G & L Beijer AB
Annual Report 2008

Annual Meeting of shareholders

The Annual Meeting of shareholders will be held at 3 pm on Friday 24 April 2009 in Malmö Börshus, Skeppsbron 2, 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 (formerly VPC), not later than 17 April 2009. 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 20 April 2009 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 6.00 per share for the 2008 financial year and 29 April 2009 as the record day. Payment is expected to be remitted by Euroclear on 5 May 2009.

Financial information 2009

- The Interim Report for the first quarter will be published on 23 April 2009.
- The Interim Report for the second quarter will be published on 17 July 2009.
- The Interim Report for the third quarter will be published on 21 October 2009.
- The Year-End Report for 2009 will be published in February 2010.
- The Annual Report for 2009 will be published in April 2010.

This document is a translation of the Swedish language version.
In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.

Graphic Production: Beijers • Text: Lennart Carlsson, JLC Finanskonsult AB • Translation: Swedish Business Services, Weybridge
Print: CA Andersson & Co, Malmö • Photos: Lars Owesson, Malmö, and others

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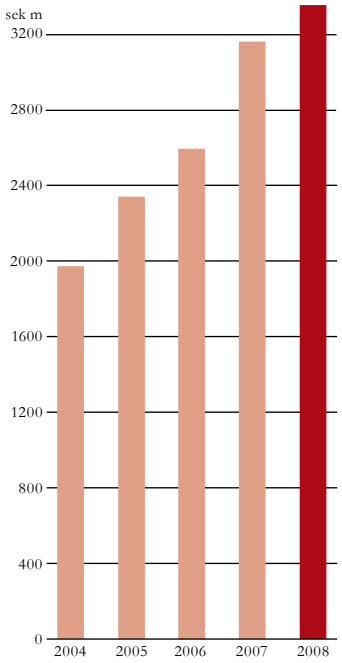
2008 Highlights

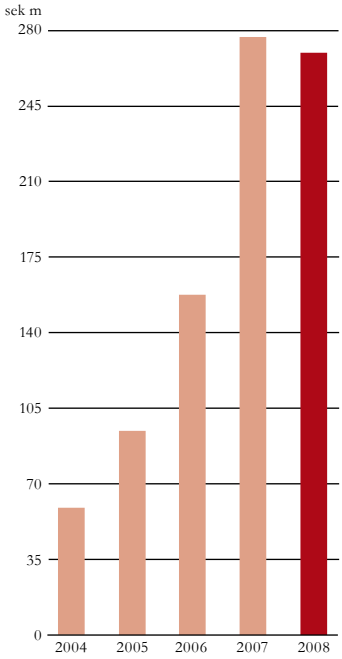
Financial Highlights

- Sales increased by seven per cent to SEK 3,356.6M
- Operating profit increased by 13 per cent to SEK 336.4M
- Profit after tax rose to SEK 255.2M (212.5)
- Profit per share amounted to SEK 20.58 (17.11)
- The Board of Directors proposes a dividend of SEK 6.00 per share (6.00)

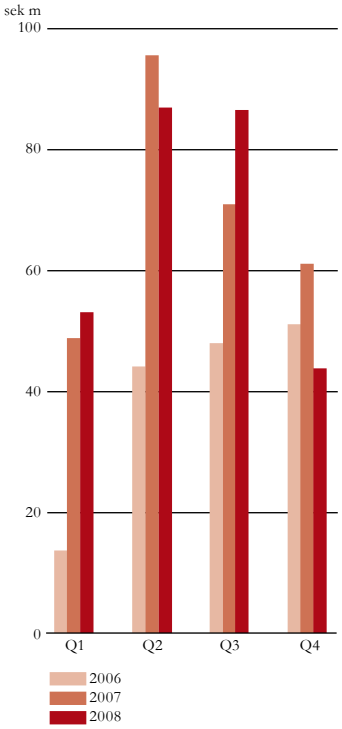
Net sales



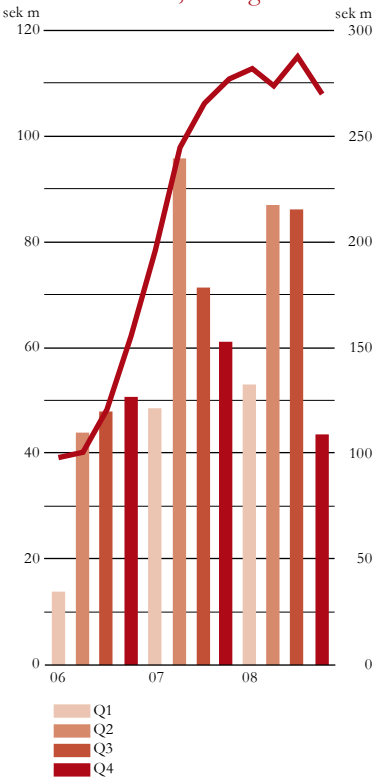
Profit before tax



Profit before tax, quarterly



Profit before tax, rolling



Profit per quarter, left scale
Rolling profit, four quarters, right scale

All the diagrams are adjusted for items affecting comparability and one-off items which occurred during 2004, 2005, 2007 and 2008.

	2008	2007	2006
Sales, sek m	3 356.6	3 136.0	2 592.2
Operating profit, sek m	336.4	298.4	171.8
Profit after tax, sek m	255.2	212.5	109.2
Profit per share after tax, sek	20.58	17.11	8.79
Dividend per share, sek*	6.00	6.00	3.25

**) For 2008, in accordance with the Board of Directors' proposal*

Significant events

After the end of the financial year, G & L Beijer signed a final purchase agreement to acquire Carrier's refrigeration wholesale operations in Europe and South Africa, Carrier ARW *(Aircondition & Refrigeration Wholesales)*, on 13 January 2009. An Extraordinary General Meeting on 29 January 2009 resolved to carry out a non-cash issue by issuing 358,710 class A shares and 8,437,429 class B shares to Carrier Corporation and, therefore, increase the company's share capital by SEK 153,932,432.50 as payment for the acquisition of Carrier ARW. This means that G & L Beijer's shareholders before the transaction and Carrier Corporation will hold 66.7 per cent and 33.3 per cent respectively of the votes and 58.5 per cent and 41.5 respectively of the capital in the company. The Extraordinary General Meeting also resolved that the number of Board Members shall be seven and to elect Philippe Delpech and William Striebe as new Board Members with effect from the date of completion of the acquisition of Carrier ARW until the end of the next Annual Meeting of shareholders.

