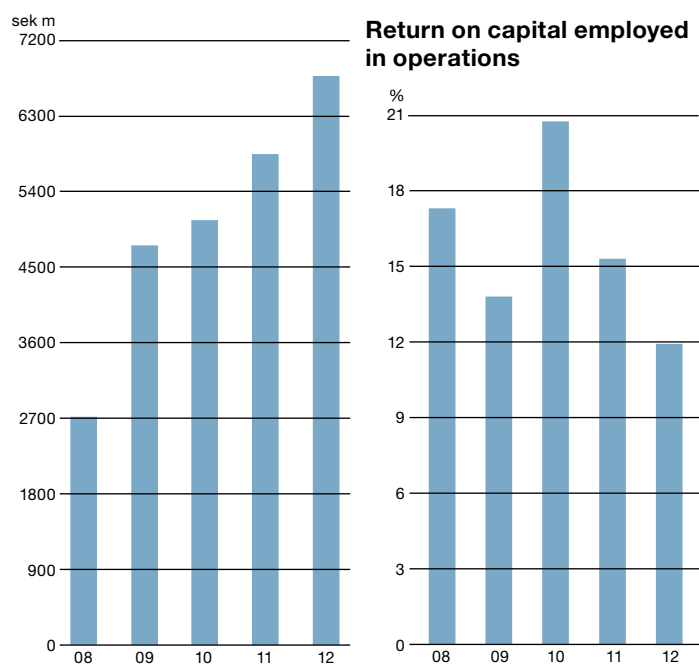
The resources are mainly concentrated on the wholesale operation. G & L Beijer will continue to grow by developing the operations in existing markets through organic growth and supplementary acquisitions as well as acquisitions in new geographic markets in Europe and in the global market.

The Group gives a priority to long-term and stable business relationships.

The Group will optimise the diverse requests of different interested parties. The primary interest groups consist of shareholders, customers, employees and suppliers.

Business model

G & L Beijer's business model has been sustainable and stable over the years. The fundamental concept is the focus on trading operations and on the distribution of refrigeration components and air conditioning. The Group's value chain consists of: agency agreements; purchasing; some manufacturing; processing and customer adaptation of products by contributing technical expertise; efficient logistics

Net sales**Net sales**

The figures in the diagram relate to existing operations.

Return on capital employed in operations

Figures relating to return on capital employed in operations in the diagram relate to existing operations for all periods. For 2010, the capital gain from the divestment of Beijer Tech is also included. The comparative figures of the balance sheet items have not been changed.

and warehousing; system solutions; and by offering technical support and service. Vis-à-vis G & L Beijer's suppliers, the Group accounts for knowledge and experience of the market and customer needs and demands.

G & L Beijer identifies and evaluates critical variables in the value chain which means that the customer's operation and the running of it are put in focus. These variables include: decentralisation; local presence; accessibility; rapid and efficient deliveries; and service.

Long-term planning and stability are characteristics which typify G & L Beijer's relationships with suppliers and customers. At the same time, the ability to change is also an important cornerstone. The Group has undergone gradual changes and adaptations to new market conditions. Operations have been divested or distributed and new operations have been added.

G & L Beijer has a comprehensive product range. G & L Beijer's products are found among customers in a large number of sectors. G & L Beijer has a good geographic spread with sales in 21 countries in Europe as well as sales in Thailand, South Africa, Botswana, Mozambique and Namibia. The total number of customers amounts to approximately 50,000.

The Group's markets are mature and show moderate growth. G & L Beijer strives to increase growth, partly through acquisition. Over the past five years, 2008-2012, the Group has reported average annual growth of 22 per cent.

The robust business model also generates stable results. During the five-year period, operating profit has increased by 12 per cent per annum on average. The operating margin (operating profit in relation to sales) has averaged 7.1 per cent during the five-year period. It has shown variations with a high of 9.2 per cent and a low of 5.9 per cent. Return on capital employed in operations has averaged 16.0 per cent. Return on equity was 16 per cent on average.

G & L Beijer's value creation benefits its shareholders in the form of dividends and potential price growth. The dividend over the past five years has averaged 55 per cent of profit after tax. G & L Beijer's shareholders have received a total yield (dividend plus share-price growth) of 7.5 per cent per annum on average during the five-year period, 2008-2012. The comparable index - the SIX Return Index - has yielded 3.8 per cent during the same period.



The G & L Beijer Group is focused on trading and distribution operations within refrigeration products, air conditioning and heat pumps. The product programme consists mainly of agency products.

Overall, operations are controlled by the Board of Directors and the parent company through target formulation and target monitoring of the Group's business operation - Beijer Ref. The parent company acts through work on the Board of Directors of the business operation and takes a proactive part in acquisition processes, strategic decisions, etc.

During 2012, G & L Beijer focused on consolidation after the large acquisitions in recent years.

Previous acquisitions contributed to enabling G & L Beijer to report its highest sales so far for 2012. United Refrigeration's operations in France and the United Kingdom, which were acquired during the fourth quarter of 2011, were restructured during the year which resulted in lower expenses and increased profitability.

Toshiba's operation within air conditioning and heating, which was also acquired during the fourth quarter of 2011, reported lower sales during 2012 compared with the operation's annual sales at the time of acquisition. The lower demand brought about some reductions and cost savings

in different markets. The Toshiba operation contributed significantly to the results.

In order to mitigate the general slowdown in demand in the market, a number of structural measures and cost savings were initiated and implemented. The different measures are expected to generate annual cost savings of approximately SEK 40M.

G & L Beijer carried out two acquisitions with total annual sales of approximately SEK 60M. In January 2012, G & L Beijer acquired the Norwegian company, Ecofrigo AS, which reported annual sales of approximately SEK 35M. Ecofrigo is a project-oriented refrigeration distribution company which mainly operates within the planning and distribution of environment-friendly chillers and refrigerants. In August, G & L Beijer acquired the Irish refrigeration company, Gasco Ireland Ltd. Gasco reported sales of approximately SEK 22M. The acquisition was a step forward in the consolidation of the Irish market. During 2012, G & L Beijer initiated the establishment of a refrigeration wholesale operation in Germany with two offices, one in Ratingen and one in Leipzig.

Sales

Consolidated sales increased by 16 per cent to SEK 6,758.3M (5,846.4). The increase is explained by acquisitions.

Operating profit

Consolidated operating profit amounted to SEK 415.2M (432.5), equivalent to an operating margin of 6.1 per cent (7.4). The fall is due to lower organic sales.

Profit after financial income/expense and tax

Financial income/expense amounted to SEK -10.3M (55.4). Financial income/expense included a capital gain of SEK 22M from the divestment of a participation in the associated company, Förvaltnings AB Norra Vallgatan, during 2012. In 2011, a capital gain of SEK 51.7M was included from the divestment of shares Beijer Alma. Profit before tax was SEK 404.9M (487.9). Profit after tax amounted to SEK 305.8M (374.0).

Profitability

Return on capital employed in operations and capital employed amounted to 11.8 per cent (15.3) and 11.6 per cent (14.9) respectively. Return on equity was 12.7 per cent (15.7).

Other financial information

Consolidated capital expenditure including acquisitions amounted to SEK 88.3M (1,004.8). The cash flow from current operations before changes in working capital was SEK 345.1M (384.8). Liquid funds, including unutilised bank overdraft facilities, were SEK 538.0M (677.2) at the year end. Shareholders' equity amounted to SEK 2,415.1M (2,418.9). The net debt was SEK 1,208.5M (1,161.1). The equity ratio amounted to 48.2 per cent (47.5).

Parent company

The parent company, G & L Beijer AB, reported profit after financial income/expense of SEK 288.1M (192.1). Financial income/expense included a capital gain of SEK 51.9M from the divestment of a participation in the associated company, Förvaltnings AB Norra Vallgatan, during 2012. In 2011, a capital gain of SEK 51.7M was included from the divestment of shares in Beijer Alma. Profit after tax amounted to SEK 289.9M (169.2). The parent company's investments amounted to SEK 0.9M (0.5).

Currency

G & L Beijer's sales are transacted in Europe and South Africa, Botswana, Namibia, Mozambique and Thailand. SEK accounts for 5 per cent of total sales, EUR for 58 per cent, GBP for 8 per cent, DKK for 5 per cent and NOK for 4 per cent. EUR accounted for 71 per cent of purchases, SEK for 3 per cent, other European currencies for 16 per cent and USD for 4 per cent.

Organisation and staff

G & L Beijer has a decentralised organisation. Operations are carried out in a number of subsidiaries which are co-ordinated under Beijer Ref. The control of the operations is carried out through target formulation and monitoring of set targets. The parent company has overall responsibility for Group management and Group control.

In 2012, the Group had an average of 2,141 employees (1,867). The parent company, including Beijer Förvaltning AB, had seven employees (7) on average. The number of employees in Beijer Ref was 2,134 (1,860).



The starting point of G & L Beijer's social responsibility is that the Group shall take into account the various interests of different interested parties. The primary interest groups comprise shareholders, customers, employees and suppliers.

A company's social responsibility is often split into three parts: taking economic, environmental and social responsibility. Sometimes, a fourth dimension is added in the form of taking ethical responsibility. A company's sustainability is sometimes used as an overall term.

The framework for G & L Beijer's work is determined based on the Group's specific prerequisites. G & L Beijer mainly carries out trading and distribution of refrigeration components, air-conditioning equipment and heat pumps. The value chain consists of agency agreements; purchases; some manufacturing; assembly; processing and customer-adaptation of products through contributing technical expertise; efficient logistics and warehousing; system solutions as well as offering technical support and service.

During the past ten-year period, G & L Beijer has grown rapidly with a large number of acquisitions. The Group currently consists of around 40 companies in 27 countries, with the emphasis on Europe. The starting point for the Group's sustainability work is that all companies shall comply, and do comply, with European legislation, EU directives, national and local laws and regulations. Monitoring is taking place in the different companies' boards of directors and management groups.

G & L Beijer's suppliers of products within refrigeration, air conditioning and heat pumps essentially consist of large well-known global companies which are often the leaders in their sector. The suppliers have normally formulated their own policies which include working conditions, ethics, environment, human rights, etc. G & L Beijer's relationships with suppliers are usually long term and based on different types of distribution agreements. G & L Beijer has an expressed strategy to work with suppliers who have a significant focus on the product development of energy-efficient and environment-friendly solutions.

The Group carries out operations, which are obliged to be licensed, through filling stations for different types of refrigerants. The activities are regulated through EU directives as well as local and national directives. Among other things, demands are made on care in manufacturing, scrapping, service or risk of leakage. G & L Beijer has statutory demands on the destruction of refrigerants. The Group's ambition is to be at the forefront with regard to environment-friendly refrigerants.

G & L Beijer's direct environment impact is relatively limited and primarily comprises the transportation of the Group's products.

G & L Beijer's overall guidelines are that the Group and the companies included in the Group shall contribute to a sustainable development. The Group shall offer advanced technical services and products which meet the customers' requirements and which make the least possible impact on the environment during the entire life cycle of a product, taking into account what is technically possible and commercially defensible. G & L Beijer will strive to ensure that the Group's ambitions become known and are communicated through an open and factual dialogue with different interested parties.





SALES AT A NEW RECORD LEVEL

G & L Beijer's operations are carried out in the Beijer Ref business area which markets and sells complete refrigeration systems, refrigeration components, air conditioning and heat pumps in 21 countries in Europe and in South Africa, Namibia, Botswana, Mozambique and Thailand. Toshiba's distribution operation within air conditioning and heating, with sales in 11 countries in Europe, forms an area of operation within the Beijer Ref business area.

2012 operations

Beijer Ref reported a good development for 2012. During the year, the business area could again report a new record level for sales whereas operating profit was slightly lower compared with the previous year. The year started strongly, but demand in the market slowed down significantly during the second and third quarters. During the fourth quarter, demand stabilised.

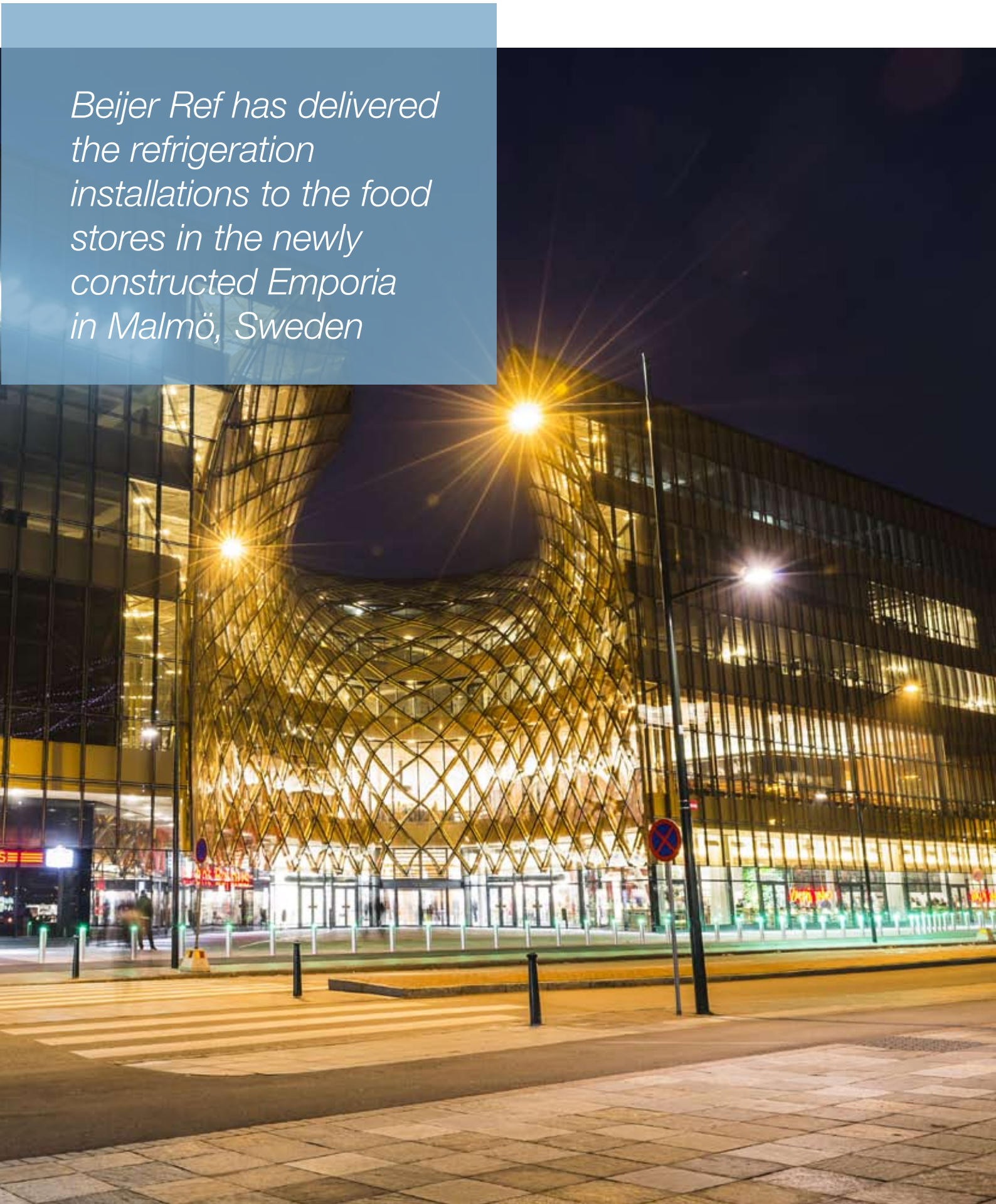
The business area's sales were affected positively by acquisitions. The acquisition of United Refrigeration's refrigeration wholesale operations in France and the United Kingdom during the fourth quarter of 2011 meant that Beijer Ref strengthened its position in the French and British markets. In January 2012, the Norwegian company, Ecofrigo, was acquired and, in August, the Irish company, Gasco Ireland Ltd, was also acquired. Ecofrigo and Gasco contributed sales of approximately SEK 60M on an annual basis.

Recent years' acquisitions and a generally weaker market meant that the focus on structural measures and cost savings was intensified. During the year, a number of measures were carried out aimed at mitigating the weaker demand. In Switzerland, one company was closed and the operations merged into two companies. In Italy, the workforce was reduced. In the United Kingdom, an office in London was closed and the operation moved to the distribution centre in Leeds. In Ireland, the recently acquired company, Gasco, was merged with the existing operation there. In Holland and Belgium, significant savings programmes were carried out. In total, the different measures are expected to generate annual cost savings of approximately SEK 40M.

In addition to the acquisitions, Beijer Ref's current sales were affected by the stronger SEK on translation of sales in foreign currencies into SEK. Adjusted for acquisitions and currencies, i.e. organic, sales for 2012 fell by around three per cent. The development of Beijer Ref's sales in different markets showed a divided picture.

In southern Africa, the positive trend continued with strong growth figures. Thailand also reported strong growth. Sales in southern Europe, which is the business area's largest region, showed stable development, especially in France and Spain, whereas Italy reported a weaker development. Sales in the Scandinavian countries fell as they did in eastern Europe. However, Poland, which is the most important

Beijer Ref has delivered the refrigeration installations to the food stores in the newly constructed Emporia in Malmö, Sweden





market in eastern Europe, reported a good development. The Baltic States and Hungary were stable whereas Romania, the Czech Republic and Slovakia had some problems. Sales in the United Kingdom increased as a result of acquisitions whilst organic sales were slightly weaker. In central Europe, including Belgium, Holland and Switzerland, sales volumes increased slightly.

Total sales were also affected by a relatively substantial fall in the price of refrigerants. Refrigerants are a bulk product the price of which is controlled by supply and demand in the world market. However, the volumes for refrigerants have shown strong growth. The price fall also affected profit in absolute figures whilst the margins are unchanged.

During 2012, G & L Beijer initiated the establishment of a refrigeration wholesale operation in Germany. Two offices/branches were established in Ratingen and Leipzig. Beijer Ref is deemed to have won market share in the markets in which the business area operates.

Toshiba's distribution operation within air conditioning and heating was acquired during the fourth quarter of

2011 and forms an area of operation within Beijer Ref. Toshiba contributed sales of approximately SEK 1 billion for 2012. It meant a fall compared with Toshiba's annual sales pro forma at the time of acquisition. The fall was also larger than the organic fall for G & L Beijer's other operations, but the rate slowed down during the fourth quarter. The operation within Toshiba has a stronger cyclical and seasonal pattern than G & L Beijer's other operations. The second and third quarters are relatively stronger and the first and fourth quarters are relatively weaker periods.

Toshiba's distribution operation works in eleven markets in Europe. Italy and Spain, two of the three largest markets in Europe, decreased in 2012. This was mainly due to the economic crisis. The French and German markets were more stable during the year but declined compared with 2011. The Nordic residential markets fell in 2012 whereas the commercial market was stable. Toshiba's operation developed in line with these market trends in each respective market.

The lower demand has been mitigated by gradual reductions and cost savings in different markets. The reduced



sales volumes meant a lower operating profit for 2012 compared with the result on an annual basis at the time of acquisition. Nevertheless, the Toshiba operation has made a significant contribution to the result and the profitability, measured as an operating margin, was on a par with the Group's other operations.

Geographic distribution of sales

G & L Beijer's operations have a good geographic spread of the sales of products within refrigeration, heating and air conditioning. In southern Europe, which is the largest market with 41 per cent of sales, sales increased by 29 per cent. In central Europe, which accounts for 18 per cent of sales, sales fell by seven per cent. In the Nordic countries, sales fell by 11 per cent and represented 17 per cent of total sales. The United Kingdom and Ireland reported an increase of 10 per cent and accounted for eight per cent of total sales. With a fall in sales of five per cent, eastern Europe accounted for four per cent of total sales. Southern Africa reported a growth of four per cent and accounted for nine per cent of total sales. In Thailand, sales increased by 24 per cent and accounted for three per cent of total sales.

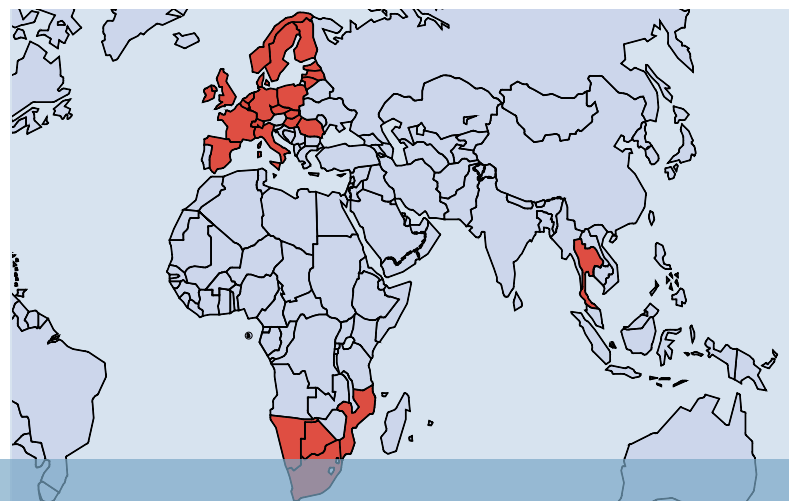
Sales

Total sales increased by 16 per cent to SEK 6,758.3M (5,846.4). Sales were affected positively by acquisitions and negatively by lower demand and generally weaker foreign currencies on translation into SEK. Adjusted for acquisitions and currency fluctuations, organic sales fell by 2.7 per cent.

Commercial refrigeration reported sales of SEK 5,060.5M and accounted for 75 per cent of total sales. Air conditioning and heat pumps reported sales of SEK 1,583.4M and accounted for 23 per cent of sales. The manufacturing companies reported sales of SEK 114.4M, equivalent to two per cent of sales.

Operating profit

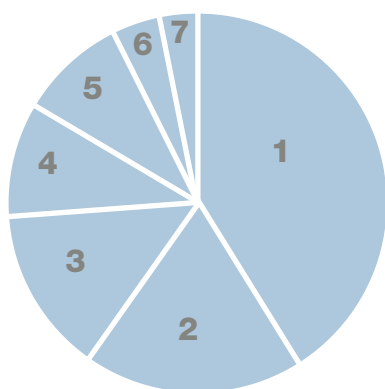
Operating profit amounted to SEK 447.5M (462.6). The operating margin was 6.6 per cent (7.9). Acquisitions contributed positively to the result. The lower organic sales affected profit negatively.



Per Bertland
Beijer Ref

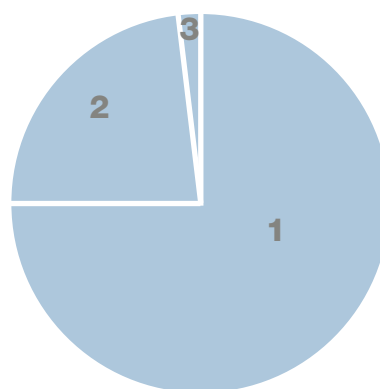
sek m	2012	2011	2010	2009	2008
Net sales	6 758.3	5 846.4	4991.9	4757.8	2714.1
Operating profit	447.5	462.6	365.8	299.3	270.4
Return on capital employed in operations, %	13.7	16.7	15.7	17.5	23.6
Number of employees	2134	1860	1650	1584	846

Geographic distribution
of net sales



1. Southern Europe 41%
2. Central Europe 18%
3. The Nordic countries 17%
4. South Africa 9%
5. UK & Ireland 8%
6. Eastern Europe 4%
7. Asia 3%

Distribution
of net sales



1. Commercial refrigeration 75%
2. Comfort cooling 23%
3. Manufacturing 2%

The Beijer Ref business area is a leading refrigeration and air-conditioning wholesaler in Europe with sales in 21 countries. The business area also has significant operations in South Africa, Botswana, Namibia and Mozambique as well as in Thailand. Beijer Ref also carries out some manufacture of heat exchangers and the assembly of refrigeration units. Beijer Ref's competitive edge lies in its technical competence relating to its products, its comprehensive product range and its ability to offer efficient overall solutions.

Products

Beijer Ref markets and sells complete refrigeration systems and components for refrigeration systems as well as air conditioning and heat pumps. The product programme consists of products developed by the company and features most of the best-known brands in the sector. The offer to customers is characterised by turnkey system solutions which simplify installation.

Beijer Ref's products are mainly used in refrigeration and freezer counters, refrigeration and cold storage rooms, as well as for air conditioning and ventilation. The products are found in different environments such as food stores, shopping centres, factories, offices, computer rooms, ice rinks, private residences, hotels, etc.

In simple terms, a complete refrigeration system consists of the following components:

- A compressor which pumps a refrigerant through a cooling system.
- A refrigerant which transports heat away from the refrigerated area.
- Heat exchangers of various types such as evaporators, condensers or coolers.

Beijer Ref offers the market a total of tens of thousands of different products in the refrigeration sector.

Wholesale & trading companies

Beijer Ref's group of wholesale and trading companies is the leading operator in Europe. The company has agencies for a number of products within the refrigeration segment such as compressors, refrigerants, control and monitoring equipment, and various components. Beijer Ref represents leading companies in the sector within the different product areas, including Alfa Laval, Armacell, Bitzer, Bock, Carel, Castel, Emerson, Frigabohn, Danfoss, Honeywell, Ineos, Johnson Controls, Luve, Cupori, Electrolux, Henry and L'Unité Hermetique.

The Swedish and Norwegian wholesalers also assemble customised fluid-refrigeration units. The Italian SCM Frigo group designs, develops and builds chillers. The company is also at the forefront of technical development of refrigeration units for new environment-friendly solutions.

The products within comfort cooling (air conditioning and heat pumps) are sold on an agency basis from the Japanese companies, Toshiba, Mitsubishi Heavy Industries, Mitsubishi Electric, Hitachi, Samsung and Daikin as well as from the Italian company, Aermec, and the South Korean company, LG. The Aircool air-conditioning unit is an own-brand product. In addition, Beijer Ref distributes products from the Carrier group and also has the rights to market and sell Carrier's brand, Totaline, within refrigeration and air conditioning.

Beijer Ref's competitive edge lies in its technical competence relating to the products, an extensive and varied product range and, above all, the opportunities to offer customers efficient overall solutions. In addition, Beijer Ref enjoys long-term durable relationships with its customers.

The wholesale and trading companies within refrigeration systems accounted for approximately 75 per cent of the business area's sales in 2012. Comfort cooling accounted for around 23 per cent.



Manufacturing companies

The manufacturing companies carry out development, manufacturing and sales of the business area's own products such as heat exchangers, evaporators and condensers. Production is carried out in South Africa, which is a fully-integrated part of the distribution operation, and in Norway, which is focused on technologies for specific areas of use.

The manufacturing companies accounted for approximately two per cent of the business area's sales in 2012. All of the manufacturing companies' sales are made to external companies.

Market and market segments

Beijer Ref is established in 21 markets in Europe: Sweden, Denmark, Norway, Finland, the United Kingdom, Ireland, Holland, Switzerland, Germany, Poland, the three Baltic States, Hungary, Rumania, the Czech Republic, Slovakia, France, Italy, Spain and Belgium. Beijer Ref also has significant operations in Thailand and South Africa as well as an operation in Mozambique and offices in Namibia and Botswana.

The market is split into three segments: commercial refrigeration, industrial refrigeration and comfort cooling.

- Commercial refrigeration dominates the business area and consists mainly of complete refrigeration systems and components for refrigeration systems. The food retail sector and the restaurant sector are the largest end-customer groups.
- Industrial refrigeration is mainly used by food industries, process refrigeration, ice rinks and in large heat pumps.
- Comfort cooling is air conditioning for offices, private residences, cars and heat pumps.

The European market for commercial and industrial refrigeration is estimated to be worth approximately SEK 25 billion per annum. Demand in the business area's largest segment, commercial refrigeration, is relatively stable and only partly varies with the economic trend. There are several driving forces behind a rising trend in demand for refrigeration. Rising consumption of refrigerated and frozen products, as well as the establishment of new food supermarkets, benefits the segment. In addition, the market is being positively affected by decisions made by the autho-



rities, such as the requirement to convert to more environment-friendly refrigerants. Refrigeration units emit surplus heat and with higher energy prices new technical solutions are created to recover the heat.

The market for comfort cooling in Europe is estimated at approximately SEK 20 billion per annum. From a trend viewpoint, the market enjoys good growth but it is more cyclical than commercial refrigeration. Climate installations in work locations and in cars are becoming increasingly common.

Beijer Ref's sales are mainly made to refrigeration installation contractors, service companies and manufacturers of refrigeration products which, in turn, deliver to end customers. The market consists of a small number of large customers and a significant number of small and medium-sized customers.

Competitors

Beijer Ref is the market leader in Europe. Major competitors of the wholesale and trading companies in Europe are the Spanish company, Pecomark; and the German companies, Schiessel, Fischer, Frigotechnik and Reiss. The Nordic competitors are Ahlsell and Onninen. In addition, there are a large number of small competitors.

The manufacturing companies face competition from Alfa Laval, Luvata, Güntner and GEA.



Toshiba's distribution operation within heating and air conditioning is one of the leading operators in Europe.

Toshiba's product programme within HVAC (*heating, ventilation and air conditioning*) comprises air-conditioning units, heat pumps and ventilation systems. The brand has a stable position within the upper segments of air conditioning. The products are characterised by high quality and product development is focused on energy efficiency, consideration for the environment and a high level of comfort.

The distribution of Toshiba's products comprises sales in 11 European markets: Germany, France, Spain, Portugal, Italy, Sweden, Finland, Poland and the three Baltic States. The total market worked in these countries is estimated to be worth approximately SEK 20 billion.

There are several factors which drive long-term market growth. Higher energy prices, especially oil prices, en-

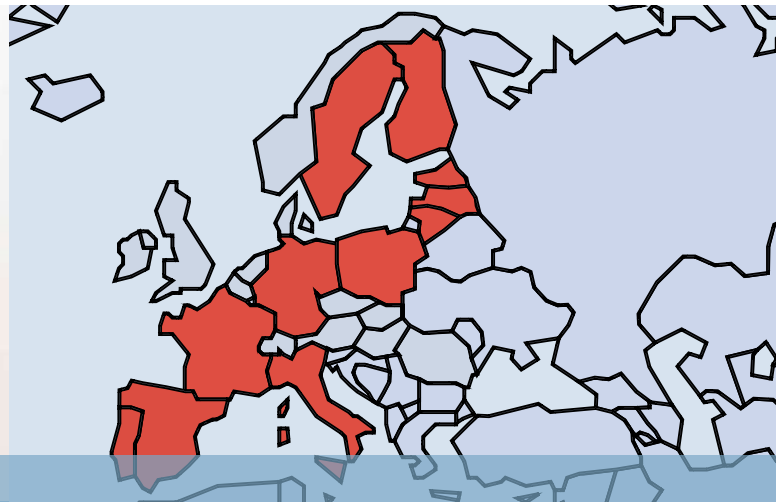
courage a change-over to renewable energy sources and increased energy efficiency. Increased care for the environment works in the same direction. Legislation and tax incentives are also aimed at increasing the use of renewable energy sources and stimulating energy savings.

All factors contribute to increased demand for energy-efficient and environment-friendly solutions both within new construction and the replacement market. However, the market can vary from year to year, partly due to the weather, changed legislation, taxes and different incentives as well as to the general economic trend. Normally, the operation also has a clear seasonal pattern with strong second and third quarters whilst the first and fourth quarters are relatively weaker.

Japanese brands and products dominate the west European market. Leading Japanese brands are estimated to have a total market share of more than 60 per cent. In Europe, Toshiba is one of the four leading brands in the market.



Yann Talhouet
Toshiba HVAC



In addition to the four largest brands, there are some ten operators, including a number of Japanese, Korean and Chinese companies.

Italy, Spain and France are the largest markets for direct expansion systems in western Europe. The three markets account for 70 per cent of the total western European market and represent a significant part of Toshiba's sales in Europe.

Toshiba's HVAC systems are distributed through advanced professional networks, either dealers or wholesalers. Toshiba's solutions range from residential air conditioning to solutions for heating large offices areas, known as VRF systems. In recent years, high-efficiency air-to-water heat pumps have been launched to replace traditional oil and gas boilers in the heating segment. Commercial and light commercial segments account for more than 50 per cent of sales.

Toshiba's organisation consists of offices and branches as well as warehouses and logistics centres in seven countries. Every entity has a local logistics infrastructure and maintains sufficient inventories to allow 24-72 hour delivery of all products and spare parts in all countries. The Spanish organisation is responsible for Portugal and the Finnish organisation includes the three Baltic States.

The country organisations are directed towards customers. Most of the local organisations consist of sales engineers as well as pre-sale and after-sale support, marketing and logistics teams in order to offer the best possible service to Toshiba's customers.

Purchases of products are made from Toshiba Carrier Corporation's companies in Japan and Thailand. The distribution rights which G & L Beijer holds are exclusive in the respective market.



Bernt Ingman

Peter Jessen Jürgensen

Joen Magnusson

Anne-Marie Pålsson

William Striebe

BOARD OF DIRECTORS

Peter Jessen Jürgensen

Chairman. Born 1949.
Board Member since 1999.
Chairman of Bio Aqua ApS and Scanfort A/S.
Board Member of IKI Invest A/S, Labotek A/S,
Profort A/S, News Cap A/S and G & L Beijer A/S.
Shareholding in G & L Beijer AB: 895 252 A shares
and 1 618 400 B shares.

Joen Magnusson

Board Member. Born 1951.
Board Member since 1985.
Managing Director of G & L Beijer AB.
Board Member/Chairman of a number of
companies in the G & L Beijer Group.
Shareholding in G & L Beijer AB: 945 512 A shares
and 289 032 B shares.

Bernt Ingman

Board Member. Born 1954.
Board Member since 2006.
Chairman of Schneiderföretagen AB.
Shareholding in G & L Beijer AB: 6 000 B shares.

Anne-Marie Pålsson

Board Member. Born 1951.
Board Member since 2003.
Vice Chairman of Länsförsäkringar Skåne.
Board Member of Länsförsäkringar AB.
Executive Member of Kungliga Ingenjörsvetenskaps-
akademien and Kungliga Skogs- och
Lantbruksakademien.
Associate Professor at the University of Lund.
Shareholding in G & L Beijer AB: 3 000 B shares.

William Striebe

Board Member. Born 1950.
Board Member since 2009.
Vice President Business Development of
UTC Climate, Controls, Security.
Shareholding in G & L Beijer AB: 0.

Philippe Delpech

Board Member. Born 1962.
Board Member since 2009.
President of UTC Climate, Controls, Security
– Europe, Middle East, Africa.
Shareholding in G & L Beijer AB: 0.

Harald Link

Board Member. Born 1955.
Board Member since 2010.
Chairman and CEO of B. Grimm Group,
Bangkok, Thailand.
Chairman of Amata Power Ltd, Amata B.Grimm
Power Ltd, Amata Power (Bien Hoa) Ltd,
B.Grimm Energy Corporation and Carrier
(Thailand) Ltd.
Board Member of Siemens Ltd, Carl Zeiss Ltd,
Merck Ltd, Siam City Cement Public Co Ltd and
True Corporation Public Co Ltd.
Shareholding in G & L Beijer AB: 0.



Philippe Delpech

Harald Link

Jonas Lindqvist

Per Bertland

Yann Talhouet

SENIOR EXECUTIVES

Jonas Lindqvist

Chief Financial Officer. Born 1962.
Shareholding in G & L Beijer AB: 1 100.

Per Bertland

Head of Beijer Ref. Born 1957.
Shareholding in G & L Beijer AB:
586 856 A shares and 252 000 B shares.

Yann Talhouet

Chief Operating Officer, Toshiba HVAC. Born 1974.
Shareholding in G & L Beijer AB: 0.

AUDITORS

Lars Nilsson

Authorised Public Accountant, auditor in charge.
Born 1965.
PricewaterhouseCoopers AB.
Auditor in the G & L Beijer Group since 2012.

Cecilia Andrén Dorselius

Authorised Public Accountant.
Born 1979.
PricewaterhouseCoopers AB.
Auditor in the G & L Beijer Group since 2010.



e*



Financial Report

E-mail:



38	Directors' Report
46	Consolidated profit and loss account
46	The Group's report on other comprehensive income
47	Consolidated balance sheet
48	Consolidated changes in equity
49	Consolidated cash flow statement
50	Parent company profit and loss account
50	Parent company's report on other comprehensive income
51	Parent company balance sheet
52	Parent company changes in equity
53	Parent company cash flow statement
54	Notes to the financial statements
54	Note 1 General information
	Note 2 Applied reporting and valuation principles
59	Note 3 Financial risk handling
60	Note 4 Important estimates and assessments for reporting purposes
61	Note 5 Reporting for segments
62	Note 6 Employees and remuneration of employees
63	Note 7 Other operating income
	Note 8 Remuneration of auditors
	Note 9 Lease contracts
	Note 10 Results of participations in Group companies
	Note 11 Financial income
	Note 12 Financial expenses
	Note 13 Appropriations
64	Note 14 Tax on the year's profit
	Note 15 Currency effect in results
	Note 16 Profit per share
	Note 17 Dividend per share
65	Note 18 Intangible fixed assets
66	Note 19 Tangible fixed assets
67	Note 20 Participations in Group companies
68	Note 21 Participations in associated companies
	Note 22 Financial assets which can be sold
	Note 23 Trade debtors and other receivables
	Note 24 Inventories
	Note 25 Liquid funds
	Note 26 Share capital
	Note 27 Untaxed reserves
69	Note 28 Borrowing
	Note 29 Deferred tax
70	Note 30 Pension commitments
71	Note 31 Other provisions
	Note 32 Trade creditors and other liabilities
	Note 33 Pledged assets
	Note 34 Contingent commitments / Contingent liabilities
72	Note 35 Acquisitions of companies
74	Note 36 Divested operations
	Note 37 Transactions with related parties
	Note 38 Transactions with holders with no controlling influence
	Note 39 Events after the balance sheet date
75	Audit Report
76	Five-Year summary



The Board of Directors and the Managing Director of G & L Beijer AB (publ), corporate identity number 556040-8113, submit their annual report and consolidated accounts for the 2012 financial year.

Group

The G & L Beijer Group is focused on trading and distribution operations within refrigeration products, air conditioning and heat pumps. The product programme consists mainly of agency products from leading international manufacturers and, in addition, some manufacture of own products, combined with service and support for the products. The Group creates added value by contributing technical competence to the products; accounting for knowledge and experience about the market; and by providing efficient logistics and warehousing.

Operations are carried out within the Beijer Ref business area including Toshiba's distribution operation within air conditioning and heating. Toshiba is an area of operation within Beijer Ref. The G & L Beijer Group is a leading operator within the refrigeration sector in Europe and has a significant position within air conditioning in Europe. Growth is achieved both organically and through the acquisition of companies which supplement existing operations.

Parent company

The parent company, G & L Beijer AB, is the parent company of the G & L Beijer Group. The parent company carries out central functions such as group management and group control. The company's registered office is in Malmö. The parent company reports profit after tax of SEK 289.9M (169.2) for the 2012 financial year.

Significant events during the financial year

In January 2012, G & L Beijer acquired the Norwegian company, Ecofrigo AS. The company reports annual sales of approximately SEK 35M and has six employees. Ecofrigo is a project-oriented refrigeration distribution company which mainly operates within the planning and distribution of environment-friendly chillers and refrigerants. The acquisition complements G & L Beijer's existing operation in Norway both geographically and product wise. Ecofrigo is included in G & L Beijer's accounts from January 2012.

In June, G & L Beijer carried out a share split (2:1) which meant that each share was divided into two shares of the same class. After the split, G & L Beijer's total number of shares amount to 42,478,230 distributed on 3,306,240 A shares and 39,171,990 B shares. The total number of votes amounts to 72,234,390 after the split.

In August, G & L Beijer acquired the Irish refrigeration company, Gasco Ireland Ltd. Gasco reports sales of approximately SEK 22M and has six employees. The acquisition was a step forward in the consolidation of the Irish market. Gasco is strong within refrigerants and complements G & L Beijer's existing operation in Ireland, which has its main focus on refrigeration products and air conditioning. Annual sales in Ireland after the acquisition amount to approximately SEK 50M pro forma. The merger is expected to generate synergy gains through cost savings. Gasco Ireland Ltd is included in G & L Beijer's accounts from 1 August 2012.

Sales and results

Consolidated sales increased by 16 per cent to SEK 6,758.3M (5,846.4) which was G & L Beijer's highest sales level so far. The increase is explained by acquisitions. Organic sales, i.e. adjusted for acquisitions and currency fluctuations, fell by 2.7 per cent.

The development of the Beijer Ref business area's sales in different markets showed a divided picture. In southern Africa, the positive trend continued with strong growth figures. Thailand also reported strong growth. Sales in southern Europe, which is the business area's largest region, showed stable development, especially in France and Spain, whereas Italy reported a weaker development. Sales in the Scandinavian countries fell as they did in eastern Europe. However, Poland, which is the most important market in eastern Europe, reported a good development. The Baltic States and Hungary were stable whereas Romania, the Czech Republic and Slovakia had some problems. Sales in the United Kingdom increased as a result of acquisitions whilst organic sales were slightly lower. In central Europe, including Belgium, Holland and Switzerland, sales volumes fell compared with high levels in the previous year.

Total sales were also affected by a relatively substantial fall in the price of refrigerants. Refrigerants are a bulk product the price of which is controlled by supply and demand in the world market. However, the volumes for refrigerants have shown strong growth. During 2012, Beijer Ref initiated the establishment of a refrigeration wholesale operation in Germany. Two offices/branches were established in Ratingen and Leipzig. Beijer Ref is deemed to have won market share in the markets in which the business area operates.

Toshiba's distribution operation within air conditioning and heating was acquired during the fourth quarter of 2011 and forms an area of operation within Beijer Ref. Toshiba contributed sales of approximately SEK 1 billion for 2012. It meant a fall compared with Toshiba's annual sales pro forma at the time of acquisition. The decline was also larger than the organic fall for G & L Beijer's other operations but the rate was slowed down during the fourth quarter. The operation within Toshiba has a stronger cyclical and seasonal pattern than G & L Beijer's other operations. The second and third quarters are relatively stronger and the first and fourth quarters are relatively weaker periods.

Toshiba's distribution operation works in eleven markets in Europe. France is the largest individual market from a sales viewpoint and it reported a stable development during 2012. Sales in Germany, which is the second largest market, increased slightly. Sales in Italy were muted whereas sales fell relatively more sharply in Spain. In Finland, demand was relatively stable whilst sales in Sweden were weaker.