The transaction was completed on 30 January 2009. The total capital contributed in kind has been valued at SEK 1,055.5M. The transaction means that G & L Beijer's pro forma sales will increase to approximately SEK 6,200M with an operating profit of SEK 527M calculated on the twelve-month period up to and including September 2008. The total number of employees will be approximately 1,800. G & L Beijer will achieve a significantly strengthened financial position. Carrier ARW is included in G & L Beijer's account from 1 February 2009.

The merger of G & L Beijer's and Carrier ARW's operations creates a strong group within refrigeration wholesale distribution in Europe and a solid platform for global expansion. G & L Beijer and Carrier complement each other in Europe. Carrier is also a big operator in South Africa. The merged operations will work in 22 countries, including the Nordic countries and the Baltic States, United Kingdom, Holland, Spain, Belgium, Switzerland, France, Italy, some countries in Eastern Europe, South Africa. Carrier ARW also contributes an extended product portfolio to G & L Beijer's current product programme.

In June, G & L Beijer acquired the Czech refrigeration wholesale company, Fridanair, through its Beijer Ref business area. The company reports sales of approximately SEK 30M and has 20 employees. Fridanair is included in G & L Beijer's accounts from 1 July 2008.

In May, G & L Beijer acquired the Industrial Hose business area within REC Indovent AB through its Beijer Tech business area. The operation reports sales of more than SEK 20M and has five employees. The acquisition is included in G & L Beijer's accounts from 1 June 2008.

In May, G & L Beijer acquired the Slovakian refrigeration wholesale company, RK Slovakia, through its Beijer Ref business area. The company reports sales of approximately SEK 10M and has nine employees. RK Slovakia is included in G & L Beijer's accounts from 1 May 2008.

In April, G & L Beijer acquired the distribution rights for Mitsubishi Heavy Industries' products within the air-conditioning and heat-pump segments in Norway through its Beijer Ref business area. The operation reports annual sales of approximately SEK 20M and is included in the consolidated accounts from 1 May 2008.

In April, G & L Beijer acquired the operation in Hymab (Hydraul & Maskinkomponenter i Örebro AB) through its Beijer Tech business area. The operation reports sales of approximately SEK 16M and has six employees. The operation in Hymab is included in G & L Beijer's accounts from 1 May 2008.

In February, G & L Beijer divested Brogårdsand AB with its subsidiary, Fyleverken, to Finja AB through its Beijer Tech business area. The transaction generated a capital gain of SEK 31M which is included in the consolidated accounts for the first quarter of 2008. Brogårdsand/Fyleverken is not included in G & L Beijer's accounts from 1 March 2008.

In February, G & L Beijer acquired the operation in Renheat AB through its Beijer Tech business area. The operation reports annual sales of approximately SEK 5M. The acquisition is included in G & L Beijer's accounts from 1 February 2008.

In January, G & L Beijer divested its agency operation, Svenska Daikin, through its Beijer Ref business area. Through the divestment, Beijer Ref realised a gain of SEK 23M which is included in the result for the first quarter of 2008. Svenska Daikin is not included in the consolidated accounts from 1 February 2008.

The ultimate objective of becoming larger is to increase the Group's earning capacity and to create shareholder value

The most significant event during 2008 was, of course, our acquisition of Carrier's refrigeration wholesale operations in Europe and South Africa. The transaction, which was completed at the end of January 2009, nearly doubles the size of G & L Beijer. The acquisition is a very big step for G & L Beijer which, at the same time, gives us excellent opportunities futher to develop the group with the vision of a global company within the refrigeration sector.

It is also very pleasing that G & L Beijer gets the responsibility to drive the continued development of Beijer Ref. Soundings with Carrier had been going on for several years and the breakthrough came last summer. It was an acknowledgement of G & L Beijer's strategy and success in its creation of Beijer Ref as the leading refrigeration wholesaler in Europe.

The ultimate objective of becoming larger is to increase the Group's earning capacity and to create shareholder value. During our acquisition-led expansion, we have identified significant synergies, especially within purchasing but also within sales, administration, logistics and IT. We are of the opinion that we will be able to generate substantial values for the shareholders in the long term through the transaction with Carrier.

Unfortunately, 2008 was a bad year for the shareholders. The yield for G & L Beijer's shareholders was minus 36 per cent which was slightly better than the comparable index, which fell by 39 per cent. However, seen over a five-year period, the yield amounted to 25 per cent per annum against the comparable index which generated an annual return of approximately five per cent.

In the midst of the financial crisis and the dramatic deterioration in the economic outlook I can, nevertheless, state that 2008 was a good year for G & L Beijer. Sales reached a new record level and the profit was very satisfactory.

Beijer Ref carried out three minor acquisitions, two of which involved establishing operations in two new markets in Europe. The business area's sales and profit were in line with the previous year. Beijer Tech consolidated its activities into the wholesale and trading operations through the divestment of Brogårdssand and moved forward its positions within the prioritised hose and rubber segments through two acquisitions of specialist companies. The business area could also report yet another record year relating to sales and profit.

After four very good years, we will face several tough challenges during 2009. The continued economic trend is nigh impossible to judge. It is clear that the economy will weaken significantly during the first half of the year. Only the future can show how deep and how long the recession will be. We implement continual cost adaptations and we have raised our preparedness for additional measures in view of external developments.

G & L Beijer has previously shown its ability to resist the effects of previous recessions. This is partly because we sell manufacturing supplies to the aftermarket which is less sensitive to economic fluctuations. G & L Beijer also has a very broad customer base and a large and varied product range directed at many different markets.

"Sales reached a new record level and the profit was very satisfactory."

We will put great emphasis on taking advantage of synergies between Beijer Ref and the newly-acquired companies.

There are always risks involved with acquisitions. However, it should be pointed out that Carrier ARW has showed a stable development with high profitability during the past five years.

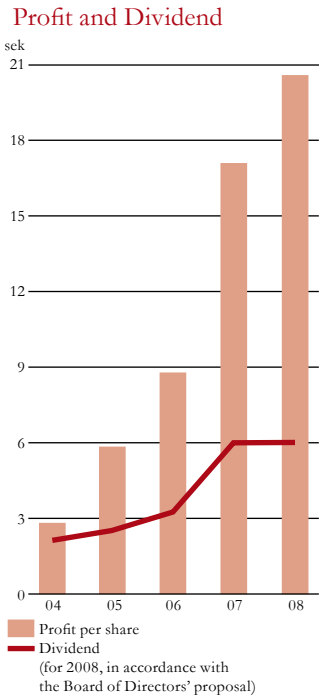
G & L Beijer carried out a directed new share issue to Carrier Corporation of more than SEK 1 billion in payment of its refrigeration wholesale operations in Europe and South Africa. It means a significantly strengthened financial position which also opens the door for new business opportunities, especially seen against the background of the approaching hard times.