G & L Beijer's operations have a good geographic spread of sales of products within refrigeration, heating and air conditioning. In southern Europe, which is the largest market with 41 per cent of sales, sales increased by 29 per cent. In central Europe, which accounts for 18 per cent of sales, sales decreased by seven per cent. The Nordic countries fell by 11 per cent and represented 17 per cent of sales. The United Kingdom and Ireland reported an increase of 10 per cent and accounted for eight per cent of total sales. With a decrease in sales of five per cent, eastern Europe accounted for four per cent of total sales. Southern Africa reported a growth of four per cent and accounted for nine per cent. In Thailand, sales increased by 24 per cent and accounted for three per cent of total sales.

Commercial refrigeration reported sales of SEK 5060.5M and accounted for 75 per cent of total sales. Air conditioning and heat pumps reported sales of SEK 1583.4M and accounted for 23 per cent of sales. The manufacturing units reported sales of SEK 114.4M, equivalent to two per cent of sales.

During the year, Beijer Ref carried out a number of different measures aimed at mitigating weaker demand. In Switzerland, one company was closed and the operations merged into two companies. In Italy, the workforce was reduced. In the United Kingdom, an office in London was closed and the operation moved to the distribution centre in Leeds. In Ireland, the recently acquired company, Gasco, was merged with the existing operation there. In Holland and Belgium, significant savings programmes were carried out. In total, the different measures are expected to generate annual cost savings of approximately SEK 40M. The Toshiba operation carried out gradual reductions and cost savings in different markets.

Consolidated operating profit amounted to SEK 415.2M (432.5). The result was positively affected by contributions from the acquired operations. However, the lower organic sales affected the results negatively. In addition, the result was charged with structural costs of approximately SEK 10.5M for the closure of part of the operation in Switzerland and with setup expenses in Germany. The result was also affected negatively by a significant fall in the price of refrigerants during the year.

The Group's financial income/expense amounted to SEK -10.3M (55.4). Financial income/expense included a capital gain of SEK 22.0M from the divestment of a participation in the associated company, Förvaltnings AB Norra Vallgatan, during 2012. During 2011, a capital gain of SEK 51.7M from the divestment of shares in Beijer Alma was included. Profit before tax was SEK 404.9M (487.9). Profit after tax amounted to SEK 305.8M (374.0).

Profitability

Return on capital employed in operations and capital employed amounted to 11.8 per cent (15.3) and 11.6 per cent (14.9) respectively. Return on shareholders' equity was 12.7 per cent (15.7).

Capital expenditure, liquidity and employees

Consolidated capital expenditure in tangible and intangible fixed assets, including acquisitions, amounted to SEK 88.3M (1,004.8). Liquid funds, including unutilised bank overdraft facilities, were SEK 538.0M (677.2) at the year end. The average number of employees was 2,141 (1,867).

Cash flow, financing and equity ratio

The cash flow from current operations before changes in working capital was SEK 345.1M (384.8). The net debt was SEK 1,208.5M (1,161.1). Shareholders' equity amounted to SEK 2,415.1M (2,418.9). The change in shareholder equity amounted to SEK -3.8M (60.2). It included net profit for the year of SEK 190.0M (217.6) and a deduction for a dividend to the parent company's shareholders of SEK 190.8M (169.6). The equity ratio amounted to 48.2 per cent (47.5) at the year end.

Research and development

Research and development relating to the trading operation is mainly carried out by the suppliers.

Prospects for 2013

The economic activity stabilised at the end of 2012 and the beginning of 2013. Nevertheless, some uncertainty remains about economic growth during 2013. G & L Beijer entered the new year with a lower cost basis. On an improved economic trend, there are good prerequisites for enabling G & L Beijer to increase its sales and profit during 2013.

Reporting principles in accordance with IFRS

As from 1 January 2005, the G & L Beijer Group is applying reporting in accordance with International Financial Reporting Standards (IFRS).

Operating risks

The G & L Beijer Group's operations are affected by a number of external factors the effects of which on the Group's operating profit can be controlled to a varying degree. The Group's business areas are dependent on the general economic trend, especially in Europe, which controls demand for products and services. The Group has a good geographic spread with sales in 21 markets in Europe as well as in South Africa, Namibia, Botswana, Mozambique and Thailand. The Group has a large number of customers and a broad product programme within the areas of operation which usually reduces the risks. Acquisitions are normally linked with risks, for example staff defection. Other operating risks such as agency and supplier agreements, product responsibility and delivery under-

takings, technical development, guarantees, dependency on individuals, etc, are analysed continually and measures aimed at reducing the Group's risk exposure are implemented when required.

Financial risks and risk handling

In its operation, G & L Beijer AB is exposed to financial risks such as currency risk, interest risk as well as re-financing risk and liquidity risk. Group-wide rules and regulations, which are determined by the Board of Directors, form the foundation for the handling of these risks at different levels within the Group. The objective of these rules is to achieve an overall picture of the risk situation, to minimise negative effects on the result and to clarify responsibilities and authorities within the Group. Monitoring to ensure that the rules and regulations are complied with is made by the person responsible and is reported to the Board of Directors. For further information, see Note 3.

G & L Beijer has sales in several countries. The largest sale currencies are EUR, SEK, ZAR, GBP, DKK and NOK. Purchases are mainly made in SEK and EUR. For further information about the Group's currency policy, see Note 3.

Environment

G & L Beijer strives to contribute to ecologically sustainable development. The Group carries out operations which are liable to give notification. These comprise the handling of refrigerants. G & L Beijer is not involved in any environmental disputes.

Corporate Governance Report

1. Introduction

The company has been implementing the Swedish Code for Corporate Governance since 2005 and here submits its Corporate Governance Report for 2012. G & L Beijer has chosen to deviate from the Swedish Code for Corporate Governance on one point. The Election committee has two board members that are not independent of the largest shareholders. The reason is that according to a decision of the 2012 Annual General Meeting, the Chairman of the G & L Beijer Board of Directors is to be a member of the election committee.

2. Annual Meeting

The shareholders' right to make decisions on G & L Beijer's affairs is exercised at the Annual Meeting of shareholders or, where appropriate, at an Extraordinary General Meeting. The Meeting makes decisions about the Articles

of Association and, at the Annual Meeting, the shareholders elect Board Members and the Chairman of the Board of Directors. The shareholders also elect the Auditors and determine their remuneration. In addition, the Annual Meeting deals with resolutions on the adoption of the profit and loss account and the balance sheet, on the distribution of the company's profit and on the discharge from liability towards the company for the Board Members and the Managing Director. The Annual Meeting of shareholders also passes resolutions on the appointment and work of the Election Committee and takes decisions about principles for the remuneration of and employment terms for the Managing Director and other Senior Executives.

3. Preparation of appointment of Board of Directors and Auditors

These are elected annually at the Annual Meeting. An Election Committee was appointed in October 2012. The duties of the Election Committee is to submit proposals for Board Members, Chairman of the Board, Chairman of the Annual Meeting of shareholders and for the remuneration of the Board of Directors and Auditors to be submitted to the Annual Meeting of shareholders on 26 April 2013. The Members of the Election Committee were appointed from the Company's largest owners.

The year's Election Committee consists of the following members:

Peter Rönström (Lannebo Fonder), Chairman of the Election Committee

Peter Jessen Jürgensen (Chairman of the G & L Beijer Board of Directors)

Philippe Delpech (Carrier)

Johan Strandberg (SEB's fonder)

The Election Committee has carried out its work as follows:

It has evaluated the work, composition and competence of the Board of Directors.

4. Information about the Board Members

In accordance with the Articles of Association, the Board of Directors shall comprise not less than four and not more than eight Members. Below follows information about the Board Members:

- *Peter Jessen Jürgensen* (born 1949), Chairman.
Board Member since 1999.

Education and work experience:

Graduate engineer and MBA in Denmark. Engineer in Atlas. Work in the family company, HJJ, as Managing

Director of the subsidiary, Ajax, and later as Managing Director of IKI and Managing Director of TTC in Denmark.

Other significant assignments:

- Chairman of Bio Aqua ApS and Scanfort A/S

- Board Member of IKI Invest A/S, Labotek A/S, Profort A/S News Cap A/S and G & L Beijer A/S.

Shareholding, privately and via companies, in G & L Beijer AB: 895,252 A shares and 1,618,400 B shares.

The Election Committee is not of the opinion that Peter Jessen Jürgensen is independent of the largest shareholders. However, he is independent of the company and the Executive Management.

- *Anne-Marie Pålsson* (born 1951), Board Member.

Board Member since 2003.

Education and work experience:

Anne-Marie Pålsson is a MA graduate from the University of California and has a PHD in economics from the University of Lund. During her professional career, Anne-Marie Pålsson has worked in the academic world. She is an Associate Professor at the University of Lund. Anne-Marie Pålsson holds a number of board assignments and was a Member of the Swedish Parliament during the period 2002-2010.

Other significant assignments:

- Vice Chairman of Länsförsäkringar Skåne.

- Board Member of Länsförsäkringar AB.

- Executive Member of Kungliga Ingenjörsvetenskapsakademien and Kungliga Skogs- och Lantbruksakademien.

Shareholding in G & L Beijer AB: 3,000 B shares.

The Election Committee is of the opinion that Anne-Marie Pålsson is independent of the company, the Executive Management and large shareholders.

- *Joen Magnusson* (Born 1951), Board Member.

Board Member since 1985.

Managing Director of G & L Beijer AB.

Education and work experience:

MBA, Lund.

Employed in Teglund Marketing AB, Statskonsult AB, Skrinet AB. Managing Director of G & L Beijer AB since 1993.

Other significant assignments:

- Board Member/Chairman of a number of companies within the Beijer Group.

Shareholding, privately and via companies, in G & L Beijer AB: 945,512 A shares and 289,032 B shares.

The Election Committee is not of the opinion that Joen Magnusson is independent of either the company, the Executive Management or large shareholders.

- *Bernt Ingman* (Born 1954), Board Member.

Board Member since 2006.

Education and work experience:

MBA graduate.

CFO of Munters for eight years.

CFO of Husqvarna AB during the period 2006-2011

Management Consultant 2012 –

Other significant assignments:

- Chairman of Schneiderföretagen AB.

Shareholding in G & L Beijer AB: 6,000 B shares.

The Election Committee is of the opinion that Bernt Ingman is independent of the company, the Executive Management and large shareholders.

- *William Striebe* (born 1950), Board Member.

Board Member since 2009.

Vice President Business Development of UTC Climate, Controls, Security.

Education and work experience:

Master of Laws degree from University of Connecticut Law School, BA in history, Fairfield University. Vice President of Business Development within Carrier Corporation since 2005. From 1990 to 1993, William Striebe was legal adviser to Carrier Corporation's operations in Europe, the Middle East and Africa. At the end of 1993, he was appointed Vice-President within legal matters for Carrier's North-American operation. William Striebe returned to Europe in 1996 as Vice-President with responsibility for business development and legal matters. In 2002, William Striebe moved to the head office Carrier's parent company, UTC, where he worked in business development.

Shareholding in G & L Beijer AB: 0

The Election Committee is of the opinion that William Striebe is independent in relation to the company and its Executive Management but not independent in relation to large shareholders.

- *Philippe Delpech* (born 1962), Board Member

Board Member since 2009.

President of UTC Climate, Controls, Security – Europe, Middle East, Africa.

Education and work experience:

MBA from ESCP European School of Management, Paris, Economics degree from INSEAD Asia, Economics degree from DECF IAE in France and graduate engineer from ENIT, France. President of Carrier Commercial refrigera-

tion since 2008 and of HVAC Europe, Middle East, Africa since 2010.

Philippe Delpech started his career within Carrier in 2001 as Vice-President, Commercial Air Conditioning & Services EMEA & General Manager Northern Europe. From 2003, Philippe Delpech held different appointments with Carrier in Asia before he returned to Europe in 2006. Before Philippe Delpech joined Carrier in 2001, he held different positions in Danfoss, ABB, Aerospatiale, Turbomeca and SKF.

Shareholding in G & L Beijer: 0

The Election Committee is of the opinion that Philippe Delpech is independent in relation to the company and its Executive Management but not independent in relation to large shareholders.

- *Harald Link* (born 1955), Board Member

Board Member since 2010.

Education and work experience:

Master of Business Administration from University of St. Gallen, Switzerland.

Chairman and CEO of B. Grimm Group, Bangkok, Thailand. Previously Executive in the same company. Harald Link has held leading positions in the B.Grimm & Co R.O.P. group for more than 30 years.

Other significant assignments:

- Chairman of Amata Power Ltd, Amata B.Grimm Power Ltd, Amata Power (Bien Hoa) Ltd, B.Grimm Energy Corporation and Carrier (Thailand) Ltd.

- Board Member of Siemens Ltd, Carl Zeiss Ltd, Merck Ltd, Siam City Cement Public Co Ltd and True Corporation Public Co Ltd.

Shareholding in G & L Beijer: 0.

The Election Committee is of the opinion that Harald Link is independent in relation to the Executive Management but not independent in relation to large shareholders.

5. Information about Auditors

G & L Beijer's Auditors are the authorised public accounting firm PricewaterhouseCoopers AB, with the Authorised Public Accountants, Lars Nilsson and Cecilia Andrén Dorselius. Lars Nilsson is the auditor in charge. PricewaterhouseCoopers AB is elected for a term until the 2013 Annual Meeting of shareholders.

6. Work of the Board of Directors

During 2012, the Board of Directors of G & L Beijer held five Ordinary Meetings, of which one was a strategy meeting. The company's economic and financial position, as well as the investment operations, are discussed at every

Ordinary Board Meeting. The work during 2012 focused extensively on matters relating to the integration of the acquisitions, including Toshiba's distribution operation as well as matters relating to strategy in a weaker market, continued expansion, financing and internal control.

The company's auditors were present at the Board Meeting in December and at the Board Meeting which discussed the report for the annual accounts. Between the Board Meetings, there has been considerable contact between the company, its Chairman and other Board Members. The Board Members have also been provided with continual written information regarding the company's operations, economic and financial position as well as other information of importance for the company.

The Board of Directors has a working procedure which is determined annually at the Inaugural Board Meeting following the Annual Meeting of shareholders. At the same time, the Board determines instructions for the Managing Director.

Anne-Marie Pålsson participated in all five Board Meetings. The other Board Members participated in four Board Meetings.

The Board of Directors constitutes an Audit Committee and fulfils its tasks. Board Members who are included in the Executive Management do not participate in the Audit Committee's work. The majority of the Members are independent in relation to the company and the Executive Management. More than one of the Members is independent in relation to the company, the Executive Management and in relation to the company's largest shareholders.

7. Information about the Managing Director

The Managing Director of G & L Beijer AB, Joen Magnusson, has no significant shareholdings or partnerships in companies with whom G & L Beijer AB has important business connections.

8. Remuneration and other terms of employment for the Executive Management

The Board of Directors handles matters relating to the remuneration of the Senior Executives and the Board of Directors as a whole constitutes the Remuneration Committee. The Managing Director does not participate in decisions relating to his own remuneration. The matter is prepared during the first Board Meeting of the year and is decided at the Board Meeting held in connection with the Annual Meeting of shareholders.

9. Share and share-price-related incentive schemes

The company has no share-related and share-price-related incentive schemes linked to the Executive Management.

10. Quality assurance

The Board of Directors continually studies the company's financial reports which are sent to the Board in connection with Board Meetings. In addition to the financial reporting for the Group, comments by the Head of the business area are appended. At every Meeting, the Managing Director reports on the financial outcome for the current period which is discussed and analysed.

The Board of Directors always meets the company's Auditors at the Board Meeting that discusses the annual accounts, but usually also in connection with the Meeting held in December. At these Meetings, the Auditors give an account of their observations and view on the internal control. The Board of Directors puts questions and discusses issues relating to the audit and to the quality of the financial reporting at these Meetings.

11. Evaluation of the Board of Directors' work

The Chairman of the Board of Directors is responsible for the evaluation of the Board's work, including the achievements of the individual Members. This is made annually in accordance with an established process. The evaluation focuses on, among other things, the availability of and requirement for specific competence as well as working procedures. The evaluation also constitutes support for the Election Committee with regard to the proposal for Board Members and remuneration levels.

Internal Control Report

The Board of Directors' report on internal control relating to the 2012 financial year.

Introduction

In accordance with the Swedish Companies Act and the Swedish Code for Corporate Governance, the Board of Directors is responsible for internal control. This report has been prepared in accordance with the Swedish Code for Corporate Governance and is, therefore, limited to internal control relating to the financial reporting.

Description

The base for internal control relating to financial reporting consists of the control environment within the organisation, decision-making routes, authorities and responsibilities which are documented and communicated through the controlling document. These relate primarily to the Boards

of Directors' working procedures, the Managing Director's working procedure and approvals instructions. G & L Beijer is a company with strong owner influence. The owners are represented on the Board of Directors and in executive positions within the company. G & L Beijer is decentralised in its nature and the individual companies' own organisations fulfil important functions relating to company culture and the control environment through the short decision-making routes which exist and the strong presence of local management. The legal organisation coincides with the operational organisation and there are, therefore, no decision-making venues which are disengaged from the responsibilities regulated in civil law which are vested in the different legal entities. The management work is based on the work of the Board of Directors which is the backbone of the company management. This starts from G & L Beijer AB's Board of Directors and goes out, via the business area Board of Directors, into the organisation's different company Boards of Directors. The rules and regulations which deal with company management, such as the Companies Act, form the foundation for how the Board work is carried out and, as a result of this, to the working procedures, authorities and responsibilities which are regulated through this legislation. The decisions made by the Boards of Directors are documented and carefully monitored. Senior Executives from the Group and business area management team are represented in Boards of Directors at the underlying organisational level and also in individual companies of significance. It is through this Board work that that control activities and monitoring are decided and implemented with strong local support. The so-called grandfather principle is applied throughout the Group. This means that, in critical matters such as important personnel matters, organisational matters, etc., the nearest manager goes to his or her manager to get support for decisions before they are made.

The principle about far-reaching decentralisation is of great importance. It creates within the different companies a feeling for the importance of their work and it increases their work motivation. The distribution of responsibilities and authorities leads to a strong will to live up to these responsibilities and the ensuing expectations.

Risk evaluation is made continually to map out risk areas relating to the financial reporting. This is aimed at identifying and evaluating the most significant risks which influ-

ence the internal control relating to the financial reporting in the Group's companies, business area and processes. The current position is assessed and points for improvement established. The control activities are also evaluated on a continuous basis.

The Board of Directors' standpoint in relation to an internal audit

In accordance with the regulations in item 7.4 of the Swedish Company Code, the Board of Directors of G & L Beijer AB has taken a stand with regards to the need for a special internal audit function. The Board of Directors has found that there is currently no need to create this organisation within the G & L Beijer Group.

The background to the standpoint is the company's size and risk picture as well as the control functions which are built into the company's structure. These include proactive Boards of Directors in all companies, a high level of representation by local management teams, board representation by the management at the level above, etc.

Shares and ownership

On 31 December 2012, the parent company's share capital consisted of the following number of shares with a nominal value of SEK 8.75 per share. The number of A shares amounted to 3,306,240 and the number of B shares to 39,171,990. The total number of shares amounts to 42,478,230 and the total number of votes to 72,234,390. The total share capital amounts to SEK 371,684,512.50.

<i>Class of share</i>	<i>Number of shares</i>	<i>Number of votes</i>	<i>Share of capital, %</i>	<i>Share of votes, %</i>
A 10 votes	3 306 240	33 062 400	7.8	45.8
B 1 vote	39 084 790	39 084 790	92.0	54.1
	42 391 030	72 147 190		
B shares in own custody	87 200	87 200	0.2	0.1
	42 478 230	72 234 390	100.0	100.0

At the year end, Carrier Corporation was the largest owner in G & L Beijer with 41.4 per cent of capital and 33.3 per cent of votes. Peter Jessen Jürgensen held 14.6 per cent of votes and 5.9 per cent of capital. Joen Magnusson (family & companies) held 13.5 per cent of votes and 2.9 per cent of capital.

Guidelines for the remuneration of senior executives

The Board of Directors' proposal for guidelines for the remuneration of Senior Executives is unchanged from the previous year. By Senior Executives is meant the Managing Director, the Chief Financial Officer and the Head of the business area. The remuneration shall consist of fixed salary, variable salary, pension and other remuneration such as a company car. The total compensation shall be on market terms and support the shareholders' interest by enabling the company to attract and retain senior executives. The fixed salary is renegotiated annually and takes into account the individual's area of responsibility, competence, performance and experience. The variable portion of the salary is based on qualitative and quantitative target fulfilment. The individual receives an amount of up to equivalent of six months' salary. Guidelines proposed ahead of the 2013 Annual Meeting of shareholders substantially correspond with current guidelines.

Proposal for distribution of profit

Profit at the disposal of the Annual Meeting of shareholders:

SEK K	
Share premium reserve	901 604
Profit brought forward	126 997
Net profit for the year	289 871
Total	1 318 472

The Board of Directors and the Managing Director propose that the profit be distributed as follows:

SEK K	
Dividend, SEK 4.75 per share	201 357
To be carried forward	1 117 115
Total	1 318 472

The Board of Directors finds that the proposed dividend is within the framework of the company's long-term objective and is defensible taking into account what is stipulated in Chapter 17 Para. 3 of the Companies Act relating to the demands which the nature, extent and risks of the operations places on the size of shareholders' equity and the need for consolidation, liquidity and the position in general for the parent company and the Group. The consolidated equity ratio after the proposed dividend amounts to 46 per cent.

The profit and loss account and balance sheet will be submitted for adoption to the Annual Meeting of shareholders on 26 April 2013. 2 May 2013 is proposed as the record day.

G & L Beijer (publ)

Corporate Identity Number: 556040-8113

Address: Norra Vallgatan 70, SE-211 22 Malmö, Sweden

Registered Office: Malmö

The Board of Directors and the Managing Director assure that the annual accounts have been prepared in accordance with generally accepted accounting principles for stock market companies. The given information corresponds with the actual circumstances in the operations and nothing of significant importance has been left out which could affect the picture of the Group and the parent company created by the annual accounts.

Malmö 21 March 2013

<i>Peter Jessen Jørgensen</i>	<i>Bernt Ingman</i>	<i>Anne-Marie Pålsson</i>	<i>William Striebe</i>	<i>Philippe Delpech</i>	<i>Harald Link</i>	<i>Joen Magnusson</i>
<i>Chairman</i>	<i>Board Member</i>	<i>Board Member</i>	<i>Board Member</i>	<i>Board Member</i>	<i>Board Member</i>	<i>Managing Director</i>

Our Audit Report was submitted on 22 March 2013

Lars Nilsson
Authorised Public Accountant
Auditor in charge

Cecilia Andrén Dorselius
Authorised Public Accountant

CONSOLIDATED PROFIT AND LOSS ACCOUNT

sek k	2012	2011	Note
<i>Remaining operation</i>			
Operating income, etc			
Net sales	6 758 323	5 846 435	5
Other operating income	11 327	11 917	7
Total income, etc.....	6 769 650	5 910 444	
Operating expenses			
Raw materials and necessities	-257 302	-324 911	
Goods for resale	-4 450 685	-3 734 394	
Other external costs	-585 179	-427 552	8, 9
Remuneration of employees.....	-997 397	-863 697	6
Depreciation and write-down of intangible and tangible fixed assets	-63 143	-46 846	18, 19
Other operating expenses	-719	-28 449	
Operating profit.....	415 225	432 503	
Result of financial investments			
Result of holdings in associated companies.....	24 258	12 700	10
Financial income	4 738	59 097	11
Financial expenses	-39 318	-16 417	12
Profit before taxes.....	404 903	487 883	
Tax on the year's profit	-99 089	-113 848	14
Profit for the year from the remaining operation	305 814	374 035	15
<i>Divested operation</i>			
Profit for the year from the divested operation	—	- 4 079	36
Net profit for the year	305 814	369 956	
Attributable to:			
The parent company's shareholders.....	295 185	359 918	
Non-controlling interests	10 629	10 038	
The year's profit per share, sek ¹	6.96	8.49	
Profit for the year per share, the remaining operation	6.96	8.59	16
Profit for the year per share, the divested operation	—	- 0,10	
Dividend per share, sek ²	4.75	4.50	17

1) No dilution exists

2) For 2012, in accordance with the Board of Directors' proposal

THE GROUP'S REPORT ON OTHER COMPREHENSIVE INCOME

sek k	2012	2011	Note
Net profit for the year	305 814	369 956	
Other comprehensive income			
Exchange rate differences	-119 982	-58 330	
Hedging of net investment.....	8 972	1 056	3, 14
Cash flow hedging	-4 775	-1 523	3, 14
Revaluation of financial assets available for sale.....	—	-93 525	22
Other comprehensive income for the year	-115 785	-152 322	
Total comprehensive income for the year	190 029	217 634	
Attributable to:			
The parent company's shareholders.....	180 745	207 136	
Non-controlling interests	9 284	10 498	

sek k	2012-12-31	2011-12-31	Note
Assets			
<i>Fixed assets</i>			
Intangible fixed assets	1 353 252	1 383 965	18
Tangible fixed assets	255 361	250 894	19
Holdings in associated companies	4 192	40 377	21
Financial assets available for sale	77 834	80 797	22
Deferred tax recoverable	81 664	55 355	29
Trade debtors and other receivables.....	58 638	53 727	23
Total fixed assets	1 830 941	1 865 115	
<i>Current assets</i>			
Inventories.....	1 661 939	1 628 040	24
Trade debtors and other receivables.....	1 324 828	1 359 466	23
Income taxes recoverable	2 132	2 353	
Liquid funds	188 732	237 426	25
Total current assets	3 177 631	3 227 285	
Total assets	5 008 572	5 092 400	
Shareholders' equity			
<i>Equity and reserves which can be attributed to the parent company's shareholders</i>			
Share capital	371 685	371 685	26
Other contributed capital.....	901 172	901 172	
Reserves	-249 366	-134 927	
Profit brought forward	1 348 572	1 244 147	
Total.....	2 372 063	2 382 077	
Non-controlling interests	43 025	36 790	38
Total equity.....	2 415 088	2 418 867	
Liabilities			
<i>Long-term liabilities</i>			
Borrowing.....	808 403	871 376	28, 33
Other long-term liabilities	20 712	7 127	
Deferred tax liabilities	59 615	54 284	29
Pension commitments	56 050	58 935	30, 34
Other provisions.....	14 454	14 740	31
Total long-term liabilities.....	959 234	1 006 462	
<i>Current liabilities</i>			
Trade creditors and other liabilities	1 038 745	1 143 051	32
Borrowing.....	532 820	468 149	28, 33
Current tax liabilities	40 913	43 087	
Other provisions.....	21 772	12 784	31
Total current liabilities	1 634 250	1 667 071	
Total liabilities.....	2 593 484	2 673 533	
Total liabilities and equity	5 008 572	5 092 400	

CONSOLIDATED CHANGES IN EQUITY

	Attributable to the parent company's shareholders			Non-controlling interests	Total equity	Note
sek k	Share capital	Other contri- buted capital	Reserves	Profit brought forward		
Shareholders' equity on 2010-12-31	371 685	901 172	17 855	1 068 366	– 386	2 358 692
Adjustment of previous periods relating to pension commitments				– 14 572		– 14 572
Adjusted opening balance on 2011-01-01	371 685	901 172	17 855	1 053 794	– 386	2 344 120
Net profit for the year				359 917	10 038	369 955
Exchange rate differences			– 58 790		460	– 58 330
Hedging of net investment			1 056			1 056
Cash flow hedging			– 1 523			– 1 523
Revaluation of financial assets available for sale			– 93 525			– 93 525 22
Other comprehensive income for the year	–	–	– 152 782	–	460	– 152 322
Total comprehensive income for the year	–	–	– 152 782	359 917	10 498	217 633
Dividend for 2010				– 169 564		– 169 564 17
Acquisition of non-controlling interests					26 678	26 678 38
	–	–	–	– 169 564	26 678	– 142 886
Shareholders' equity on 2011-12-31	371 685	901 172	– 134 927	1 244 147	36 790	2 418 867
Net profit for the year				295 185	10 629	305 814
Exchange rate differences			– 118 636		– 1 345	– 119 981
Hedging of net investment			8 972			8 972
Cash flow hedging			– 4 775			– 4 775
Other comprehensive income for the year	–	–	– 114 439	–	– 1 345	– 115 784
Total comprehensive income for the year	–	–	– 114 439	295 185	9 284	190 030
Dividend for 2011				– 190 760	– 3 049	– 193 809 17
	–	–	–	– 190 760	– 3 049	– 193 809
Shareholders' equity on 2012-12-31	371 685	901 172	– 249 366	1 348 572	43 025	2 415 088

sek k	2012	2011	Note
Current operations			
Operating profit.....	415 225	428 122	
Adjustments for items not included in the cash flow:			
Depreciation and write-downs			
of intangible and tangible fixed assets.....	63 143	48 646	
Change in pension, guarantee and other provisions	14 645	2 384	
Capital result on sale of fixed assets.....	—	– 1 322	
Total.....	493 013	477 830	
Received interest and dividend	4 738	24 482	11
Paid interest	– 34 906	– 17 647	12
Paid income tax	– 127 458	– 99 855	
Cash flow from current operations before changes in working capital *	335 387	384 810	
Changes in working capital *			
Change in inventories	– 97 634	49 542	
Change in operating receivables.....	8 559	– 228 144	
Change in operating liabilities	– 103 953	– 85 247	
Cash flow from current operations.....	142 359	120 961	
Investment operations			
Acquisition of shares and participations.....	—	– 3 860	
Acquisition of tangible and intangible fixed assets.....	– 61 164	– 79 320	18, 19
Liquid funds in acquired operations.....	768	9 681	35
Sale of shares and participations	60 000	358 121	21
Sale of operations.....	—	19 010	36
Acquisition of operations.....	– 14 812	– 925 435	35
Cash flow from investment operations *	– 15 208	– 621 803	
Financial operations			
Raising of loans.....	60 721	832 117	
Amortisation of liabilities	– 33 985	– 100 384	
Paid dividend to shareholders.....	– 190 760	– 169 564	
Investment by owners with non-controlling interest	—	7 857	
Dividend to owners with non-controlling interest	– 3 049	—	38
Cash flow from financial operations *	– 167 073	570 026	
Change in liquid funds	– 39 922	69 184	
Exchange rate difference, liquid funds.....	– 8 772	– 6 065	
Liquid funds on 1 January	237 426	174 307	
Liquid funds on 31 December	188 732	237 426	25
*) of which divested operations:			
Cash flow from current operations before changes in working capital	—	1 722	
Change in working capital	—	– 34 321	
Cash flow from investment operations.....	—	– 959	
Cash flow from financial operations.....	—	34 439	

PARENT COMPANY PROFIT AND LOSS ACCOUNT

sek k	2012	2011	Note
Operating income, etc			
Other operating income.....	9 256	10 414	7
Total income.....	9 256	10 414	
Operating expenses			
Other external costs	-11 968	-7 385	8
Personnel costs	-12 677	-11 465	6
Depreciation and write-down of intangible and tangible fixed assets ...	-743	-753	18, 19
Operating profit.....	-16 132	-9 189	
Result of financial investments			
Result of participations in Group companies and associated companies.....	301 556	189 977	10
Financial income	4 770	12 099	11
Financial expenses	-2 098	-781	12
Profit after financial investments	288 096	192 106	
Appropriations			
Appropriations	1 017	-10 152	13
Profit before taxes.....	289 113	181 954	
Tax on the year's profit	758	-12 715	14
Net profit for the year.....	289 871	169 239	15

PARENT COMPANY'S REPORT ON OTHER COMPREHENSIVE INCOME

sek k	2012	2011
Net profit for the year.....	289 871	169 239
Total comprehensive income for the year	289 871	169 239

PARENT COMPANY BALANCE SHEET

sek k	2012-12-31	2011-12-31	Note
Assets			
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Capitalised expenditure for software	555	933	18
Total intangible fixed assets	555	933	
<i>Tangible fixed assets</i>			
Equipment, tools and installations	727	588	19
Total tangible fixed assets	727	588	
<i>Financial fixed assets</i>			
Participations in Group companies	1 147 739	1 185 469	20
Holdings in associated companies	—	8 133	21
Receivables from Group companies	218 378	142 552	
Other long-term securities holdings	54	—	
Total financial fixed assets	1 366 171	1 336 154	
Total fixed assets	1 367 453	1 337 675	
<i>Current assets</i>			
<i>Current receivables</i>			
Receivables from Group companies	354 671	466 046	
Other current receivables	265	186	
Prepaid expenses and accrued income	433	280	
Total current receivables	355 369	466 512	
<i>Cash and bank</i>			
Cash and bank	75	45	
Total current assets	355 444	466 557	
Total assets	1 722 897	1 804 232	
Equity and liabilities			
<i>Shareholders' equity</i>			
<i>Restricted equity</i>			
Share capital	371 685	371 685	26
Total restricted equity	371 685	371 685	
<i>Non-restricted equity</i>			
Share premium reserve	901 604	901 604	
Profit brought forward	126 997	148 518	
Net profit for the year	289 871	169 239	
Total non-restricted equity	1 318 472	1 219 361	
Total equity	1 690 157	1 591 046	
<i>Untaxed reserves</i>			27
Tax allocation reserves	9 611	10 574	
Accumulated accelerated depreciation	694	749	
Total untaxed reserves	10 305	11 323	
<i>Liabilities</i>			
<i>Long-term liabilities</i>			
Long-term interest-bearing liabilities to Group companies	—	167 333	
Other long-term interest-bearing liabilities	67	67	
Total long-term liabilities	67	167 400	
<i>Current liabilities</i>			
Trade creditors	490	1 139	
Liabilities to Group companies	7 964	17 428	
Other liabilities	10 666	10 749	
Accrued expenses and prepaid income	3 248	5 147	
Total current liabilities	22 368	34 463	
Total equity and liabilities	1 722 897	1 804 232	
Pledged assets	417 452	72 569	33
Contingent liabilities	1 371 024	1 343 128	34

PARENT COMPANY CHANGES IN EQUITY

<i>sek k</i>	<i>Share capital</i>	<i>Non-restricted equity</i>	<i>Total equity</i>	<i>Note</i>
Equity on 2010-12-31	371 685	1 219 686	1 591 371	
Net profit for the year		169 239	169 239	
Total comprehensive income for the year	—	169 239	169 239	
Dividend for 2010		– 169 564	– 169 564	17
	—	– 169 564	– 169 564	
Equity on 2011-12-31	371 685	1 219 361	1 591 046	
Net profit for the year		289 871	289 871	
Total comprehensive income for the year	—	289 871	289 871	
Dividend for 2011		– 190 760	– 190 760	17
	—	– 190 760	– 190 760	
Equity on 2012-12-31	371 685	1 318 472	1 690 157	

<i>sek k</i>	2012	2011	Note
Current operations			
Operating profit.....	– 16 132	– 9 189	
Adjustment for items not included in the cash flow:			
Depreciation and write-downs of intangible and tangible fixed assets.....	743	753	
Profit on sale of tangible fixed assets	– 49	–	
Total.....	– 15 438	– 8 436	
Received interest and dividend	280 122	198 402	
Paid interest	– 140	– 781	
Paid income tax	– 757	– 8 343	
Cash flow from current operations before changes in working capital.....	263 787	180 842	
Changes in working capital			
Change in operating receivables.....	45 372	– 371 578	
Change in operating liabilities	– 10 581	– 15 132	
Cash flow from current operations.....	298 578	– 205 868	
Investment operations			
Acquisition of intangible and tangible fixed assets.....	– 863	– 491	18, 19
Sale of tangible fixed assets.....	60 000	306 450	
Repayment of shareholders' contributions.....	–	– 97 927	
Sale of tangible fixed assets.....	408	–	
Cash flow from investment operations.....	59 545	208 032	
Financial operations			
Raising of loans.....	–	167 400	
Amortisation of liabilities	– 167 333	–	
Paid dividend	– 190 760	– 169 564	
Cash flow from financial operations.....	– 358 093	– 2 164	
Change in cash and bank.....	30	1	
Cash and bank on 1 January.....	45	44	
Cash and bank on 31 December.....	75	45	

Note 1 General information

G & L Beijer AB (the parent company) and its subsidiaries (together, the Group) have a technology-oriented trading and distribution operation within refrigeration products, air conditioning and heat pumps. The product programme consists mainly of agency products from leading international manufacturers and, in addition, some manufacture of own products with service and support relating to the products. The Group creates added value by contributing competence relating to the products; accounting for knowledge and experience about the market; and by providing efficient logistics and warehousing. The Group has subsidiaries in large parts of Europe and in Africa and Thailand.

The parent company is a limited company which is registered and located in Malmö, Sweden. The address of the head office is Norra Vallgatan 70, SE-211 22 Malmö.

These consolidated accounts were approved for publication by the Board of Directors on 21 March 2013.

Note 2 Applied reporting and valuation principles

General reporting principles

These consolidated accounts have been prepared in accordance with the Annual Accounts Act, RFR 1. Supplementary reporting regulations for Groups and International Financial Reporting Standards (IFRS) and IFRIC interpretations such as they have been adopted by the EU. Standards which have been published, but which have not yet come into force are not adhered to at present.

The Annual Report for the parent company has been prepared in accordance with the Annual Accounts Act. The parent company applies the same reporting principles as the Group with the exceptions and additions stipulated by the Swedish Financial Accounting Standards Council's recommendation RFR 2. 'Reporting for legal entities'. The reporting principles for the parent company are stated in the section 'Parent company reporting principles'. The principles have been consistently applied for all the years presented, unless otherwise stated.

Implementation of new reporting principles

New and amended standards applied by the Group

None of the new IFRS or IFRIC interpretations, which for the first time are mandatory for the financial year started on 1 January 2012, are expected to have any significant influence on the Group.

New standards, amendments and interpretations of existing standards which have not yet come into force and which have not been applied prematurely by the Group

In the preparation of the consolidated accounts at 31 December 2012, several standards and interpretations have been published which have not yet come into force. Below follows a preliminary assessment

of the effect the implementation of these standards and pronouncements could have on G & L Beijer AB's financial reports:

IAS 19 'Remuneration of employees' was amended in June 2011. The amendment means that the Group will cease applying 'the corridor method' and, instead, report all actuarial profits and losses in other comprehensive income as they arise. Cost for service during previous years will be reported immediately. Interest expenses and anticipated return on plan assets will be replaced by a net interest rate calculated by means of the discount rate, based on the net surplus or net deficit in the defined benefit plan. The Group will apply the amended standard for the financial year starting 1 January 2013.

IFRS 9 'Financial instruments' handles classification, valuation and reporting of financial liabilities and assets. IFRS 9 was published in November 2009 for financial assets and in October 2010 for financial liabilities and replaces those parts of IAS 39 which are related to classification and valuation of financial instruments. IFRS 9 states that financial assets shall be classified in two different categories; valuation at actual value or valuation at accrued acquisition value. Classification is determined on the first reporting occasion based on the company's business model and characteristic properties in the contractual cash flows. For financial assets, no major changes are made compared with IAS 39. The biggest change relates to liabilities identified at actual value. For these, the rule is that the portion of the actual value change attributable to the company's own credit risk shall be reported in other comprehensive income instead of profit and loss unless this causes accounting mismatch. The Group intends to apply the new standard not later than the financial year starting 1 January 2015 and has not yet evaluated the effects. The standard has not yet been adopted by the EU.

IFRS 10 'Consolidated financial statements' is based on already existing principles as it identifies control as the deciding factor for determining if a company shall be included in the consolidated accounts. The standard gives additional guidance in order to assist in the determination of control when this is difficult to judge. The Group intends to apply IFRS 10 for the financial year starting 1 January 2013 and has not yet evaluated the full effect on the financial reports. The standard has not yet been adopted by the EU.

IFRS 12 'Disclosures of interest in other entities' comprises disclosure requirements for subsidiaries, associated companies and structured entities. The Group intends to apply IFRS 12 for the financial year starting 1 January 2013 and has not yet evaluated the full effect on the financial reports.

IFRS 13 'Fair value measurement' aims at valuations at actual value becoming more consistent and less complex as the standard contains an exact definition and a common source in IFRS to actual value valuations and pertaining information. The demands do not increase the area for application for when actual value shall be applied but provides guidance as to how it shall be applied where other IFRS already demand or permit valuation at actual value. The Group has not yet evaluated the full effect of IFRS 13 on the financial reports. The Group intends to apply the new standard for the financial year starting 1 January 2013. The standard has not yet been adopted by the EU.

Adjustment of pension provision

As a result of the amended classification of schemes in Switzerland and Holland from defined contribution to defined benefit plans, commitments relating to defined benefit plans have brought about an adjustment of pension commitments at 1 January 2011 by approximately SEK 19M relating to pension commitments. This has resulted in an adjustment of deferred tax by approximately SEK 4.5M. The amendment has not meant any significant impact on the consolidated profit and loss account relating to 2011 or on the financial position in addition to the amendment made relating to the balance brought forward in 2011.

Conditions on the preparation of the Group's financial reports

The parent company's functional currency is SEK, which is also the reporting currency for both the parent company and the Group. All amounts stated have been rounded up or down to the nearest thousand unless otherwise stated.

The reporting principles applied in the preparation of these consolidated accounts are stated below. These principles have been applied consistently for all the years presented unless otherwise stated.

Consolidated accounts

Subsidiaries

Subsidiaries are all companies (including companies for specific purposes) in which the Group has the right to formulate financial and operational strategies in a way that usually follows with a shareholding amounting to more than half of the voting rights. The existence and effect of potential voting rights, which it is currently possible to exercise or convert, are taken into account in the assessment of whether the Group exercises controlling interest over another company. The Group also assesses if controlling interest exists although it does not have a shareholding amounting to more than half of the voting rights but nevertheless has the opportunity to control financial and operational strategies through de facto control. De facto control can occur under circumstances where the proportion of voting rights in relation to the size and distribution on other shareholders' voting rights gives the Group the opportunity to control financial and operational strategies, etc. Subsidiaries are included in the consolidated accounts from the date on which the controlling interest is transferred to the Group. They are excluded from the consolidated accounts from the date on which the controlling interest ceases.