We welcome Carrier as a new large shareholder and look forward to a long-term and developing collaboration.

Joen Magnusson
Managing Director

G & L Beijer carried out a non-cash issue to Carrier Corporation in January 2009

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 amounted to SEK 217,752,080 at the year end, represented by 1,294,410 A shares and 11,148,566 B shares, amounting to 12,442,976 shares in total. Each share has a nominal value of SEK 17.50. Each A share entitles the owner to ten votes and each B share to one vote. All shares have equal rights to the company's assets and profits.

Ownership structure

On 31 December 2008, G & L Beijer had 2,668 shareholders. Distribution of ownership is shown in the adjacent table.

Market value and trading

Beijer's market value measured as price paid was SEK 109 at the 2008 year end. At the 2007 year end, the price paid was SEK 175. Including a dividend of SEK 6.00, the total yield for 2008 amounted to 36 per cent. The comparable index fell by 39 per cent. The highest price paid during 2008 for the Beijer share was SEK 191 and the lowest SEK 107.50.

Trading of the company's shares amounted to two million shares, equivalent to a value of SEK 314M. The trading rate was approximately 18 per cent of the total number of shares.

Profit

Profit per share after tax amounted to SEK 20.58 (17.11).

Dividend

The Board of Directors proposes a dividend of SEK 6.00 (6.00) for the 2008 financial year. The dividend proposal is equivalent to 29 per cent (35) of the Group's profit after tax for 2008 and 7.5 per cent (10.2) of shareholders' equity at the 2008 year end. The yield – the proposed dividend as a percentage of the latest price paid during the year – amounts to 5.5 per cent.

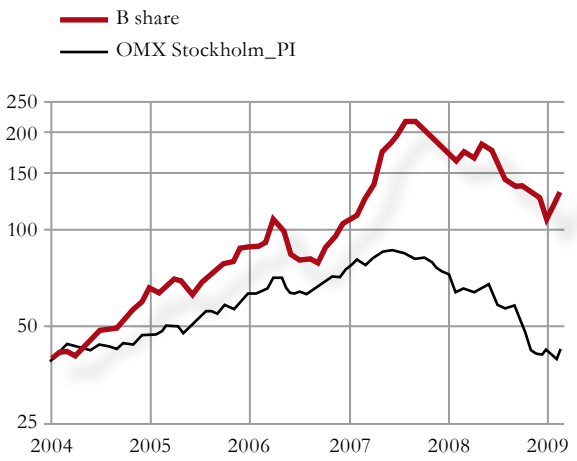
Non-cash issue

In January 2009, G & L Beijer carried out a non-cash issue to Carrier Corporation by issuing 358,710 class A and 8,437,429 class B shares and, therefore, increased the company's share capital by SEK 153, 932,432.50 as payment for the acquisition of Carrier ARW. After the issue, the number of A shares amounts to 1,653,120 and the number of B shares to 19,542,395 excluding shares in own custody. The total number of shares amounts to 21,195,515 and the total number of votes to 36,073,595.

Shareholders on 2008-12-31

	A shares	B shares	Total	Capital	Votes
Jürgensen, Peter Jessen	447 626	809 200	1 256 826	10.1 %	21.9 %
Magnusson, Joen (private & companies)	472 756	135 916	608 672	4.9 %	20.2 %
Bertland, Per (private & companies)	293 428	126 000	419 428	3.4 %	12.7 %
Lannebo fonder		1 366 815	1 366 815	11.0 %	5.7 %
Livförsäkringsaktiebolaget Skandia		906 400	906 400	7.3 %	3.8 %
Hain, Jan (private & companies)	80 000	93 700	173 700	1.4 %	3.7 %
Ekdahl, Gunnar (private & companies)		855 162	855 162	6.9 %	3.5 %
SEB Investment Management		703 000	703 000	5.6 %	2.9 %
SEB Asset Management SA		430 000	430 000	3.5 %	1.8 %
Länsförsäkringar fonder		420 134	420 134	3.4 %	1.7 %
Nordea Bank Finland ABP		355 888	355 888	2.9 %	1.5 %
Bjurman, Torsten (private & companies)		288 100	288 100	2.3 %	1.2 %
Handelsbanken fonder including XACT		280 715	280 715	2.3 %	1.2 %
Skandia fonder		275 600	275 600	2.2 %	1.1 %
Riksbankens jubileumsfond		240 600	240 600	1.9 %	1.0 %
Unionen (SIF)		240 000	240 000	1.9 %	1.0 %
Aktia Bank PLC		205 800	205 800	1.6 %	0.9 %
Carlson fonder		193 400	193 400	1.6 %	0.8 %
Banco fonder		168 566	168 566	1.4 %	0.7 %
G & L Beijers personalstiftelse		140 000	140 000	1.1 %	0.6 %
CBLDN-IF Skadeförsäkring		135 000	135 000	1.1 %	0.6 %
Fjärde AP-Fonden		129 113	129 113	1.0 %	0.5 %
Total holders of >100 000 shares	1 293 810	8 499 109	9 792 919	78.8 %	89.0 %
Other owners	600	2 605 857	2 606 457	21.2 %	11.0 %
Shares in own custody		43 600	43 600		
Total	1 294 410	11 148 566	12 442 976	100.0 %	100.0 %
Votes			24 092 666		

Share development



Share data* (SEK)

	2008	2007	2006	2005	2004
Profit per share [1]	20.58	17.11	8.79	5.86	2.82
Equity per share [2]	80	59	43	38	34
Dividend [3]	6.00	6.00	3.25	2.50	2.12
Market value [4]	109	175	109	89	67
Yield, % [5]	5.5	3.4	3.0	2.8	3.2
Cash flow per share [6]	15.91	19.97	11.54	7.42	3.89

**) Share split carried out on 31 May 2007. All comparative figures are recalculated taking account the implemented split.*

Definitions
1) 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 2008, in accordance with the Board of Directors' proposal
4) On 31 December
5) Dividend in relation to market value
6) Cash flow from current operations before changes in working capital divided by the average number of outstanding shares

Share data per registered owner (SEK)

Owners of	Number of shares	Per cent	Number of owners
1-500	261 364	2.1	2 069
501-1000	195 756	1.6	243
1001-2000	240 304	1.9	146
2001-5000	281 648	2.3	84
5001-10000	300 620	2.4	42
10001-20000	344 974	2.8	23
20001-50000	885 792	7.1	27
50001-100000	668 795	5.4	10
100001-	9 263 723	74.4	24
Total	12 442 976	100.0	2 668

New challenges for the trading companies in the stock market after yet another record year

In the 1930s, Beijer's shipments of coal and coke reached their peak. The picture shows Kolkompaniet's wall calendar from 1933.