Acquisition accounting is used for reporting the Group's acquisitions of subsidiaries. For acquisitions in the 2009 financial year and previous years, the acquisition cost for an acquisition consists of the actual value of assets paid as consideration, issued equity instruments and arisen or acquired liabilities on the date of transfer, plus costs directly attributable to the acquisition. Identifiable acquired assets and liabilities and contingent commitments in the acquisition of a company are initially valued at actual values on the date of acquisition, regardless of the extent of any minority interest. The surplus, which constitutes the difference between the acquisition value and the actual value of the Group's share of identifiable acquired net assets, is reported as goodwill. If the acquisition cost is less than the actual value of the acquired subsidiary's net assets, the difference is reported direct in the profit and loss account.

For acquisitions during the 2010 financial year and future-oriented, the consideration for the acquisition of a subsidiary consists of the actual value of transferred assets, liabilities and the shares issued by the Group. The consideration also includes the actual value of all assets or liabilities which are a consequence of an agreement about conditional consideration. Conditional considerations are classified either as equity or financial liability depending on whether it is settled with an equity instrument or cash and is reported initially at actual value. Revaluations relating to conditional considerations, which are reported in subsequent periods, are reported either as an equity instrument or financial liability with revaluation to actual value over the profit and loss account.

Acquisition-related costs are written off when they arise. Identifiable acquired assets and liabilities taken over in a business combination are initially valued at actual values on the date of acquisition. For every acquisition, the Group determines if all holdings with non-controlling interest in the acquired company are reported at actual value or at the holding's proportional share of the net assets of the acquired company. The amount by which the purchase price, holding with non-controlling interest and actual value on the date of acquisition of previous shareholdings exceeds the actual value of the Group's share of identifiable acquired net assets is reported as goodwill or as other intangible asset. If the amount is less than the actual value of the acquired subsidiary's net assets, such as in the event of a 'bargain purchase', the difference is reported direct in the profit and loss account.

Intra-Group transactions and balance sheet items, as well as unrealised profits on transactions between Group companies, are eliminated. Unrealised losses are also eliminated unless the transaction constitutes evidence that there is a need for a write-down in respect of the transferred asset. Where applicable, the reporting principles for subsidiaries have been changed to guarantee a consistent application of the Group's principles.

Transactions with holders with non-controlling interest

Transactions with holders with non-controlling interest are treated as transactions with the Group's shareholders. On acquisitions from holders with non-controlling interest, the difference between paid consideration and the actual acquired proportion of the reported value of the subsidiary's net assets is reported in shareholders' equity. Gains and losses on divestments to holders with no controlling influence are also reported in shareholders' equity.

When the Group no longer has a controlling or significant interest, every remaining holding is revalued at actual value and the change in reported value is reported in the profit and loss account. The actual value is used as the first reported value and forms the foundation for the continued reporting of the remaining holding as associated company, joint venture or financial asset. All amounts relating to the divested unit, which have previously been reported in other total results, are reported as if the Group had directly divested the pertaining assets or liabilities. This can result in amounts which have previously been reported in other total results being reclassified to profit or loss.

If the ownership in an associated company decreases, but a significant interest nevertheless remains, only a proportional share of the amount which has previously been reported in other comprehensive income, where relevant, is reclassified to the result.

Associated companies

Associated companies are all companies in which the Group has a significant but non-controlling interest. As a rule, this applies to shareholdings comprising between 20 and 50 per cent of the votes. Where the holding lies within this range, but as a significant interest is not deemed to exist, these holdings are reported as financial assets available for sale. See also Note 22. Holdings in associated companies are reported in accordance with the equity method and are initially valued at acquisition value and the reported value is, thereafter, increased or decreased in order to take into consideration the Group's share of the associated company's profit or loss after the date of acquisition. The Group's reported value of holdings in associated companies includes goodwill identified on the date of acquisition, if any.

The Group's share of a profit or loss which has arisen in an associated company after acquisition is reported in the profit and loss account and its share of changes in reserves after the acquisition is reported among reserves. Accumulated changes after the acquisition are reported as a change in the reported value of the holding. When the Group's share in an associated company's losses amounts to, or exceeds, its holding in the associated company, including any receivables without security, the Group does not report further losses unless the Group has taken on commitments or made payments on behalf of the associated company.

Unrealised profits on transactions between the Group and its associated companies are eliminated in relation to the Group's holding in the associated company. Unrealised losses are also eliminated unless the transaction forms proof that there is a need for write-down exists in respect of the transferred asset. Where applicable, the reporting principles for associated companies have been amended in order to guarantee a consistent application of principles within the Group.

Reporting for segments

The classification of the Group's segments consists of operating segments. It is based on how the operation is monitored and reported to the highest executive decision maker.

Classification, etc

Fixed assets and long-term liabilities consist essentially only of amounts which are expected to be recovered or paid after more than twelve months calculated from the balance sheet date. Current assets and current liabilities consist essentially only of amounts which are expected to be recovered or paid within twelve months calculated from the balance sheet date.

Valuation principles, etc

Assets and liabilities have been valued at their acquisition value unless it is otherwise stated below.

Intangible assets

Intangible assets acquired by the company are reported at their acquisition value less accumulated

depreciation and write-downs with the exception of what relates to goodwill which is reported at acquisition value less accumulated write-downs. Expenditure for internally generated goodwill and brands is reported as a cost in the profit and loss account as they arise. Additional expenditure for an intangible asset is added to the acquisition value only if it increases future financial benefits. All other expenditure is written off as it arises. Depreciation is based on acquisition values less residual values, if any. Depreciation is made in a straight line over the period of use of the asset and is reported as a cost in the profit and loss account. The residual values and period of use is tested on every balance sheet date and adjusted when required.

Research and development

Expenditure for research is reported as costs as it arises. Costs arisen in development projects (which applies to the design and testing of new or improved products) are reported as intangible assets when the following criteria are fulfilled:

- (a) it is technically possible to complete the intangible asset so that it can be used,
- (b) the Executive Management intends to complete the intangible asset and use or sell it,
- (c) there are conditions for using or selling the intangible asset,
- (d) it can be shown how the intangible asset will generate probable future financial benefits,
- (e) adequate technical, financial or other resources for completing the development and for using or selling the intangible asset are available, and
- (f) the expenditure attributable to the intangible asset during its development can be calculated in a reliable way.

Other development expenditure is reported as costs as it arises. Development expenditure which has previously been reported as a cost is not reported as an asset in the ensuing period. Development expenditure which has been capitalised is written off in a straight line from the date when the asset is ready for use. The amortisation is made over the anticipated period of use. However, this is not for more than five years.

Goodwill

Goodwill consists of the amount by which the acquisition value exceeds the actual value on the Group's share of the acquired subsidiary's/associated company's identifiable net assets on the date of acquisition. Goodwill on acquisition of subsidiaries is reported as intangible assets. Goodwill on acquisition of associated companies is included in the value of holdings in associated companies. Goodwill is tested annually in order to identify any needs for a write-down and is reported at acquisition value less accumulated write-down. Write-down of goodwill is not reversed. Profit or loss on the divestment of a unit includes the remaining net value of the goodwill that refers to the divested unit.

Goodwill is distributed on cash-generating units on an assessment of any need for a write-down. The Beijer Ref business area is regarded as a cash-generating unit in the write-down examination.

The following amortisation periods are applied:

	<i>Group</i>	<i>Parent company</i>
<i>Acquired intangible assets:</i>		
Computer programs	3-5 years	3 years
R & D	5 years	—
Agencies, customer lists, trademarks, etc	10-40 years	—

Tangible assets

Tangible fixed assets are reported as assets in the balance sheet when, based on available information, it is probable that the future economic use linked with the holding accrues to the Group/company and that the acquisition value of the asset can be calculated in a reliable way. Tangible fixed assets are reported at acquisition value with a deduction for depreciation. Depreciation is based on acquisition values less estimated residual value. Depreciation is made in a straight line over the estimated use of the asset. The assets' residual values and period of use are tested on every balance sheet date and adjusted when required.

The following depreciation periods are applied:

	<i>Group</i>	<i>Parent company</i>
Buildings	25-50 years	—
Land improvements	20 years	—
Machinery and other technical plant	5-10 years	—
Equipment, tools and installations	3-10 years	3-10 years

Additional expenditure is added to the reported value of the asset or is reported as a separate asset, depending on which is appropriate, only when it is probable that future financial benefits linked with the asset will accrue to the Group and the acquisition value of the asset can be measured in a reliable way. All other forms of repair and maintenance are reported as costs in the profit and loss account during the period in which they arise.

Profits and losses on divestment are determined by a comparison between the sales proceeds and the reported value and are reported in 'Other operating income' or 'Other operating expenses'.

Write-down of non-financial assets

Assets which have an indefinite period of use are not written off but are tested annually relating to the need for write-down, if any. Assets which are written off are assessed with regard to depreciation whenever events or changes in conditions indicate that the reported value is not recoverable. A write-down is made with the amount by which the reported value of the asset exceeds its recovery value. The recovery value is the higher of an asset's actual value less selling expenses and the value of use. When assessing the need for a write-down, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units).

When calculating the value of use, future cash flows are discounted at an interest rate after tax which is intended to take into account the market's evaluation of risk-free interest and risk linked with the specific asset. An asset which is dependent on other assets is not considered to generate any independent cash flows. Such an asset is, instead, assigned to the smallest cash-generating unit in which the cash flows can be determined.

A write-down is reversed if there has been a change in the calculations applied to determine the recovery value. A reversal is only made to the extent that the reported value of the asset would have been if no write-down had been made. On every balance sheet date, an examination is made to establish if reversal should be made.

Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss; loans and receivables; financial instruments held to maturity; and financial assets available for sale. The classification is dependent on the objective for which the instruments were acquired. The Executive Management determines the classification of the instruments at the first reporting. In the 2012 Annual Report there are financial assets of the loans and receivables, and financial assets available for sale categories.

Loans and receivables are non-derivative financial assets with determined or determinable payments which are not listed in an active market. The characteristic is that they arise when the Group provides money, products or services direct to a customer with no intention of trading with the arisen receivable. They are included in current assets, with the exception of items with a due date of more than 12 months after the balance sheet date, which are classified as fixed assets. The Group's loans and receivables consist of 'Trade debtors and other receivables', and 'Liquid funds' in the balance sheet.

Financial assets available for sale are assets which are not derivatives and where the assets have been identified as that they cannot be sold or have not been classified in any of the other categories. They are included in fixed assets unless it is the intention of the management to divest the asset within 12 months after the end of the reporting period.

Acquisitions and sales of financial instruments are reported on the transaction date, i.e. the date on which the Group undertakes to acquire or sell the asset. Financial instruments are initially valued at actual value plus transaction costs. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has either expired or been transferred and the Group has transferred virtually all risks and benefits linked with the ownership. Loans and receivables are reported after the date of acquisition at accrued acquisition value by application of the effective rate method. Financial assets available for sale are reported at actual value both initially and in subsequent periods with value changes in other total results. When securities classified as financial assets available for sale are sold or written down, accumulated adjustments of actual value are transferred from shareholders' equity to financial income/expense in the profit and loss account. Dividend on share instruments available for sale is reported in the profit and loss account as a part of financial income/expense. There is one exemption in the standard which states that if actual value for financial assets available for sale cannot be determined, these instruments shall be reported at acquisition value.

Write-downs of financial assets

At the end of every reporting period, the Group assesses if there is objective evidence that there is a need for write-down in respect of a financial asset or a group of financial assets. A financial asset or group of financial assets has a need for write-down and is

written down only if there is objective evidence for a need for write-down as a consequence of the fact that one or several events have occurred after the asset has been reported the first time and that this event has an influence on the estimated future cash flows for the financial asset or group of financial assets which can be estimated in a reliable way.

Write-down for financial assets in the loans and receivables category is calculated as the difference between the reported value of the asset and the current value of estimated future cash flows discounted at the original effective rate. If the need for write-down decreases in a subsequent period and the decrease can be attributable to an event which occurred after the write-down was reported, the reversal of the previously reported write-down is reported in the consolidated profit and loss account. When it concerns an own-capital instrument classified as financial assets available for sale, a significant or prolonged fall in actual value for an instrument to a level below its acquisition value is taken into consideration as evidence that there is a need for write-down. If such evidence exists for financial assets available for sale, the accumulated loss – calculated as the difference between the acquisition value and actual value, with a deduction for previous write-downs, if any, which have been reported in the profit and loss account – is removed from shareholders' equity in the balance sheet and reported in the profit and loss account. Write-downs of equity instruments, which have previously been reported in the profit and loss account, are not reversed over the profit and loss account.

Inventories

Inventories are entered at the lower of acquisition value and net sales value. The acquisition value is calculated in accordance with the 'first-in, first-out' principle or in accordance with weighted average prices. Weighted average prices are applied in those units in the Group where a variation in the price of goods is deemed to be significant. In semi-finished or finished products of the company's own manufacture, the acquisition value consists of direct manufacturing costs, such as direct material and payroll expenses, and a reasonable proportion of indirect manufacturing costs. On valuation, normal capacity utilisation has been taken into account. Loan costs are not included. The net sales value is the estimated sales price in the current operations with a deduction for applicable variable selling expenses.

Trade debtors

Trade debtors are initially reported at actual value and, thereafter, at accrued acquisition value by application of the effective rate method, less a provision for depreciation, if any. A provision for depreciation of trade debtors is made when there is objective evidence that the Group will not be able to receive all amounts which have fallen due in accordance with the original terms of the receivables. Significant financial difficulties of the debtor; the probability that the debtor will become bankrupt or go through financial reconstruction, and non-payments or delayed payments, are regarded as indications that a need for the write-down of a trade debtor could exist. The size of the provision consists of the difference between the reported value of the asset and the current value of estimated future cash flows, discounted by the original effective rate. The reserved amount is reported in the item 'Other external costs' in the profit and loss account. When a trade debtor cannot be recovered, it is written off. Recovery of

previously written off amounts is credited to 'Other external costs' in the profit and loss account.

Liquid funds

Liquid funds comprise cash and immediately available bank balances.

Share capital

Ordinary shares are classified as shareholders' equity. When a Group company buys the parent company's shares (buy-back of own shares), the purchase price paid, including directly attributable transaction costs (net after tax), if any, reduces profit brought forward until the shares are cancelled or divested. If these shares are later divested, the amounts received (net after directly attributable transaction costs and tax effects, if any) are reported in profit brought forward.

Trade creditors

Trade creditors are initially reported at actual value and, thereafter, at accrued acquisition value by application of the effective rate method.

Borrowing

Borrowing is initially reported at actual value, net after transaction costs. Thereafter, borrowing is reported at accrued acquisition value and the difference, if any, between the amount received (net after transaction costs) and the repayment amount is reported in the profit and loss account, distributed over the loan period, by application of the effective rate method.

Borrowing is classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date.

Taxes

Total tax consists of current tax and deferred tax. Taxes are reported in the profit and loss account except where the underlying transaction is reported as a component in 'Other comprehensive income' or directly against shareholders' equity. In such instances, the tax is also reported in 'Other comprehensive income' and shareholders' equity respectively. Current tax is tax calculated on taxable profit for the period. To this also belongs adjustment of current tax attributable to previous periods.

Deferred tax is calculated in accordance with the balance sheet method on all temporary differences between reported and fiscal values on assets and liabilities. However, the deferred tax is not reported if it arises as a result of a transaction which constitutes the first reporting of an asset or liability which is not an acquisition of an operation and which affects neither reported nor fiscal results on the date of acquisition. Deferred income tax is calculated by application of tax rates (and tax legislation) which have been decided or announced as per the balance sheet date and which are anticipated to apply when the deferred tax recoverable is realised or the deferred tax liability is settled. In the legal entity are reported untaxed reserves including deferred tax liability. In the consolidated accounts, on the other hand, untaxed reserves are divided into deferred tax liability and shareholders' equity.

Deferred taxes recoverable are reported to the extent it is likely that future fiscal surpluses will be available, against which the temporary differences can be utilised. Deferred tax is calculated on temporary differences which arise on participations in

subsidiaries and associated companies, except where the date for reversal of the temporary difference can be controlled by the Group and it is likely that the temporary difference will not be reversed in the foreseeable future.

Provisions (with the exception of deferred tax)

A provision is reported in the balance sheet when the company has a formal or informal commitment as a consequence of an event that has occurred and it is probable that an outflow of resources will be required to settle the commitment and a reliable estimate of the amount can be made.

The provisions are valued at the current value of the amount that can be expected to be required to settle the commitment. In this connection, a discount rate before tax is applied which reflects a current market valuation of the time-dependent value of money and the risks linked with the provision. The increase in the provision which is due to the fact that time passes is reported as an interest expense.

Guarantee reserve

A provision is reported when the underlying product or service has been sold. The guarantee provision is calculated on the basis of previous years' guarantee expenditure and of forecast future guarantee commitments.

Restructuring reserve

A provision is reported when a detailed restructuring plan has been adopted and the restructuring has either started or been announced publicly.

Remuneration of employees

Pension commitments

The Group's pension costs are reported in full under the heading remuneration of employees in the profit and loss account.

In defined contribution plans, the company pays fixed contributions to a separate legal entity and has no commitment to pay additional contributions. The Group's profit is charged for costs as the benefits are earned.

In defined benefit pension plans there is stated the amount for the pension benefit an employee receives after retirement. This is usually based on one or several factors such as age, period of service and salary. The Group carries a risk of ensuring that the payments undertaken are made. The defined benefit pension plans are both funds invested in various pension plans and floating debts. Where the funds are invested, the assets which belong to the plans are separated from the Group's assets in externally managed funds. These managed assets can only be used to pay benefits in accordance with the pension agreements.

In the balance sheet is reported the net of the calculated current value of the commitments and the actual value of the managed assets, either as a provision or a long-term financial receivable. Where a surplus in the plan cannot be utilised in full, only the portion of the surplus which the company can recover through reduced contributions or repayments is reported. Set-off against a surplus in a plan against a deficit in another plan is only made if the company has the right to utilise a surplus in one plan to regulate a deficit in another plan, or if the commitments are intended to be settled on a net basis.

The pension cost and the pension commitment for the defined benefit pension plans is calculated in accordance with the projected unit credit method. The method distributes the cost for pensions in step with the employees carrying out services for the company which increase their right to future compensation. The company's commitment is based on calculations by independent actuaries. The commitment consists of the current value of the anticipated future payments. The discount rate applied is equivalent to the interest in respect of first class company bonds or Government bonds with a duration equivalent to the average duration for the commitments and the currency. The most important actuarial assumptions are stated in Note 30.

When determining the current value of the commitment and the actual value of the managed assets, actuarial profits and losses could arise. These arise either because the actual outcome is different from the previous assumption or because assumptions change. The portion of the accumulated actuarial profits and losses at the previous year's end which exceeds 10 per cent of the commitments' current value and 10 per cent of the managed assets' actual value – whichever is higher – is reported in the result over the anticipated average remaining period of service for the employees covered by the plan.

Commitments for retirement pension and family pension for salaried employees in Sweden are secured through insurance in Alecta. In accordance with the statement by the Swedish Financial Accounting Standards Council's Emergency Issues Task Force, UFR 3, this is a benefit-based plan which comprises several employers. For the 2011 financial year, the company has not had access to information which makes it possible to report this scheme as a benefit-based plan.

The pension plan in accordance with ITP, which is secured through insurance in Alecta, is, therefore, reported as a contribution-based plan. The year's contributions for pension insurance plans subscribed in Alecta amount to SEK 2.0M (2.5). Alecta's surplus can be distributed to the policy holders and/or the insured. At the 2012 year end, Alecta's surplus in the form of the collective consolidation level amounted to 129 per cent (113). The collective consolidation level consists of the market value of Alecta's assets as a percentage of the insurance commitments calculated in accordance with Alecta's insurance technical calculation assumptions which do not correspond with IAS 19.

Payments on termination of employment

A provision in connection with termination of employment of staff is only reported if the company is demonstrably obliged to end an employment before the normal date or when payments are made as an offer to encourage voluntary termination. When the company needs to make staff redundant, a detailed plan is prepared which contains at least work location, positions and the approximate number of people involved, as well as payments for each staff category or position and the time for the implementation of the plan.

Variable remuneration

Variable remuneration of Senior Executives is reported in Note 6. The variable remuneration is decided annually by the G & L Beijer AB Board of Directors and can amount to not more than six months' salary. The variable remuneration is based on qualitative and quantitative target fulfilment.

Variable remuneration of employees in addition to senior executives exists only to a limited extent. Remuneration is reported in the period when the legal commitment arises.

Revenues

Revenue recognition is made in the profit and loss account when it is probable that the future financial benefits will accrue to the company and these benefits can be calculated in a reliable way. The revenues include only the gross inflow of financial benefits the company receives or can receive on its own account. Income on sale of goods is reported as income when the company has transferred the significant risks and benefits linked with the ownership of the goods and the company does not exercise any real control over the goods sold. The revenues are reported at the actual value of what has been received or will be received with a deduction for VAT, made discounts and returned goods. Income from services is reported in the period they have been carried out. The criteria for revenue recognition are applied to each transaction per se. Payments in the form of interest, commission and dividend are reported as income when it is probable that the financial benefits linked with the transaction accrue to the company and that they can be calculated in a reliable way. Interest income is reported as revenue distributed over the duration by application of the effective rate method. Dividend income is reported when the right to receive payment has been determined.