During 2008, the trading companies on the NASDAQ OMX Stockholm Exchange moved their positions further forward and could report yet another record year relating to sales and operating profit. The sector, which the Affärsvärlden magazine terms 'Wholesalers', consists of ten companies. During 2008, their combined sales rose by 10 per cent to SEK 38.7 billion according to the companies' income statement reports. At the same time, the companies' combined operating profits rose by 11 per cent to approximately SEK 3.2 billion, equivalent to an operating margin of 8.2 per cent as a weighted average.

The trading companies on the NASDAQ OMX Stockholm Exchange normally operate in markets with moderate growth, but the sector has been able to take advantage of the good economic times in recent years. At the same time, most companies in the group have increased their growth through acquisitions both in Sweden and abroad. During the latest three-year period (2006-2008), the companies could report a combined annual sales growth of approximately 17 per cent. During the same period, their total operating profit increased by nearly 30 per cent per annum.

As far as can be judged, the stock market believes that the trading companies as a group will not be able to maintain their strong growth and high profitability in recent years. In 2008, the companies' total market value fell by a full 55 per cent to slightly more than SEK 10 billion. The fall was larger than for the NASDAQ OMX Stockholm Exchange as a whole, which fell by 42 per cent during the year. Measured as market value in relation to the historic total operating result, EBIT multiple, the valuation has fallen by from 7.7 at the 2007/2008 turn of the year to 3.2 at the 2008/2009 turn of the year. This is equivalent to a fall in the valuation of approximately 60 per cent. Compared with the valuation at the 2006/2007 turn of the year, when the multiple was 10.3, the fall in the valuation is a full 70 per cent.

However, the stock market does not value historic profits but evaluates anticipations of future profits, and the investors' anticipations of the future are low, both in absolute terms and relative to the NASDAQ OMX Stockholm Exchange. According to the Affärsvärlden stock indicator, the trading companies' combined profit per share is expected to fall by eight per cent during 2009. This gives an average p/e ratio of 5.9 (February 2009) compared with the whole NASDAQ OMX Stockholm Exchange's p/e ratio of around 9.

The trading companies, in common with trade and industry as a whole, have been affected by the financial crisis with a slowdown in demand towards the end of 2008. Their combined growth slowed down during the fourth quarter when it amounted to approximately three per cent compared with 10 per cent for the full year. The companies' total operating profit fell by 28 per cent during the quarter compared with a rise of 11 per cent for the full year.

Most trading companies announced action and savings programmes in their fourth-quarter reports to meet weaker demand and uncertain economic development during 2009. At the same time, trading companies often show good stability and resistance during recessions.

Trading companies normally tie up relatively little capital in fixed assets. The big challenge during lower sales is to maintain gross margin and gross profit in order to cover fixed and semi-fixed expenses such as personnel, external expenses, other expenses and interest expenses on loans, if any, and to generate sufficient profit.

Even if the sector meets weaker demand during 2009, the trading companies as a group could, nevertheless, show some growth during the year. For most companies, acquisitions are an important feature in their strategy. Many of the companies have been very active on the acquisition side, both in 2007 and 2008, and acquisitions accounted for a significant proportion of growth last year. Implemented acquisitions will also contribute to the sector's sales during 2009. For example, G & L Beijer completed its acquisition of Carrier ARW with annual sales of approximately SEK 2.8 billion at the end of January 2009.

	Sales 2008, sek m	*Change from 2007, %*	*Operating profit 2008, sek m*	*Change from 2007, %*	*Operating margin, %*	*Market value on 31 Dec 2008, sek m*
Addtech*	4 543	12	427	5	9.4	1 725
BE Group	7 713	1	532	4	6.9	980
Beijer Electronics	1 276	32	117	35	9.2	443
B & B Tools*	9 711	11	669	8	6.9	1 422
Elektronikgruppen	935	12	– 8	—	– 0.9	67
G & L Beijer AB	3 357	7	336	13	10.0	1 356
Indutrade	6 778	19	760	25	11.2	2 650
Lagercrantz*	2 172	0	135	9	6.2	406
Malmbergs El	553	– 4	50	– 15	9.0	196
OEM International	1 660	12	159	16	9.6	811
Total	*38 698*	*10*	*3 177*	*11*	*8.2*	*10 056*

*) Company with a split financial year. The figures for 2008 refer to twelve months' average.

A solid platform to develop Beijer Ref into a global company

The acquisition of Carrier ARW *(Aircondition & Refrigeration Wholesales)* creates a solid platform to develop Beijer Ref into a global company. After the acquisition, Beijer Ref becomes by far the largest refrigeration wholesaler in Europe. The companies complement each other and will work in a total of 20 European markets as well as South Africa and Namibia.

The acquired operations comprise ARW's distribution operations within refrigeration and air conditioning in seven countries in Europe and distribution operations and manufacturing in South Africa. In 2008, Carrier ARW reported sales of approximately SEK 2,800M and its operating profit amounted to SEK 170M. Sales are shared between refrigeration products (90 per cent) and comfort cooling (10 per cent). The organisation consists of eight central warehouses and 103 branches in the different countries. The acquired operation is, on the whole, equally as large as Beijer Ref. The companies in Carrier ARW are presented below.

The French company, GFF, is the largest company with sales of SEK 1,058M, equivalent to 36 per cent of Carrier ARW's sales. Commercial refrigeration accounted for 86 per cent of sales whilst comfort cooling accounted for the remainder. The company has 38 branches in the country and employs 211 staff. The head office and central warehouse are located in Lyon. GFF is by far the largest company on the French market. France is a new market for Beijer Ref and will also be the largest individual market within the group.

The operation in South Africa – Metraclark – is the second largest with sales of SEK 543M and 251 employees. Commercial refrigeration represents 77 per cent of sales and comfort cooling 23 per cent. The company has two central warehouses and 25 branches. The operation in South Africa also comprises manufacturing of heat exchangers and refrigeration units in the company, Recam, located in Johannesburg. The products are sold through Metraclark. Metraclark is number one in the South African market and will the third largest market for Beijer Ref.

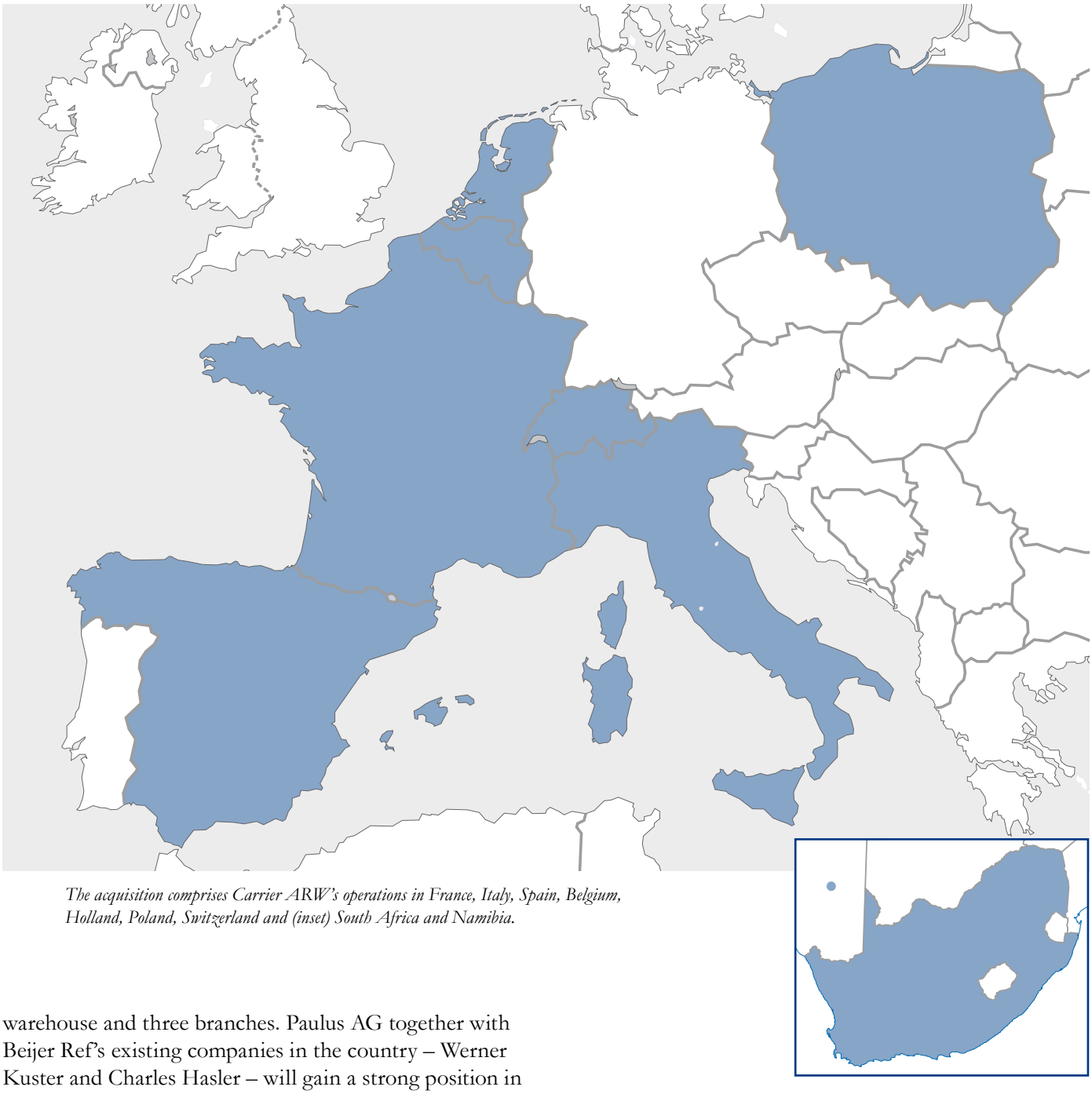
The Italian company, ECR *(European Commercial Refrigeration)* Italy, reports sales of approximately SEK 376M and has 70 employees. Sales consist exclusively of refrigeration products. The company has its head office and central warehouse in Milan. It has 14 branches and 17 resellers in the country. The Italian market differs slightly from the rest of Europe as some competitors have also integrated forward with installation contractors. ECR Italy is purely a wholesaler and is joint market leader in the country. The Italian company also has some exports. Italy is a new market for Beijer Ref and becomes the business area's eighth largest market.

The Dutch operation – ECR Nederland – reports sales of approximately SEK 280M and has 60 employees. Sales consist exclusively of refrigeration products. The company is located outside Eindhoven. It has four branches and a central warehouse as well as some manufacturing. ECR Nederland, together with Beijer Ref's existing operations in Holland - Coolmark and Unichemie – will gain a strong position in the market. Holland becomes Beijer Ref's second largest market.

The Spanish company – ECR Iberica – reports sales of SEK 249M and has 59 employees. Refrigeration products account for 75 per cent of sales and comfort cooling for the remainder. The head office is located in Madrid and the company has a central warehouse and 14 branches. The acquisition of Carrier ARW also includes a minority share of 20 per cent in the Spanish refrigeration wholesaler, Afrisa, which reports sales of SEK 432M and has 96 employees. Spain is a new market for Beijer Ref and becomes the tenth largest market for the business area.

ECR Belgium reports sales of SEK 117M and has 28 employees. Refrigeration products account for the entire sales. The company is located outside Antwerp. It has a central warehouse and four branches. ECR is the market leader in the country. Belgium is a new market for Beijer Ref.

In Switzerland, the company, Paulus AG, reports sales of SEK 145M and has 24 employees. Refrigeration products represent 95 per cent of sales. The operation has a central



The acquisition comprises Carrier ARW's operations in France, Italy, Spain, Belgium, Holland, Poland, Switzerland and (inset) South Africa and Namibia.

warehouse and three branches. Paulus AG together with Beijer Ref's existing companies in the country – Werner Kuster and Charles Hasler – will gain a strong position in the market. Switzerland becomes Beijer Ref's sixth largest market.

The Polish operation, ECR Poland, reports sales of approximately SEK 22M and has 6 employees. It will be coordinated into Beijer Ref's existing operations in the country.

The acquisition of Carrier ARW also includes the French company, Delmo, which reports sales of SEK 229M within the heating segment and has 68 employees. In addition, it has a 44 per cent share in HRP, a British refrigeration wholesaler with sales of SEK 629M and 270 employees, which is also included in the acquisition.