Leasing – lessees

In the consolidated accounts, leasing is classified either as financial or operational leasing. Financial leasing exists when the financial risks and benefits linked with the ownership have been essentially transferred to the lessee. If this is not the case, it is a matter of operational leasing. Operational leasing means that the leasing charge is written off over the duration with the use as a starting point, which can differ from what has de facto been paid as a leasing charge during the year. No significant financial lease contracts exist. See Note 9.

Hedge reporting

The Group applies hedge reporting for financial instruments aimed at hedging the following financial risks: future commercial cash flows in future interest payments relating to the Group's borrowing and net investments in operations abroad. When the transaction is entered into the relation between the hedging instrument and the hedged item is documented or the transaction as well as the objective of the risk handling and the strategy for taking different hedging actions. The Group also documents its assessment, both at the start of the hedging and current, as to whether the derivative instruments used in the hedging transaction are effective with regard to mitigating changes in actual value or cash flow for hedged items.

Hedgings are designed to ensure that they can be expected to be effective. Changes in actual value for derivative instruments which do not meet the conditions for hedge reporting are reported immediately in the profit and loss account. The Group raises interest derivatives to hedge the desired interest level on the Group's net debt. Amounts to be paid or received in accordance with interest derivatives are reported on a current basis as interest income or interest expense. Changes in actual value on the

hedging instrument are reported in the total result until the maturity date. An ineffective part, if any, is reported immediately in the profit and loss account. If the borrowing and, therefore, future interest payments no longer exist, the accumulated profit or loss reported in the total result is immediately transferred to the profit and loss account.

Translation of foreign currency

Functional currency and reporting currency

Items included in the financial reports for the different units in the Group are valued in the currency used in the financial environment in which the respective company mainly operates (functional currency). In the consolidated accounts SEK is used, which is the parent company's functional currency and reporting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency in accordance with the exchange rates applicable on the date of transaction. Exchange gains and losses, which arise on payment of such transactions and on the translation of monetary assets and liabilities in foreign currency at the balance sheet date rate, are reported in the profit and loss account.

Group companies

Results and financial position for all Group companies (none of which have a high inflation currency), which have functional currency other than the reporting currency, are translated into the Group's reporting currency as follows:

- assets and liabilities for each balance sheet are translated at the balance sheet date rate,
- income and expenses for each profit and loss account are translated at the average exchange rate and
- all exchange rate differences which arise are reported as a separate component in 'Other comprehensive income'.

On consolidation, the year's exchange rate differences, which arise as a result of translation of net investments in foreign operations and of borrowing and other currency instruments which have been identified as hedgings of such investments, are reported as a component in 'Other comprehensive income' and accumulated among reserves in shareholders' equity. On the divestment of a foreign operation, such exchange rate differences are reported as a part of the capital gain/loss in the profit and loss account.

Goodwill and adjustments of actual value which arise on the acquisition of a foreign operation are treated as assets and liabilities in this operation and translated at the balance sheet date rate. The arisen exchange rate differences are reported as a separate component in 'Other comprehensive income'.

Dividends

Dividend to the parent company's shareholders is reported as liability in the Group's financial reports in the period when the dividend is approved by the parent company's shareholders.

Related parties transactions

Information about the Board of Directors', the Managing Director's and other senior executives' salaries and other remuneration, costs and obligations relating to pensions and similar benefits, agreements made relating to severance pay is outlined in Note 6. Other transactions with related parties appear in Note 38.

Parent company Reporting principles

Deferred tax

In the parent company - due to the relationship between reporting and taxation - the deferred tax liability on untaxed reserves is reported as a part of the untaxed reserves.

Subsidiaries

In the parent company's accounts are reported participations in subsidiaries at acquisition value with a deduction for write-downs, if any. As dividend from subsidiaries is only reported a dividend received from profits earned after the acquisition.

Group contributions and Shareholders' contributions

Group contributions which the parent company receives from a subsidiary are reported in accordance with the same principles as usual dividends from subsidiaries which means that the Group contribution is reported as financial income. Paid Group contribution is reported as financial expense.

Note 3 Financial risk handling

Financial risks

Through its operations, the Group is exposed to a large number of different financial risks, including the effects of changes in prices in the loan and capital markets, exchange rates and interest rates. The Group's overall risk-handling programme focuses on the unpredictability in the financial markets and strives to minimise potential unfavourable effects on the Group's results. The risk handling is managed by a central finance department (Group Finance) in accordance with principles approved by the Board of Directors. Group Finance identifies, evaluates and hedges financial risks in close collaboration with the Group's operational units. The Board of Directors draws up written principles for both the overall risk handling and for specific areas such as currency risks, interest risks, and investment of surplus liquidity.

Financial instruments by category in the Group

The reporting principles for financial instruments have been applied as below:

31/12 2012	Loan receivables and trade debtors	Financial assets avail- able for sale	Total
Assets in the balance sheet			
Financial assets available for sale		77 834 ¹⁾	77 834
Trade debtors and other receivables	1 383 466		1 383 466
Liquid funds	188 732		188 732
Total	1 572 198	77 834	1 650 032

	Other financial liabilities	Total
Liabilities in the balance sheet		
Liabilities to credit institutions	843 032	843 032
Bank overdraft facilities	498 191	498 191
Trade creditors and other liabilities	1 038 745 ²⁾	1 038 745
Total	2 379 968	2 379 968

1) Financial assets available for sale are valued in accordance with level 3. See Note 22.

2) Includes hedging instruments amounting to 8,075 valued in accordance with level 2 which after tax amounts to 6,298, of which the year's influence on comprehensive income amounts to 4,775.

31/12 2011	Loan receivables and trade debtors	Financial assets avail- able for sale	Total
Assets in the balance sheet			
Financial assets available for sale		80 797 ¹⁾	80 797
Trade debtors and other receivables	1 413 193		1 413 193
Liquid funds	237 426		237 426
Total	1 650 619	80 797	1 731 416

	Other financial liabilities	Total
Liabilities in the balance sheet		
Liabilities to credit institutions	888 660	888 660
Bank overdraft facilities	450 856	450 856
Trade creditors and other liabilities	1 143 051 ²⁾	1 143 051
Total	2 482 567	2 482 567

1) Financial assets available for sale are valued in accordance with level 3. See Note 22.

2) Includes hedging instruments amounting to 2,066 valued in accordance with level 2 which after tax amounts to 1,523 as is shown in comprehensive income.

Market risk

Currency risks

The Group is exposed to transaction risks on acquisitions/sales and financial transactions in foreign currency. The currency exposure relates primarily to the EUR and USD. Quotations and price lists generally contain a currency clause. Continual price adjustments are made on a par with changed purchase prices caused by, among other things, exchange rate fluctuations. On translation to the Group currency, SEK, the Group is exposed to a translation risk. This type of currency risk is not hedged. In some cases, however, an equity hedge is set up. The arisen exchange rate difference compared with the previous year is shown in Note 15. On the balance sheet date, the Group had no outstanding forward exchange agreements or other significant financial instruments for which actual value shall be reported.

Interest risks

The Group's revenues and cash flow from operations are essentially independent of changes in market interest levels. The Group has no significant interest-bearing assets. The Group partly handles the interest risk by using interest swaps with the financial significance to convert the borrowing from floating to fixed interest rates. The Group usually raises long-term loans at floating interest rates and convert them through interest swaps to fixed interest rates which are lower than if the borrowing had taken place directly at fixed interest rates. The interest swaps mean that the Group agrees with other parties to exchange, with stated intervals (usually by quarter), the difference between interest amount in accordance with the fixed contract interest rate and the floating interest rate amount, calculated on contracted nominal amounts. The Group has a large focus on the current trend in interest rate and the question of possibly fixing the interest rate is under continuous consideration by the G & L Beijer AB's Board of Directors.

Credit risk

The Group has no significant concentration of credit risks. The Group has established guidelines for ensuring that sales of products are made to customers with an appropriate credit background. Due to the fact that the Group has of a large number of customers and transactions, the credit risk is kept at a low level.

Liquidity risk

The handling of liquidity risks is made with prudence as the starting point. This involves maintaining sufficient liquid funds, available financing and through sufficient agreed bank overdraft facilities. On the balance sheet date, liquid funds including unutilised bank overdraft facilities totalled SEK 538.0M (677.2). In addition, there are limits granted by the Group's banks to cover the working capital requirement which may arise. Further information is presented in Note 28.

Capital risk

The Group's objective relating to the capital structure is to secure the Group's ability to continue its operation in order to enable it to generate a return for its shareholders, whilst the capital structure is kept at an optimum in order to keep the capital costs down. In order to change the capital structure, for example, the dividend can be changed, new shares issued or assets sold to reduce the liabilities.

The capital risk is measured as net debt ratio, which means interest-bearing liabilities reduced by liquid funds in relation to shareholders' equity.

Group	2012	2011
Interest-bearing liabilities	1 397 273	1 398 460
Liquid funds	– 188 732	– 237 426
Net debt	1 208 541	1 161 034
Shareholders' equity	2 415 088	2 418 867
Net debt ratio	0,50	0,48

Note 4

Important estimates and assessments for reporting purposes

The Corporate Management and the Board of Directors make assessments and assumptions about the future. These assessments and assumptions influence reported assets and liabilities, as well as revenues and costs, and other given information. These assessments are based on historic experiences and the different assumptions deemed to be reasonable under current circumstances. Conclusions drawn by these means form the foundation for decisions relating to reported values of assets and liabilities where these cannot be determined through other information. Areas which include such assessments and assumptions which can significantly influence the Group's result and financial position include:

- The examination of the need for a write-down of goodwill and other assets with an indefinite useful life: The need for a write-down of goodwill is examined annually in connection with the annual accounts or as soon as changes indicate that a need for a write-down should exist, such as a changed business climate or a divestment or closure of an operation. A write-down is made if the reported value exceeds the estimated value in use. See also Note 2 and Note 18. The Group's goodwill amounts to approximately 33 per cent of the Group's equity.
- Other tangible and intangible assets are reported at acquisition value with a deduction for accumulated depreciation and write-downs, if any. Depreciation is made over the estimated useful life down to an assessed residual value. The reported value of the Group's fixed assets is examined as soon as changed circumstances show that there is a need for a write-down. The value in use is measured as anticipated future discounted cash flow, primarily from the cash-generating unit to which the asset belongs but, in specific cases, also in relation to individual assets. An examination of the reported value of an asset also arises in connection with a decision having been taken about a close-down. The asset is taken up at the lowest of the reported value and the actual value after a deduction for selling expenses. Tangible and intangible assets except goodwill amount to approximately 31 per cent of the Group's equity.

Note 5 Reporting for segments

Operations

The Group has one business area, Beijer Ref, and the business area's operation is monitored by the chief operating decision maker. Unallocated costs in the table below represent group-wide costs.

	<i>Beijer Ref</i>		<i>Divested operation</i>		<i>Group</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
Revenues						
External sales	6 758 323	5 846 435	—	50 928	6 758 323	5 897 363
Total revenues	6 758 323	5 846 435	—	50 928	6 758 323	5 897 363
Results						
Result by operation	447 545	462 601	—	– 4 381	447 545	458 220
Undistributed costs			—	—	– 32 320	– 30 098
Operating profit	447 545	462 601	—	– 4 381	415 225	428 122
Result of holdings in associated companies					24 258	12 700
Financial income					4 738	59 105
Financial expenses					– 39 318	– 17 543
Tax on the year's profit					– 99 089	– 112 428
Net profit for the year					305 814	369 956
Other information						
Assets	5 136 735	5 192 382	—	—	5 136 735	5 192 382
Undistributed assets					– 128 163	– 99 982
Total assets			—	—	5 008 572	5 092 400
Liabilities	3 782 563	4 119 126	—	—	3 782 563	4 119 126
Undistributed liabilities					– 1 189 079	– 1 445 593
Total liabilities			—	—	2 593 484	2 673 533
Investments in fixed assets	60 301	77 196	—	—		
Depreciation	62 400	46 848	—	5 138		

Geographic regions

The Group's operation are carried out in Europe, Africa and Thailand.

The sales figures are based on the country in which the customer is located. Assets and investments are reported where the asset is located.

	<i>Sales</i>		<i>Assets</i>		<i>Investments</i>	
<i>Remaining operations</i>	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
France	1 804 283	1 215 558	1 348 771	1 117 012	6 416	6 260
United Kingdom	589 189	540 002	369 393	292 711	8 780	3 759
South Africa	570 204	547 952	424 384	403 648	963	9 706
The Netherlands	511 690	636 296	325 757	315 489	2 864	3 561
Italy	471 559	373 108	649 538	663 007	2 324	2 845
Switzerland	388 996	434 047	418 717	445 448	4 016	7 376
Denmark	336 594	339 289	309 814	303 217	3 618	3 126
Sweden	321 274	344 792	323 721	952 734	1 420	7 484
Spain	314 790	247 470	213 874	273 342	862	4 390
Norway	247 928	205 743	214 468	156 997	19 556	26 424
Finland	204 089	185 488	106 995	108 097	1 062	786
Thailand	171 058	137 778	104 301	89 106	2 132	22
Germany	154 805	46 151	233 611	186 201	2 559	542
Belgium	149 983	103 783	37 396	37 953	670	469
Poland	129 726	103 929	103 351	95 403	479	132
Romania	52 961	60 976	28 927	28 744	286	—
Other European countries	245 259	226 685	110 958	157 624	2 286	314
Rest of the world	93 935	97 388	—	—	—	—
Total remaining operations	6 758 323	5 846 435	5 323 976	5 626 733	60 301	77 196
Divested operation	—	50 928	—	—	—	—
Total	6 758 323	5 897 363	5 323 976	5 626 733	60 301	77 196
Undistributed assets/Eliminations			– 315 404	– 534 333		
Total assets			5 008 572	5 092 400		

Note 6 Employees and remuneration of employees

Average number of employees

<i>Remaining operations</i>	2012	<i>of whom men</i>	2011	<i>of whom men</i>
Parent Company				
Sweden	4	75%	4	75%
Total in Parent Company	4	75%	4	75%
Subsidiaries				
France	474	81%	317	80%
South Africa	336	88%	330	88%
United Kingdom	190	46%	191	66%
Italy	184	79%	158	83%
The Netherlands	171	85%	172	84%
Spain	115	72%	87	75%
Sweden	108	86%	102	83%
Switzerland	96	74%	101	76%
Norway	90	88%	85	86%
Denmark	66	85%	62	82%
Thailand	64	33%	54	46%
Poland	39	82%	30	87%
Finland	33	76%	30	73%
Germany	32	84%	6	67%
Hungary	31	77%	29	79%
Belgium	26	77%	24	71%
Romania	24	71%	25	80%
Czech Republic	14	79%	16	56%
Estonia	8	88%	8	88%
Ireland	7	71%	7	71%
Lithuania	7	71%	8	75%
Slovakia	7	57%	7	43%
Latvia	6	83%	6	83%
Botswana	5	60%	4	50%
Namibia	4	100%	4	100%
Total in subsidiaries	2 137	77%	1 863	79%
Total remaining operation	2 141	77%	1 867	79%
<i>Divested operation</i>	—		78	
Total Group	2 141		1 945	

Salaries, other remuneration and social costs (sek k)

	2012			2011		
	<i>Salaries & other remuneration</i>	<i>Social costs</i>	<i>Total remuneration of employees</i>	<i>Salaries & other remuneration</i>	<i>Social costs</i>	<i>Total remuneration of employees</i>
<i>Remaining operation</i>						
Parent company	9 716	6 106	15 822	9 508	5 211	14 719
(of which pension costs) ¹	—	(2 473)	(2 473)	—	(1 900)	(1 900)
Subsidiaries	725 214	162 841	888 055	654 830	169 592	824 422
(of which pension costs)	—	(39 580)	(39 580)	—	(44 512)	(44 512)
Total remaining operation	734 930	168 947	903 877	664 338	174 803	839 141
(of which pension costs) ²	—	(42 053)	(42 053)	—	(46 412)	(46 412)
<i>Divested operation</i>						
Total remuneration to employees			—			36 571
Total Group			903 877			875 712

1) Of the parent company's pension costs, SEK 1,279K (1,132) relate to the Board of Directors and the Managing Director.

2) Of the Group's pension costs, SEK 5,800K (6,306) relate to the Board of Directors and the Managing Director.

Benefits for senior executives

For 2012, a directors' fee of SEK 380K was paid to the Chairman and SEK 240K to each of the other Board Members with the exception of Board Members employed in G & L Beijer or in the Carrier group, to whom no remuneration has been paid. The Board consists of six men and one woman. The Managing Director, Joen Magnusson, has received a salary, remuneration and other benefits amounting to SEK 5,276K (5,064) including a bonus payment of SEK 729K (651). An annual amount equivalent to 26 per cent of his gross salary is appropriated to a pension insurance scheme. The pension solution is contribution-based. The retirement age for the Managing Director is 65. Where notice of termination is given by the company, the Managing Director will receive 24 months' salary and the company will pay a pension insurance premium of 26 per cent. A bonus payment is decided annually by the Board of Directors and can amount to up to six months' salary. The bonus payment is based on qualitative and qualitative target fulfilment. Other senior executives, all men, consisted of the Chief Financial Officer, the Head of Beijer Ref and the Chief Operating Officer of Toshiba HVAC. They received salary, remuneration and other benefits amounting to SEK 7,803K (6,683) including bonus payments of SEK 969K (979).

Pension solutions to other senior executives are contribution-based and amount to 24 per cent of gross salary. Where notice of termination is given by the company, these executives will receive 12 months' salary and a 24 per cent contribution to a pension insurance plan. One of the senior executives will, in addition to 12 months' salary on notice of termination, receive 12 months' severance pay. Notice of termination by the Managing Director or other senior executives does not trigger any severance pay. On new employment, there is no deduction of severance pay.

The Board of Directors handles matters relating to remuneration of the senior executives and the Board as a whole constitutes the Remuneration Committee. However, the Managing Director does not participate in decisions relating to his own remuneration. The matter is prepared during the first Board Meeting of the year and decided at the Board Meeting held in connection with the Annual Meeting of shareholders.

Note 7 Other operating income

Group	2012	2011
Rents	7 008	6 381
Exchange gains	2 143	3 308
Capital gain	268	229
Commission	113	99
Other	1 795	1 900
Total	11 327	11 917
Parent company		
Group revenues	8 886	10 414
Exchange gains	54	—
Other	316	—
Total	9 256	10 414

Note 8 Remuneration of auditors

Group	2012	2011
<i>PwC</i>		
Audit assignment	7 025	6 594
Audit business in addition to audit assignment	319	268
Tax consultancy	719	451
Other services	1 238	1 175
Total	9 301	8 488
<i>Other auditors</i>		
Audit assignment	136	1 159
Audit business in addition to audit assignment	—	650
Tax consultancy	139	696
Other services	—	1 010
Total	275	3 515
Total	9 576	12 003

Parent company

<i>PwC</i>		
Audit assignment	990	1 030
Audit business in addition to audit assignment	319	268
Tax consultancy	240	184
Other services	690	613
Total	2 239	2 095

Note 9 Lease contracts

Group	2012	2011
The year's leasing cost	136 470	105 480
Leasing charge which falls due		
- within 1 year	104 937	105 536
- within 1-5 years	229 915	230 643
- later than 5 years	100 855	80 660

The above amounts mainly relate to operational lease contracts for premises, but leasing charges for cars, trucks and office equipment are also included. The lease contracts run with customary index clauses and the car contracts run with normal interest terms.

Note 10 Results of participations in Group companies and associated companies

Group	2012	2011
Share of profit in associated companies	2 274	12 700
Capital gain on sale of participations	21 984	—
Total	24 258	12 700
Parent company		
Dividends received, Group companies	275 352	124 387
Dividends received, associated companies	—	17 048
Capital gain, sale of participations	51 867	51 671
Group contributions, net	12 717	3 674
Liquidation loss	- 38 380	—
Write-down, Group companies	—	- 6 803
Total	301 556	189 977

The parent company has received dividends of SEK 120,000K from G & L Beijer Ref AB and SEK 155,352K from GPF SA.

Note 11 Financial income

Group	2012	2011
Interest income	4 662	3 920
Exchange gain	—	3 506
Capital gain	—	51 671
Other financial income	76	—
Total	4 738	59 097
Parent company		
Interest income, Group companies	4 748	7 808
Interest income, external	22	33
Exchange gain	—	4 258
Total	4 770	12 099

Note 12 Financial expenses

Group	2012	2011
Interest expenses	- 34 678	- 16 307
Exchange loss	- 4 412	- 63
Other	- 228	- 47
Total	- 39 318	- 16 417
Parent company		
Interest expenses, Group companies	—	- 339
Interest expenses, external	- 140	- 442
Exchange loss	- 1 958	—
Total	- 2 098	- 781

Note 13 Appropriations

Parent company	2012	2011
Tax allocation reserve, the year's change	962	- 10 574
Difference between book depreciation and depreciation according to plan		
- Equipment, tools and installations	55	422
Total	1 017	- 10 152

Note 14 Tax on the year's profit

Group	2012	2011
Current tax	– 119 819	– 125 558
Deferred tax (Note 29)	20 730	11 710
Tax on the year's profit	– 99 089	– 113 848

Reconciliation of effective tax

Profit before taxes	404 903	487 883
Tax expense calculated according to actual tax rate, 26.3%	– 106 489	– 128 313
Effect of different tax rates	5 104	– 2 930
Non-deductible costs	– 20 506	– 14 146
Non-taxable income	11 223	7 736
Tax attributable to previous years	106	1 515
Reported loss carry forward	14 213	22 197
Other	– 2 740	93
Net effective tax	– 99 089	– 113 848
Effective tax rate	24,5%	23,3%

Parent company

Current tax	758	– 8 343
Deferred tax	–	– 4 372
Tax on the year's profit	758	– 12 715

Reconciliation of effective tax

Profit before taxes	289 113	181 954
Tax expense calculated according to actual tax rate, 26.3%	– 76 037	– 47 854
Non-deductible costs	– 10 420	– 270
Non-taxable income	86 347	35 409
Tax attributable to previous years	868	–
Net effective tax	758	– 12 715
Effective tax rate	– 0,3%	– 7,0%

Deferred tax expense in other comprehensive income amounts to SEK 1,234K (543) and relates to cash flow hedging.