Profitability in the different companies varies country by country but the ambition is to raise it in countries with lower profitability. In countries with overlapping operations, such as Holland and Switzerland, the parallel organisations will be kept intact in order to maintain the broad market coverage, product supply and service level to the customers. Synergies in the short term exist mainly within purchasing and administration and, to some extent, within logistics and distribution. The transaction also opens opportunities for supplementary acquisitions in existing markets and expansion into new markets.

G & L Beijer's business model has been sustainable and stable over the years

Business Concept

G & L Beijer is a technology-oriented Group, operating in industrial trading and distribution. 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 customers.

Objectives

G & L Beijer aims to create scope for strong growth within the Group's two business areas - Beijer Ref and Beijer Tech. The parent company, together with the business areas, has set targets for the respective area.

Beijer Ref aims to strengthen further its position as the leading operator in Europe and to increase its business activities in the global market.

Beijer Tech aims to strengthen its position as one of the leading suppliers, primarily in the Nordic countries. The objective is to increase the growth rate and achieve a significantly higher sales volume.

The Group's business areas operate in mature markets and the objectives are to grow faster than the market within the respective area.

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.

Strategies

G & L Beijer focuses its operations on the Beijer Ref and Beijer Tech business areas. The business areas operate under different prerequisites and, therefore, have different strategies.

Beijer Ref's resources are mainly concentrated on the trading operations. The strategy for continued growth is to develop the operations in existing markets through organic growth and supplementary acquisitions as well as acquisitions in new markets in Europe and in the global market. From a product viewpoint, air conditioning will be given priority for developing the operation.

Beijer Tech will focus the resources on its core operations - manufacturing supplies - as well as machinery and plant to industry and commerce. The target for organic growth starts from the potential in the existing customer base. In addition, the product range will be supplemented with new products. Increased acquisition activity will be given priority. The focus is on companies and operations with products, both products within Beijer Tech's existing range and products which supplement the range.

The Group gives 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 distribution of industrial products, 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 and warehousing, system solutions and 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 a high level of service.

Long-term planning, stability and tradition 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.

Together, Beijer Ref and Beijer Tech have a comprehensive product range which covers a large number of sectors. The Group offers the market up to 50,000 items. However, from a product viewpoint, there are only minor points of contact between the two business areas. What the business areas do have in common is that they focus on different competencies relating to trading and distribution operations.

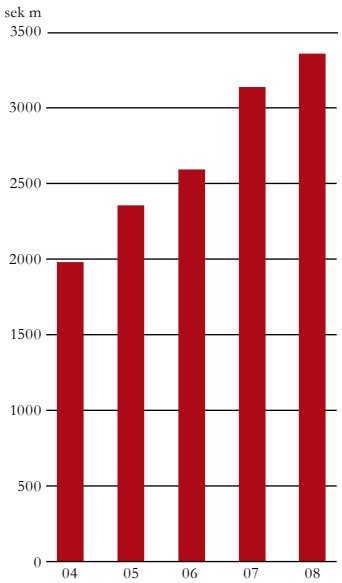
G & L Beijer has a good geographic spread. With its acquisition of Carrier ARW, the number of markets rises to 20 countries in Europe as well as sales in South Africa and Namibia. The new group gets a very broad customer base with tens of thousands of active customers.

The Group's markets are mature and show moderate growth. G & L Beijer strives to increase growth both organically and through acquisition. Acquisitions are difficult to plan from a time viewpoint and once they have been implemented, an integration process will take over. Through the acquisition strategy, the two business areas have complemented each other and, by turns, contributed to a balanced and even growth for the Group as a whole. Over the past five years, 2004-2008, the Group has reported average growth of 19 per cent per annum.

The robust business model and the extensive operations also generate stable results. The operating margin (operating profit in relation to sales) has averaged 5.6 per cent during the five-year period. It has also shown variations with a high of 10.0 per cent and a low of 3.0 per cent. Return on capital employed in operations has averaged 16.7 per cent. Return on capital employed in operations has varied between 25.4 per cent and 7.6 per cent. Return on equity was 21.9 per cent on average. The high was 33.6 per cent and the low was 8.7 per cent.

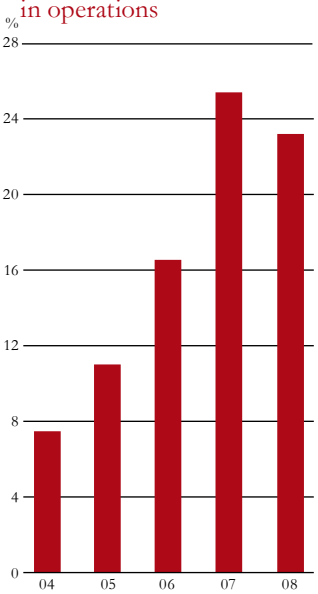
G & L Beijer's value-creation benefits its shareholders in the form of dividend and potential price growth. The dividend over the past five years has averaged 44 per cent of profit after tax. G & L Beijer's shareholders have received a total yield (dividend plus share price growth) of 25 per cent per annum on average during the five-year period, 2004-2008. The comparable index - the Six Return Index - rose by 4.6 per cent per annum on average during the same period.

Net sales



Over the past five years, the Group has reported average growth of 19 per cent

Return on capital employed in operations



Return on capital employed in operations has averaged 16.7 per cent

G & L Beijer could report its best year so far

The G & L Beijer Group is focused on trading and distribution operations within commercial refrigeration and comfort cooling, manufacturing supplies as well as machinery and plant. In addition, it carries out some manufacturing of heat exchangers for industrial refrigeration. The product programme consists mainly of imported 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 two business areas - Beijer Ref and Beijer Tech. The parent company acts through work on the Board of Directors of the business areas and takes a proactive part in acquisition processes, strategic decisions, etc.

During first three quarters of 2008, economic activity evened out at a high level in the European market. During the fourth quarter, market activity decreased as a result of the significant slowdown in the world economy. Nevertheless, G & L Beijer could report its best year so far relating to sales and results, including one-time gains. The Group carried out six acquisitions with combined annual sales of approximately SEK 100M. Two divestments resulted in a reduction in annual sales of more than SEK 100M net.

In September 2008, G & L Beijer signed a letter of intent with Carrier Corporation to acquire its wholesale operations in Europe and South Africa within the refrigeration and air-conditioning segments, Carrier ARW. The acquired operations report annual sales of Approximately SEK 3 billion. In January 2009, the final purchase agreement was signed. As payment for the operations, G & L Beijer carried out a directed new share issue of 8.8 million shares at a value of SEK 1,055M. An Extraordinary General Meeting on 29 January 2009 approved the transaction and the new share issue. Carrier ARW is included in G & L Beijer's accounts from 1 February 2009.

Through acquisitions and divestments, as well as organic growth, Beijer Ref could report its best year so far relating to sales, whilst profit excluding one-time gains was slightly lower compared with 2007. During the year, the market remained good and stable at a high level, although it varied to some extent between the quarters. During 2008, the business area carried out three acquisitions with combined sales of SEK 60M. The acquisitions involved establishing operations in two new markets, the Czech Republic and Slovakia, as well as an extended product programme within air conditioning. In January, Beijer Ref divested the agency operation Svenska Daikin. Through the divestment, Beijer Ref realised a gain of SEK 23M.

The markets which Beijer Tech works were characterised by a continued high level of activity during 2008, although there was a slowdown towards the end of the year. All product areas within the business area increased their sales. As a result, it was another record year for Beijer Tech. The business area carried our three acquisitions with combined sales of approximately SEK 40M. In February, Beijer Tech divested Brogårdsand with its subsidiary, Fyleverken, as a step in its strategy to consolidate its operations and concentrate its resources on the business area's core segments within trading operations. The transaction generated a capital gain of SEK 31M. In connection with the transaction, G & L Beijer and the buyer, Finja AB, signed a long-term agreement which means that Beijer Tech became the distributor of Brogårdsands' products to the foundry industry.

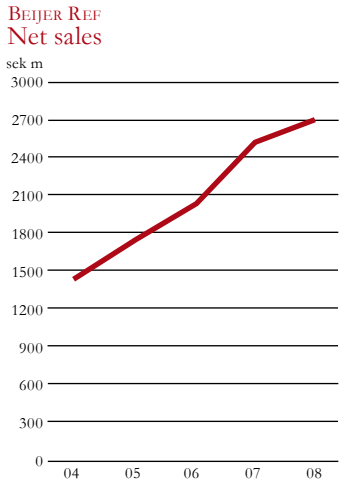
Sales

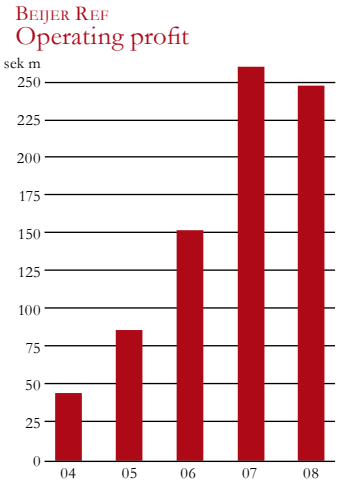
Consolidated sales increased by seven per cent to SEK 3,356.6M (3,136.0). The increase is mainly explained by acquisitions and some organic growth.

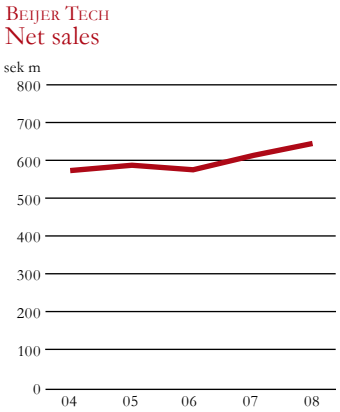
Sales of Beijer Ref rose by eight per cent to SEK 2,714.1M (2,520.5), equivalent to 81 per cent (80) of Group sales. Beijer Tech's sales increased by four per cent to SEK 642.5M (615.5), equivalent to 19 per cent (20) of Group sales.

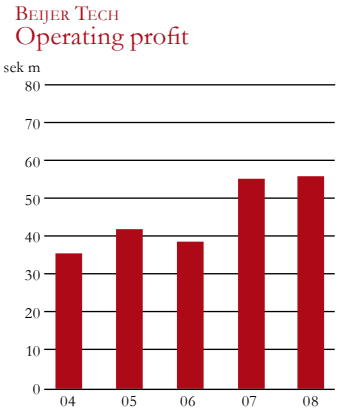
Operating Profit

The Group's operating profit amounted to SEK 336.4M (298.4), of which one-time items amounted to SEK 53.2M (5.9). Beijer Ref contributed SEK 270.4M (260.6), of which one-time items amounted to SEK 22.7M (5.9). Beijer Tech's profit amounted to SEK 85.6M (55.2), including a one-time item of SEK 30.5M.









All the diagrams are adjusted for items affecting comparability and one-off items which occurred during 2004, 2005, 2007 and 2008.

Profit After Financial Income /expense And Tax

Financial income/expense amounted to SEK -14.4M (-15.5). Financial income/expense includes a share in profits of SEK 9.4M (10.3) from the Group's indirect ownership in CMP (Copenhagen Malmö Ports). Profit before taxes amounted to SEK 322.0M (282.9). Profit after tax amounted to SEK 255.2M (212.5).

Profitability

Return on capital employed in operations and capital employed amounted to 23.2 per cent (25.4) and 22.7 per cent (24.8) respectively. Return on equity was 29.7 per cent (33.6).

Other Financial Information

The Group's investments in tangible and intangible fixed assets, including acquisitions, amounted to SEK 91.6M (274.5). The cash flow from current operations before changes in working capital was SEK 197.2M (247.6). Liquid funds, including unutilised bank overdraft facilities, were SEK 192.7M (199.4) at the year end. Interest-bearing liabilities amounted to SEK 722.0M (698.8). The net debt amounted to SEK 617.6M (617.9). Shareholders equity amounted to SEK 990.0M (726.9). It meant a debt/equity ratio of 0.73 (0.96) and an equity ratio of 44.6 per cent (36.6).

Parent Company

The parent company, G & L Beijer AB, reported profit after financial income/expense of SEK 54.7M (55.8). Profit after tax amounted to SEK 58.4M (58.2). At the year end, loan financing was SEK 299.2M (281.1). The parent company's investments amounted to SEK 0.1M (0.9).

Currency

G & L Beijer's sales are transacted in Europe. SEK accounts for 27 per cent of total sales, EUR for 23 per cent, GBP for 13 per cent, DKK for 12 per cent and NOK for eight per cent. EUR accounted for 61 per cent of purchases, SEK for 9 per cent, other European currencies for 27 per cent and USD for 3 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 the respective business area - Beijer Ref and Beijer Tech. 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 2008, the Group had an average of 1,036 employees (966). The parent company, including Beijer Förvaltning AB, had six employees (6) on average. The number of employees in Beijer Ref was 846 (774) and in Beijer Tech 184 (186).