Note 15 Currency effect in result

Group	2012	2011
Currency effect in operating profit	2 143	3 308
Currency effect in financial income and expenses	– 4 412	3 443
Currency effect in profit after tax	– 2 269	6 751

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Currency effect in operating profit	54	–
Currency effect in financial income and expenses	– 1 958	4 258
Currency effect in profit after tax	– 1 904	4 258

Note 16 Profit per share

	2012	2011
Profit attributable to the parent company's shareholders	295 185	363 997
Weighted average number of outstanding shares	42 391 030	42 391 030
Profit per share, sek*	6,96	8,59

*) No dilution exists.

Share split carried out on 29 June 2012. Comparative figures are recalculated taking into account the implemented split.

Note 17 Dividend per share

Dividends paid during 2012 and 2011 amounted to SEK 190,760K (SEK 4.50 per share) and 169,564K (SEK 4.00 per share) respectively. A dividend of SEK 4.75 per share for 2012, SEK 201,357K in total, will be proposed at the Annual Meeting of shareholders on 26 April 2013.

Note 18 Intangible fixed assets

Capitalised expenditure for software

Group

Accumulated acquisition values	2012	2011
On 1 January	88 227	77 056
Acquisitions during the year	12 623	14 982
Divestments and disposals	- 1 302	- 1 707
Acquisition of companies	—	985
Divested operation	—	- 2 217
The year's translation differences	- 2 585	- 872
Total	96 963	88 227

Accumulated amortisation

On 1 January	- 65 150	- 61 127
The year's amortisation	- 8 082	- 7 352
Divestments and disposals	1 302	1 707
Acquisition of companies	—	- 641
Divested operation	—	1 946
The year's translation differences	1 888	317
Total	- 70 042	- 65 150
Residual value	26 921	23 077

Capitalised expenditure for research and development, etc

Group

Accumulated acquisition values	2012	2011
On 1 January	3 094	13 608
Acquisitions during the year	235	951
Acquisition of companies	—	1 473
Divested operation	—	- 12 921
The year's translation differences	- 61	- 17
Total	3 268	3 094

Accumulated amortisation

On 1 January	- 1 698	- 8 277
The year's amortisation	- 183	- 2 049
Acquisition of companies	—	- 225
Divested operation	—	8 856
The year's translation differences	26	- 3
Total	- 1 855	- 1 698
Residual value	1 413	1 396

Agencies, customer lists, trademarks, etc

Group

Accumulated acquisition values	2012	2011
On 1 January	524 449	55 678
Acquisition of companies	9 313	469 426
The year's translation differences	- 14 671	- 655
Total	519 091	524 449

Accumulated amortisation

On 1 January	- 12 394	- 5 288
The year's amortisation	- 14 451	- 5 097
The year's translation differences	1 281	- 2 009
Total	- 25 564	- 12 394
Residual value	493 527	512 055

Goodwill

Group

Accumulated acquisition values	2012	2011
On 1 January	847 437	710 740
Acquisition of companies	17 839	156 745
Divested operation	—	- 681
The year's translation differences	- 33 885	- 19 367
Residual value	831 391	847 437

The recoverable amount for a cash-generating unit is determined based on calculations of value of use. These calculations are based on estimated future cash flows which, in turn, are based on financial budgets approved by the Executive Management for the immediate year. Thereafter, estimates have been made by the business area's management, which have been approved by the Executive Management, and which cover a five-year period. Cash flows beyond the five-year period are extrapolated with the aid of estimated growth and future profitability development. The most important variables for the calculation of value of use are operating margin and growth. These are estimated based on sector experience and historic experience.

The discount rate, which amounts to 8.64 per cent after tax, has been determined with the aid of current tools for the calculation of the yield requirements on capital and the weighted average of the yield requirement on the company's total capital.

A sensitivity analysis shows that an increase in the discount rate by one percentage point reduces the recovery value by 11 per cent. A prudent margin remains to the book value.

The calculation has shown that there is no need for a write-down. A sensitivity analysis has been made and, with the assumption of a halved growth and a raised discount rate by three per cent, there is still no need for a write-down.

Total intangible fixed assets

Group

Accumulated acquisition values	2012	2011
On 1 January	1 463 207	857 082
Acquisitions during the year	12 858	15 933
Divestments and disposals	- 1 302	- 1 707
Acquisition of companies	27 152	628 629
Divested operation	—	- 15 819
The year's translation differences	- 51 202	- 20 911
Total	1 450 713	1 463 207

Accumulated amortisation

On 1 January	- 79 242	- 74 692
The year's amortisation	- 22 716	- 14 498
Divestments and disposals	1 302	1 707
Acquisition of companies	—	- 866
Divested operation	—	10 802
The year's translation differences	3 195	- 1 695
Total	- 97 461	- 79 242
Residual value	1 353 252	1 383 965

Capitalised expenditure for software

Parent company

Accumulated acquisition values	2012	2011
On 1 January	2 333	2 020
Acquisitions during the year	116	313
Divestments and disposals	- 706	—
Total	1 744	2 333

Accumulated amortisation

On 1 January	- 1 400	- 925
The year's amortisation	- 495	- 475
Divestments and disposals	706	—
Total	- 1 189	- 1 400
Residual value	555	933

Note 19 Tangible fixed assets

Buildings and land

Group		
Accumulated acquisition values	2012	2011
On 1 January	199 514	175 532
Acquisitions during the year	16 273	24 256
Divestments and disposals	—	– 257
Reclassification	2 089	—
The year's translation differences	– 3 123	– 17
Total	214 753	199 514
Accumulated depreciation		
On 1 January	– 78 273	– 74 442
The year's depreciation	– 4 567	– 3 935
Reclassification	– 2 089	—
The year's translation differences	1 767	104
Total	– 83 162	– 78 273
Residual value	131 591	121 241

Machinery and other technical plant

Group		
Accumulated acquisition values	2012	2011
On 1 January	93 002	123 450
Acquisitions during the year	5 204	3 673
Divestments and disposals	– 26 151	– 45 715
Acquisition of companies	—	13 123
Divested operation	—	– 2 318
Reclassification	—	1 608
The year's translation differences	330	– 819
Total	72 385	93 002
Accumulated depreciation		
On 1 January	– 70 092	– 94 867
The year's depreciation	– 4 810	– 5 732
Divestments and disposals	26 151	35 546
Acquisition of companies	—	– 5 799
Divested operation	—	2 318
The year's translation differences	– 330	– 1 558
Total	– 49 081	– 70 092
Residual value	23 304	22 910

Equipment, tools and installations

Group		
Accumulated acquisition values	2012	2011
On 1 January	337 525	280 679
Acquisitions during the year	26 639	34 902
Divestments and disposals	– 7 075	– 9 445
Acquisition of companies	—	37 896
Divested operation	—	– 5 652
Reclassification	1 550	—
The year's translation differences	– 6 124	– 855
Total	352 515	337 525
Accumulated depreciation		
On 1 January	– 233 097	– 199 424
The year's depreciation	– 29 861	– 25 007
Divestments and disposals	4 832	7 943
Acquisition of companies	—	– 20 822
Divested operation	—	4 259
The year's translation differences	5 361	– 46
Total	– 252 765	– 233 097
Residual value	99 750	104 428

Construction in progress

Group		
Accumulated acquisition values	2012	2011
On 1 January	2 315	3 367
Accrued expenses during the year	190	556
Reclassification	– 1 550	– 1 608
Translation difference	– 239	—
Residual value	716	2 315

Total tangible fixed assets

Group		
Accumulated acquisition values	2012	2011
On 1 January	632 356	583 028
Acquisitions during the year	48 306	63 387
Divestments and disposals	– 33 226	– 55 417
Acquisition of companies	—	51 019
Divested operation	—	– 7 970
Reclassification	2 089	—
The year's translation differences	– 9 156	– 1 691
Total	640 369	632 356
Accumulated depreciation		
On 1 January	– 381 462	– 368 733
The year's depreciation	– 39 238	– 34 674
Divestments and disposals	30 983	43 489
Acquisition of companies	—	– 26 621
Divested operation	—	6 577
Reclassification	– 2 089	—
The year's translation differences	6 798	– 1 500
Total	– 385 008	– 381 462
Residual value	255 361	250 894

Equipment, tools and installations

Parent company		
Accumulated acquisition values	2012	2011
On 1 January	1 926	1 748
Acquisitions during the year	747	178
Divestments and disposals	– 868	—
Total	1 805	1 926
Accumulated depreciation		
On 1 January	– 1 338	– 1 060
The year's depreciation	– 248	– 278
Divestments and disposals	508	—
Total	– 1 077	– 1 338
Residual value	727	588

Note 20 Participations in Group companies

Parent company

<i>Accumulated acquisition values</i>	<i>2012</i>	<i>2011</i>
On 1 January	1 185 469	1 087 542
Write-down	—	– 6 802
Reduction acquisition price	—	– 13 212
Liquidation	– 382 613	—
Shareholders' contribution	344 883	117 941
Total	1 147 739	1 185 469

Specification of the parent company and the Group holdings of shares and participations in Group companies

<i>Company</i>	<i>Company ID number</i>	<i>Registered office</i>	<i>Number of participations</i>	<i>Direct share of capital, %¹</i>	<i>Indirect share of capital, %¹</i>	<i>Book value</i>	
						<i>2012</i>	<i>2011</i>
G & L Beijer Förvaltning AB	556020-8935	Malmö	20 000	100		7 418	7 418
Fastighets AB Timmerön	556076-3442	Malmö			100		
G & L Beijer Ltd	SC38231	Glasgow			100		
Beijer Ref							
G & L Beijer Ref AB	556046-6087	Malmö	586 447	100		417 452	72 569
GFF SA	552130296	Lyon	282 120	100		611 643	611 643
Delmo SA	49360517	Villeurbanne	76 735	100		111 226	111 226
G & L Beijer A/S	56813616	Ballerup			100		
Kylma AB	556059-7048	Solna			100		
Fastighets AB Asarum 40:196	556072-3289	Malmö			100		
DEM Production AB	556546-2412	Alvesta			100		
Clima Sverige AB	556314-6421	Ängelholm			100		
H. Jessen Jürgensen AB	556069-2724	Gothenburg			100		
Külmakomponentide OÜ	10037180	Tallinn			100		
OY Combi Cool AB	5999255	Helsinki			100		
H. Jessen Jürgensen A/S	16920401	Ballerup			100		
Armadan A/S	16920436	Ballerup			100		
BKF-Klima A/S	18297094	Ballerup			100		
TT-Coil A/S	19509519	Ballerup			100		
Air-Con A/S	49360517	Ebeltoft			100		
TT-Coil Norge AS	947473697	Mysen			100		
Schlösser Möller Kulde AS	914492149	Oslo			100		
Ecofrigo AS	894871172	Moss			100		
Beijer Ref Polska Sp.z.o.o	206476	Warsaw			100		
Max Cool Sia	344341	Riga			100		
UAB Beijer Ref, Lithuania	1177481	Vilnius			100		
Werner Kuster AG	280.3.001.874-3	Frenkendorf			100		
Charles Hasler AG	020.3.911.192-5	Regensdorf			100		
Paulus AG	280.3.914.612-1	Aesch Basel			100		
Dean & Wood Ltd	467637	Leeds			100		
UR Refrigeration Wholesale Ltd	3453694	Leeds			100		
DWG Refrigeration Wholesale Ltd	299353	Dublin			100		
Coolmark B.V.	24151651	Barendrecht			100		
Uniechemie B.V.	8032408	Apeldoorn			100		
ECR Nederland B.V.	17014719	Nuenen			100		
Equinox Kft	01-09-163446	Budapest			100		
Beijer Ref Romania s.r.l.	J35-2794-29	Timisoara			100		
RK Slovakia s.r.o.	36551856	Nové Zámky			100		
Beijer Ref Czech s.r.o.	16734874	Plzen			100		
ECR Italy SpA	728980152	Milan			100		
Frigoram Commerciale SpA	7202290156	Milan			100		
ECR Belgium BVBA	0807.473.926	Aartselaar			100		
Metraclark South Africa (Pty) Ltd	2008/016731/07	Johannesburg			100		
Beijer ECR Iberica S.L.	1883/09	Madrid			100		
Beijer B. Grimm (Thailand) Ltd	105537024313	Bangkok			49		
SCM Frigo S.p.A.	04342820281	Padua			51		
Starcold S.r.l.	03744160288	Padua			51		
Geodata ACS	04413880289	Padua			51		
Beijer Ref Deutschland GmbH	HRB195155	Munich			100		
Cofriset	961500261	Lyon			100		
TFD SNC	534687306	Saint Priest			100		
Beijer Ref Luxembourg Holding (liquidated)		Luxembourg	—	—		—	382 613
Total Group						1 147 739	1 185 469

1) Share of capital corresponds with share of vote for the total number of shares, with the exception of Beijer B. Grimm (Thailand) Ltd where share of vote amounts to 51 per cent.

Note 21 Holdings in associated companies

During the year, the participation in Förvaltnings AB Norra Vallgatan was divested. The remaining part relates to the holding of 40 per cent in Logos Industrias, Mozambique.

Group	2012	2011
Balance on 1 January	40 377	40 865
Acquisition of participations	—	3 860
Divestment of participations	– 36 517	—
Dividends received	—	– 17 048
Share of profit after tax	332	12 700
Balance on 31 December	4 192	40 377

Parent company	2012	2011
Balance on 1 January	8 133	8 133
Divestment of participations	– 8 133	—
Balance on 31 December	0	8 133

Note 22 Financial assets available for sale

	2012	2011
Balance on 1 January	80 797	514 665
Divestment, securities	—	– 306 450
Gains posted against shareholders' equity	—	– 126 900
Exchange rate differences	– 2 963	– 518
Balance on 31 December	77 834	80 797

The book value of holdings in unlisted shares amounts to SEK 78M (81). It has not been possible to calculate the actual value of these securities at 31 December 2012 in a reliable way and a valuation has, therefore, been made at the Group's acquisition value, i.e. accordance with level 3. There is no observable market data and G & L Beijer has not been given access to information which can form the basis for an estimation relating to anticipated cash flows.

SEK 55M of the holding in the unlisted securities exceeds a share of votes of 20 per cent. This holding is not classified as an associated company as no significant influence can be deemed to exist. An opportunity to exercise significant influence is not deemed to exist as the Group has no representation on the board of directors or any form of opportunity to influence the company's financial or operational strategies.

None of the financial assets are deemed to be in need of a write-down. Financial assets available for sale are expressed in EUR.

Note 23 Trade debtors and other receivables

Group	2012	2011
Trade debtors	1 151 367	1 208 624
Prepaid expenses and accrued income	100 007	77 413
Other receivables	132 092	127 156
	1 383 466	1 413 193
Minus long-term portion	– 58 638	– 53 727
Short-term portion	1 324 828	1 359 466

All long-term receivables mature within five years of the balance sheet date. Actual value of trade debtors and other receivables correspond with reported values. There is no concentration of credit risks relating to trade debtors as the Group has a large number of customers who, in addition, are spread internationally.

Age analysis	2012	2011
Non-matured receivables	816 418	890 877
Receivables due between 1-30 days	189 723	196 982
Receivables due between 31-60 days	78 645	56 160
Receivables due between 61-90 days	28 546	24 614
Receivables due >90 days	118 325	113 087
Total	1 231 657	1 281 720

Provisions for doubtful receivables	2012	2011
Balance on 1 January	73 096	54 777
Costs for bad debt losses	– 24 784	– 19 428
Allocated during the period	31 978	37 747
Balance on 31 December	80 290	73 096

Note 24 Inventories

Group	2012	2011
Raw materials and supplies	71 510	63 552
Work-in-progress	17 237	20 356
Finished products and goods for resale ¹	1 572 071	1 542 909
Advances to suppliers	1 121	1 223
Total inventories	1 661 939	1 628 040

1) Of which reported to net sales value 27 077 52 096

Note 25 Liquid funds

Liquid funds in the Group consist of cash and bank and amounted to SEK 188,732K (237,426).

Note 26 Share capital

Number of shares	2012	2011
A shares with number of votes 10	3 306 240	3 306 240
B shares with number of votes 1	39 171 990	39 171 990
Total	42 478 230	42 478 230

Shares in own custody	– 87 200	– 87 200
Number of outstanding shares	42 391 030	42 391 030

Each share has a nominal value of SEK 8.75.

Note 27 Untaxed reserves

Parent company	2012	2011
Tax allocation reserves	9 611	10 574
Accumulated accelerated depreciation	694	749
Total*	10 305	11 323

*) The tax portion amounts to 22 per cent

Note 28 Borrowing

Group

<i>Long-term</i>	<i>2012</i>	<i>2011</i>
Bank loans	808 403	871 376
Total long-term	808 403	871 376
<i>Current</i>		
Bank overdraft facilities	498 191	450 865
Bank loans	34 629	17 284
Total current	532 820	468 149
Total borrowing	1 341 223	1 339 525

The Group's borrowing by currency is as follows:

EUR	822 322	970 084
GBP	133 823	111 400
SEK	131 638	24 068
CHF	61 014	93 839
NOK	55 522	24 779
PLN	51 277	41 921
THB	37 320	28 487
DKK	35 450	32 946
Other currencies	12 856	12 001
	1 341 223	1 339 525

Due dates for long-term borrowing are as follows:

Between 1 and 5 years	808 403	871 376
	808 403	871 376

The Group's fixed-interest term as a whole is less than twelve months.
Reported amounts for borrowing form a good approximation of their actual value.

Note 29 Deferred tax

Group	Amount on 2011 01-01	Acqui- sitions/ Divest- ments	Reported over the profit and loss account	Reported in other compre- hensive income	Trans- lation diffe- rences	Amount on 2011 12-31	Acqui- sitions/ Divest- ments	Reported over the profit and loss account	Reported in other compre- hensive income	Trans- lation diffe- rences	Amount on 2012 12-31
<i>Deferred tax recoverable:</i>											
Fixed assets	5 891	—	-2 023	543	-3	4 408	—	-2 219	—	-139	2 050
Trade debtors	6 055	—	-2 584	—	-325	3 146	—	2 813	—	-164	5 795
Inventories	2 058	72	1 089	—	-221	2 998	—	4 284	—	-157	7 125
Provision for pensions	3 823	578	337	—	7	4 745	723	-1 281	—	-121	4 066
Provision for pensions											
OB adjustment	4 352	—	—	—	—	4 352	—	—	—	—	4 352
Other provisions	15 086	12	-472	—	-378	14 248	383	-4 986	1 234	-1 727	9 152
Loss carry forwards	5 005	1 374	19 035	—	-139	25 275	2 046	24 475	—	-2 672	49 124
Set-off	-6 638	—	2 821	—	—	-3 817	—	3 817	—	—	—
Total deferred tax recoverable	35 632	2 036	18 203	543	-1 059	55 355	3 152	26 903	1 234	-4 980	81 664
<i>Deferred tax liabilities:</i>											
Fixed assets	-65 941	-10 800	-2 703	33 375	3 201	-42 868	-2 847	-4 253	—	3 273	-46 695
Inventories	-7 796	-6 061	1 776	—	2	-12 079	—	724	—	418	-10 937
Untaxed reserves	-415	—	-2 745	—	—	-3 160	—	1 173	—	—	-1 987
Set-off	6 638	—	-2 821	—	—	3 817	—	-3 817	—	—	—
Total deferred tax liabilities	-67 514	-16 861	-6 493	33 375 ¹	3 203	-54 290	-2 847	-6 173	—	3 691	-59 619
Deferred tax	-31 882	-14 825	11 710	33 918	2 144	1 065	305	20 730	1 234	-1 289	22 045

Deferred tax attributable to fixed assets, pension commitments and loss carry forward is expected to be utilised after 12 months. Otherwise, a duration of less than 12 months is expected.

1) Deferred tax expense in the total comprehensive income 2011 amounts to SEK 33,375K and is attributable to revaluation of financial assets which have been divested.

Note 30 Pension commitments

Group	2012	2011
The amounts reported in the balance sheet have been calculated as follows:		
Current value of invested commitments	275 127	236 126
Actual value of plan assets	- 224 644	- 193 054
Deficit in invested plans	50 483	43 071
Current value of uninvested commitments	27 633	27 843
Unreported actuarial profits/losses	- 21 147	- 10 958
Unreported costs for service in previous years	- 919	- 1 019
Net liability in the balance sheet	56 050	58 937

The change in the defined benefit obligation during the year is as follows:

On 1 January	263 969	245 717
Costs for service during the current year	10 889	5 977
Interest expenses	9 193	3 904
Contributions from employees	4 080	314
Actuarial losses/profits	28 194	386
Payments made	- 7 824	- 4 030
Liabilities taken over through the acquisition of operations/Divested operations (note 36)	- 1 199	10 081
Other	55	1 979
Translation difference	- 4 597	- 359
On 31 December	302 759	263 969

The change in the actual value of plan assets during the year are as follows:

On 1 January	193 054	190 250
Anticipated return on plan assets	7 000	2 686
Actuarial losses/profits	18 472	- 3 080
Contributions from the employer	12 294	5 221
Contributions from employees	4 080	383
Payments made	- 6 060	- 1 694
Other	- 955	- 424
Translation difference	- 3 241	- 288
On 31 December	224 644	193 054

The amounts reported in the profit and loss account are as follows:

Costs for service during the current year	10 886	5 977
Interest expenses	9 193	3 904
Anticipated yield on managed assets	- 7 000	- 2 687
Actuarial net losses reported during the year	615	153
Costs for service in previous years	57	63
Total (included in payments to employees)	13 752	7 410

The plan assets consist of the following:

Invested with pension managers	107 585
Receivables at nominal value	11 586
Shares	2 156
Interest-bearing securities	77 336
Properties	17 451
Other	8 529
Total	224 644

The following significant actuarial assumptions have been applied on calculation of the commitments:

Discount rate, %	1.7-3.8	3.3-4.8
Anticipated yield on managed assets, %	1.7-4.0	4.4-4.8
Future increases in salaries, %	1.2-3.5	1.6-4.2
Future increases in pensions, %	0.0-2.0	0.7-4.0
Inflation assumptions, %	1.0-2.5	2.0-2.5

The Dutch defined benefit pension schemes cover, in principle, all employees and are based on the average salary during the period of employment. The pension schemes in France, Switzerland and Italy are reported as defined benefit pension schemes. The Swedish pension schemes relate mainly to PRI liabilities to employees in Sweden. The remaining liability relates to two pension plans in Norway. Payroll tax liability on Swedish pension plans is reported under the heading *Trade creditors and other liabilities*.

The value of the pension commitments for defined benefit pension schemes is based on actuarial calculations from assumptions about discount rates, anticipated return of plan assets, future salary increases, inflation and demographic conditions. The Group's defined benefit commitments amounted to SEK 56M at the year end. Prevailing reporting principles allow for actuarial gains and losses in defined benefit pension schemes to be taken up as income only to the point that they exceed or fall below 10 per cent of the higher of the current value of the actual of the defined benefit pension commitment or the actual value of the plan assets. The net of unreported actuarial gains and losses amounted to SEK -21M at the year end. As a consequence of the fact that IAS 19 'Remuneration of employees' was amended in June 2012, the Group will cease to apply the 'corridor' method' and instead report all actuarial gains and losses in other comprehensive income as they arise. Costs for work in previous years will be reported immediately. Interest expenses and anticipated return on plan assets will be replaced by a net interest rate which is calculated with the aid of the discount rate, based on the net surplus or net deficit in the defined benefit scheme.

Note 31 Other provisions

Group	2012	2011
Guarantee commitments	9 377	9 850
Restructuring reserves	4 695	1 064
Other	22 154	16 610
Total	36 226	27 524
Long-term portion	14 454	14 740
Current portion	21 772	12 784
Total	36 226	27 524

Guarantee commitments

Net value at the start of the period	9 850	6 493
Provisions made during the period	2 179	8 268
Amounts utilised during the period	- 2 330	- 3 815
Restored unutilised amount	—	- 502
Divested operation	—	- 260
Translation difference	- 322	- 334
Net value at the period end	9 377	9 850

Restructuring reserve

Net value at the start of the period	1 064	—
Acquisitions of companies	—	6 442
Provisions made during the period	4 695	—
Amounts utilised during the period	- 1 025	- 5 367
Translation difference	- 39	- 11
Net value at the period end	4 695	1 064

Other information

Net value at the start of the period	16 610	19 402
Acquisitions of companies	—	12 185
Provisions made during the period	15 552	1 404
Amounts utilised during the period	- 9 504	- 16 021
Translation difference	- 504	- 360
Net value at the period end	22 154	16 610

Guarantee reserve

A guarantee reserve is reported when the underlying product or service has been sold. The warranty provision is calculated on the basis of previous years' warranty expenditure and a calculation of the future guarantee risk.

Restructuring reserve

The restructuring reserve relates to the closure of a part of the operation in Switzerland.

Note 32 Trade creditors and other liabilities

Group	2012	2011
Trade creditors	654 979	755 325
Advances from customers	1 178	3 700
Accrued expenses and prepaid income	256 437	268 776
Other current liabilities	126 151	115 250
Total	1 038 745	1 143 051

Note 33 Pledged assets

Group

For own liabilities and provisions	2012	2011
Shares	1 142 460	737 172
Property mortgages	35 016	—
Total	1 177 476	737 172

Parent company

For own liabilities and provisions	2012	2011
Shares in subsidiaries	417 452	72 569
Total	417 452	72 569

The Group's and the parent company's pledged assets constitute collateral for bank commitments such as loans and bank overdraft facilities in the Group's principal banks.

Note 34 Contingent commitments/Contingent liabilities

Group	2012	2011
Undertakings towards pension institutions	1 175	5 502
Total	1 175	5 502

Parent company

Guarantees in favour of	2012	2011
Group companies	1 371 024	1 343 128
Total	1 371 024	1 343 128

The Group's contingent liabilities consist of undertakings towards pension institutions. The parent company's guarantee commitments are to banks for subsidiaries' credits.

Note 35 Acquisition of companies

2012

Two minor acquisitions were carried out. In January, the Norwegian company, Ecofrigo AS, was acquired. Ecofrigo is a project-oriented refrigeration distribution company which mainly operates within the planning and distribution of environment-friendly chillers and refrigerants. Ecofrigo has six employees and the operation is included in G & L Beijer's accounts from January 2012.

In August, Gasco Ireland was acquired. The company has six employees. Gasco is strong within refrigerants and the acquisition is a step forward in the consolidation of the Irish market. The operation is included in G & L Beijer's accounts from August 2012.

The total acquisition price amounted to SEK 32M. During 2012, the acquisitions contributed sales of approximately SEK 60M and an operating profit of SEK 6M.

2011

During the year, five acquisitions were carried out. The largest acquisition was Toshiba, where the distribution operation of Toshiba's products within air conditioning and heating in eleven European countries was acquired from Carrier Corporation. In addition, the French refrigeration wholesale company, Cofriset, was acquired from the American company, United Refrigeration. At the same time, the smaller British company, United Refrigeration UK, was acquired from the same vendor, the American company, United Refrigeration. An acquisition was also made of the Italian company, SCM Frigo, which was acquired from the company's founders. The Thai company, Beijer Grimm was created in connection with G & L Beijer's acquisition of Carriers ownership in its Thai wholesale operation. Harald Link is co-owner in Beijer Grimm, and has also joined G & L Beijer AB as a Board Member.

All the acquisitions were carried out in order to strengthen G & L Beijer's market positions and to increase sales within the Group's existing areas of operation. The total consideration for the acquisitions amounts to SEK 925M. The acquired companies and operations have operations within the Group's existing fields of activity, in which they have been included after the acquisitions. The operations acquired during the year have together affected the Group's net sales by approximately SEK 759M. Total annual sales of the acquired units amount to approximately SEK 2,186M. The acquisitions are also described in the Directors' Report.

Of the total consideration of SEK 925M, SEK 616M related to surplus values. Of these, 48 per cent will be tax-deductible on amortisation. During the year, acquisition costs amounted to SEK 6M.

Thailand

The acquisition, which was initiated in 2010, when G & L Beijer, together with B.Grimm Ltd, took over the assets in Carrier Corporation's refrigeration wholesale operation in Thailand, was completed during 2011. The operation reported sales of SEK 138M, has 54 employees and was owned indirectly in equal parts by Carrier and B.Grimm Ltd. The owner of B.Grimm Ltd is Harald Link, a Board Member in G & L Beijer. The acquisition price amounted to SEK 55.7M. Beijer's share of the consideration amounted to SEK 27.3M and relates to the net assets in the company. G & L Beijer has a controlling interest in the company. The operation is included in G & L Beijer's sales and operating result from 1 January 2011.

Italy

At the end of 2010, an acquisition agreement was signed where 51 per cent of the shares in the SCM Frigo group were acquired. The total acquisition price amounted to SEK 58M. The acquisition costs, which amounted to SEK 1M, are reported under other operating expenses. The operation is included in G & L Beijer's sales and operating result from 1 January 2011.

Europe/Toshiba

G & L Beijer acquired the distribution operation in eleven European countries for the Japanese company's, Toshiba, products within air conditioning and heating. The consideration amounted to SEK 630M. The acquisition costs, which amounted to SEK 4M, are reported under other operating expenses. The operation is included in G & L Beijer's sales and operating result from 1 October 2011.

France and the United Kingdom

G & L Beijer acquired United Refrigeration's refrigeration wholesale operations in France and the United Kingdom. The acquisitions relate to two companies, Cofriset in France and United Refrigeration in the United Kingdom. The consideration amounted to SEK 169M. The acquisition costs, which amount to SEK 1M, are reported under other operating expenses. The operations are included in G & L Beijer's sales and operating result from 1 October 2011.

Africa

In November 2011, G & L Beijer carried out two acquisitions in South Africa and Mozambique. In South Africa, 100 per cent of Phoenix Racks (Pty) Ltd was acquired. Phoenix Racks manufactures customer-adapted refrigeration units. In Mozambique, G & L Beijer acquired a newly formed company which had acquired the assets in the company, Logos Industrias. Logos Industrias carries out refrigeration wholesale operations. Initially, G & L Beijer acquired 40 per cent of the newly formed company with an option to acquire the remaining 60 per cent within 24 months. The consideration amounted SEK 13M. The companies are included in the consolidated accounts from the fourth quarter of 2011.

Toshiba

The surplus value which has arisen in connection with the transaction is attributable to the distribution rights which give G & L Beijer a great opportunity to increase the sale of Toshiba's products in Beijer's existing markets. The company is included in Beijer's sales and operating result from 1 October 2011.

<i>Sales which have affected the Group during the year</i>	242 385
<i>EBIT which has affected the Group during the year</i>	3 599
<i>Sales if the acquisition had been made at 1 January</i>	1 170 000
<i>EBIT if the acquisition had been made at 1 January</i>	111 000

Cofriset

The intangible assets which arose in connection with the transaction are attributable to positive synergy effects and existing customer relationships which strengthens G & L Beijer's positions in the French market. Synergy effects primarily exist through purchasing and fixed costs. The company is included in Beijer's sales and operating result from 1 October 2011.

<i>Sales which have affected the Group during the year</i>	118 529
<i>EBIT which has affected the Group during the year</i>	3 253
<i>Sales if the acquisition had been made at 1 January</i>	516 716
<i>EBIT if the acquisition had been made at 1 January</i>	16 089

Other acquisitions

The intangible assets which arose in connection with the transactions were attributable to positive synergy effects and existing customer relationships which gave G & L Beijer a great opportunity to increase sales of the companies' products in Beijer's existing markets. The companies, SCM Frigo and Beijer Grimm, are included in Beijer's sales and operating result from 1 January 2011. United Refrigeration is included in Beijer's sales from 1 October 2011. The African companies, Phoenix Racks and Logos Industrias are included in the consolidated accounts from the fourth quarter of 2011.

<i>Sales which have affected the Group during the year</i>	398 099
<i>EBIT which has affected the Group during the year</i>	31 880
<i>Sales if the acquisition had been made at 1 January</i>	499 399
<i>EBIT if the acquisition had been made at 1 January</i>	33 949

Toshiba

	<i>Reported value in the acquired companies before the acquisition</i>	<i>Actual value adjust- ment</i>	<i>Actual value in the Group</i>
Distribution rights	0	436 113	436 113
Inventories	340 253	0	340 253
Other current assets	1 061	0	1 061
Other operating liabilities	-147 930	0	-147 930
	193 384	436 113	629 497

Effect on the cash flow

Consideration	629 497
	629 497

Cofriset

	<i>Reported value in the acquired companies before the acquisition</i>	<i>Actual value adjust- ment</i>	<i>Actual value in the Group</i>
Customer relationships	0	13 166	13 166
Goodwill	0	78 982	78 982
Tangible fixed assets	15 246	0	15 246
Inventories	116 340	0	116 340
Other current assets	96 801	0	96 801
Interest-bearing loans	-56 180	0	-56 180
Other operating liabilities	-97 493	-4 347	-101 841
	74 713	87 801	162 514

Effect on the cash flow

Consideration	162 514
	162 514

Other

	<i>Reported value in the acquired companies before the acquisition</i>	<i>Actual value adjust- ment</i>	<i>Actual value in the Group</i>
Customer relationships	0	20 146	20 146
Goodwill	0	78 088	78 088
Other intangible assets	1 809	0	1 809
Tangible fixed assets	6 696	0	6 696
Inventories	98 070	0	98 070
Other current assets	40 266	0	40 266
Liquid funds	9 681	0	9 681
Other operating liabilities	-114 839	-6 423	-121 262
	41 683	91 811	133 494

Effect on the cash flow

Consideration	133 494
Liquid funds in acquired companies	-9 681
	123 813

Note 36 Divested operations

During December 2011, G & L Beijer divested the operation in its Swedish subsidiary, Asarum Industriaktiebolag (AIA), to the Italian LU-VE Group. G & L Beijer received a consideration of SEK 29.1M in cash. AIA assets and liabilities were transferred at book value. The divestment of AIA was a move forward in G & L Beijer's strategy to consolidate the operation to the distribution of products within refrigeration and air conditioning. AIA's main operation is the manufacture of heat exchangers. The 2011 result for the divested operation was as follows:

Revenues	52 092
Costs	– 56 473
Operating result	– 4 381
Financial income/expenses	– 1 118
Result before tax	– 5 499
Income tax	1 420
Result for the year	– 4 079

Note 37 Transactions with related parties

Purchase of goods is made on normal commercial terms from Carrier which is an owner company. During the year, purchases at a value of SEK 45.7M (74.9) were made. Sales to Carrier are also made on normal commercial terms. During the year, sales at a value of SEK 112.0M (114.1) were made.

Remuneration of senior executives is shown in Note 6.

Note 38 Transactions with holders with no controlling influence

	2012	2011
Balance on 1 January	36 790	– 386
Share of the year's result	10 629	10 038
Translation difference	– 1 345	460
Acquisition of holdings with no controlling influence	–	26 678
Dividend	– 3 049	–
Closing balance	43 025	36 790

Holders of participations with non-controlling interest relate to Beijer B. Grimm (Thailand) and the Italian SCM Frigo group. During the year, these companies have received dividends totalling SEK 3,049K.

Note 39 Events after the balance sheet date

After the end of the financial year, a minor acquisition has been made. G & L Beijer acquired the remaining 60 per cent of the shares in Metraclark LDA in Mozambique. G & L Beijer established an operation in Mozambique in November 2011 through its South African subsidiary, Metraclark, which together with the refrigeration wholesaler, Logos Industria, formed the company, Metraclark LDA. Initially, G & L Beijer acquired 40 per cent of the newly formed company to which an operation was provided with annual sales of approximately SEK 15M. The company is after the acquisition a wholly-owned subsidiary.

To the Annual Meeting of the shareholders of G & L Beijer AB (publ)
Corporate identity number 556040-8113

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of G & L Beijer AB (publ), for the year 2012 except for the corporate governance statement on pages 40-43. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 38-74.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 40-43. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of G & L Beijer AB (publ) for the year 2012. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act. As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions. Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year. A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Malmö, 22 March 2013
PricewaterhouseCoopers AB

Lars Nilsson
Authorised Public Accountant
Auditor in charge

Cecilia Andrén Dorselius
Authorised Public Accountant

sek m	2012	2011	2010	2009	2008
Sales and results ⁽¹⁾					
Net sales	6 758.3	5 846.4	4 991.9	4 757.8	2 714.1
Other operating income, etc.....	11.3	11.9	11.0	9.7	36.1
Operating expenses excluding amortisation and depreciation	-6 291.3	-5 379.0	-4 623.5	-4 447.3	-2 469.9
Amortisation.....	-63.1	-46.8	-36.0	-40.1	-29.6
Operating profit.....	415.2	432.5	343.5	280.1	250.7
Net interest income and expenses.....	-34.6	42.7	-6.4	-17.0	-20.3
Other financial income and expenses	24.3	12.7	8.0	7.4	9.4
Profit before taxes.....	404.9	487.9	345.0	270.5	239.8
Taxes	-99.1	-113.8	-86.3	-78.4	-51.9
Profit for the year	305.8	374.0	258.7	192.1	187.9
Attributable to:					
Parent company's shareholders.....	295.2	364.0	259.7	192.1	187.9
Non-controlling interests	10.6	10.0	-1.0	—	—
Capital structure					
Cash and bank including unutilised bank overdraft facilities	538.0	677.2	478.4	537.6	192.7
Shareholders' equity.....	2 415.1	2 418.9	2 358.7	2 175.5	990.0
Capital employed ⁽²⁾	3 833.1	3 824.6	2 931.3	2 910.3	1 712.0
Capital employed in operations ⁽³⁾	3 562.3	3 466.0	2 201.5	2 443.4	1 573.8
Interest-bearing liabilities	1 397.3	1 398.5	569.7	734.0	722.0
Total assets	5 008.6	5 092.4	3 968.6	4 006.9	2 218.8
Key figures ⁽⁴⁾					
Equity ratio, % ⁽⁵⁾	48.2	47.5	59.4	54.3	44.6
Return on equity after full tax, % ⁽⁶⁾	12.7	15.7	17.6	12.1	21.9
Return on capital employed, % ⁽⁷⁾	11.6	14.9	17.2	12.6	17.2
Return on capital employed in operations, % ⁽⁸⁾	11.8	15.3	20.8	13.9	17.3
Interest coverage ratio ⁽⁹⁾	11.3	30.7	22.4	14.1	8.8
Debt ratio ⁽¹⁰⁾	0.6	0.6	0.2	0.3	0.7
Profit margin, % ⁽¹¹⁾	6.0	8.3	9.6	5.7	8.8
Other information ⁽¹⁾					
Average number of employees.....	2 142	1 867	1 574	1 591	852
of whom outside Sweden	2 029	1 761	1 468	1 387	630
Payroll excluding social security contributions.....	734.9	655.0	617.8	608.7	338.7
of whom outside Sweden	678.2	580.9	534.0	526.2	255.9
Investments intangible and intangible fixed assets including acquisitions	88.3	1 004.8	36.3	1 132.5	64.2

Definitions

- (1) Relates to the remaining operation.
- (2) Total assets minus non-interest-bearing liabilities including deferred tax.
- (3) Capital employed minus liquid funds, financial assets and other interest-bearing assets.
- (4) The profit/loss items in the Group's key figures relate to remaining operations for all periods.
For 2010, the capital gain on the divestment of Beijer Tech is also included, except in the calculation of interest coverage ratio.
The comparative figures of the balance sheet items have not been changed.
- (5) Shareholders' equity including holdings with no controlling influence as a percentage of total assets.
- (6) Profit after deduction for full tax as a percentage of average equity.
- (7) Profit before taxes plus financial costs as a percentage of average capital employed.
- (8) Operating profit as a percentage of average capital employed in operations.
- (9) Profit before taxes plus financial costs divided by financial costs.
- (10) Interest-bearing liabilities divided by equity.
- (11) Profit before taxes as a percentage of net sales for the year.

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ANNUAL MEETING

The Annual Meeting of shareholders will be held at 3 pm on Friday 26 April 2013 in Malmömässan, Mässgatan 6, Malmö, Sweden.

Right to participate in the Annual Meeting of shareholders

In accordance with the Simplified Share Handling Act, with which the company complies, shareholders who wish to participate in the Annual Meeting of shareholders must be entered in the Register of Shareholders maintained by Euroclear Sweden AB, not later than 19 April 2013.

To be entitled to vote at the Annual Meeting, shareholders whose shares are nominee-registered through the trust department in a bank or private securities brokerage company must re-register their shares temporarily in their own name with the Euroclear.

Notification

Shareholders who wish to participate in the Annual Meeting must notify the Board of Directors not later than noon on 22 April 2013 by mail to: G & L Beijer AB, Norra Vallgatan 70, SE-211 22 Malmö, Sweden; or by telephone +46 40-35 89 00; or by e-mail to linda.prahl@gl.beijer.se. For information about the details required in a notification by e-mail, visit our website www.beijers.com.

Dividend

The Board of Directors proposes a dividend of SEK 4.75 per share for the 2012 financial year and 2 May 2013 as the record day. Payment is expected to be remitted by Euroclear on 7 May 2013.

Financial information 2013

- The Interim Report for the first quarter will be published on 25 April 2013.
- The Interim Report for the second quarter will be published on 17 July 2013.
- The Interim Report for the third quarter will be published on 18 October 2013.
- The Year-End Report for 2013 will be published in February 2014.
- The Annual Report for 2013 will be published in April 2014.



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