Environmental Policy

G & L Beijer will contribute to ecologically sustainable development. The Group will offer advanced technical services and products which meet customer requirements and make the least possible impact on the environment throughout the product lifecycle within the constraints of what is technically possible and commercially defensible.

G & L Beijer will ensure that the Group's environmental ambitions are communicated and observed through an open and objective dialogue with all interested parties. The staff will continually be trained to assume responsibility for, and develop, the Group's environmental work. The environmental work will be audited regularly and the results reported openly.

The acquisition of Carrier ARW will be of very significant importance for the future development of the business area

Beijer Ref has supplied the freezer and refrigeration plant to the newly-constructed Malmö Arena's catering department and restaurants

2008 Operations

2008 was a year with a high level of activity for Beijer Ref in which the agreement with Carrier ARW was the major and decisive event. The acquisition of Carrier ARW was completed at the end of January 2009 and will be of very significant importance for the future development of the business area.

The transaction with Carrier confirmed Beijer Ref's leading role in the consolidation of the European refrigeration sector which started five years ago. During 2008, Beijer Ref acquired three companies with combined annual sales of SEK 60M. Two of the acquisitions involved establishing operations in new markets – the Czech Republic and Slovakia.

In May, Beijer Ref acquired the Slovakian refrigeration wholesale company, RK Slovakia. The company reported sales of approximately SEK 10M and has nine employees. In June, the Czech refrigeration wholesale company, Fridanair, was acquired. The company reported sales of approximately SEK 30M and has 20 employees. The acquisitions were strategically important with significant growth potential as Beijer Ref could contribute organisation, resources and the business area's complete product programme.

In April, Beijer Ref also acquired the distribution rights for Mitsubishi Heavy Industries' products within air conditioning and heat pumps in Norway. The acquisition, which was an assets and liabilities transaction, also included the order book and inventories as well as one sales manager. The operation reported sales of approximately SEK 16M. The acquisition in Norway was a continuation of Beijer Ref's strategic investment in comfort cooling.

In January, Beijer Ref divested the agency operation in Svenska Daikin. Through the divestment, Beijer Ref realised a gain of SEK 23M.

Through acquisitions and divestments as well as organic growth, Beijer Ref could report its best year so far relating to sales and profit, including one-time gains. The market for commercial refrigeration was stable with strong growth throughout the year. However, air conditioning showed a slowdown. Air conditioning is capital goods investment and a rarely bought commodity, demand for which was hit by the financial crisis. The collaboration with Mitsubishi Heavy Industries has also involved an investment in heat pumps which showed a good sales development during the year.

Sales

Beijer Ref's sales increased by eight per cent to SEK 2,714.1M (2,520.5). Organic growth amounted to three per cent and acquisitions accounted for five per cent. Switzerland, Denmark, Norway and Finland were responsible for the strongest sales development. Sales growth in Holland and the Baltic States was also very strong. Sales in Poland and Ireland fell as they did in the United Kingdom. Sales in Sweden were affected by the divestment of Svenska Daikin.

Commercial refrigeration increased and accounted for 70 per cent of the business area's sales. Comfort cooling fell and was responsible for 19 per cent of sales. Sales of the wholesale and trading companies increased by nine per cent to SEK 2,657.5M, whilst the manufacturing companies reported a fall in sales of five per cent to SEK 215.8M.

Operating profit

The business area's operating profit amounted to SEK 270.4M (260.6). Excluding one-time gains, the result amounted to SEK 247.7M (254.7), equivalent to an operating margin of 9.1 per cent (10.1). The lower profit is partly explained by lower purchasing volumes aimed at avoiding a build-up in inventories, which involved lower revenues from volume-based agreements.

The Beijer Ref business area markets and sells complete refrigeration systems and refrigeration components in 22 countries

The Beijer Ref business area is the leading refrigeration and air-conditioning wholesaler in Europe with sales in 20 markets in Europe as well as in South Africa and Namibia. Beijer Ref also manufactures heat exchangers. Operations are carried out in two segments: Wholesale & Trading companies and Manufacturing companies.
Beijer Ref's competitive edge lies in its technical competence relating to the 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 range consists of products developed by the company and most well-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. Operations are carried out in two segments: Wholesale & Trading companies and Manufacturing companies.

Wholesale And Trading Companies

After the merger, Beijer Ref's wholesale and trading companies are the leading operators in Europe. The companies have 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 AIA, Armacell, Bitzer, Carel, Danfoss, Honeywell, Ineos, Johnson Controls, Luve, Outokumpu, Copeland Scroll, Alfa Laval, Bock, L'Unite Hermetique and Castel.

The Swedish and Norwegian wholesalers also manufacture customised fluid-refrigerating units. The products within comfort cooling (air conditioning) are sold on an agency basis from the Japanese companies, Mitsubishi Heavy Industries and Mitsubishi Electric, from the Italian company, Aermec, and the South Korean company, LG. The Aircool air-conditioning unit is an own-brand product. Within comfort cooling, Carrier ARW distributes products from the Carrier group as well as products from suppliers such as Toshiba and Midea. Carrier ARW also markets and sells an own brand within refrigeration and air conditioning – Totaline.

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

The Wholesale and Trading companies accounted for approximately 81 per cent of the business area's sales. Comfort cooling accounted for around 19 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 Sweden, Norway and South Africa. The products complement each other well in terms of customer segment and production technology, which provides integrated technical and marketing strength.

The Manufacturing companies account for approximately six per cent (8) of the business area's gross sales. Approximately 80 per cent of the manufacturing company's sales are made to external customers and the remaining 20 per cent are delivered to the business area's Wholesale and Trading companies.

Market and market segments

After the acquisition of Carrier ARW, Beijer Ref is established in 20 markets in Europe: Sweden, Denmark, Norway, Finland, United Kingdom and Ireland, Holland, Switzerland, Poland, France, Italy, Spain, Belgium, the three Baltic States, Hungary, Romania, the Czech Republic and Slovakia, as well as in South Africa and Namibia.

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

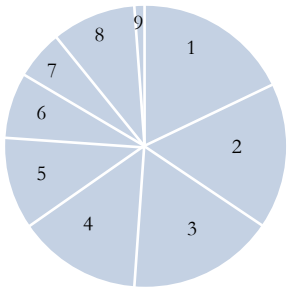
• Commercial refrigeration dominates the business area and consists mainly of complete refrigeration systems and components for refrigeration systems. The food retail sector and the restaurant sector are the largest customer groups.
• Industrial refrigeration is mainly used by food industries, process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

Demand in the business area's largest segment, commercial refrigeration, is relatively stable and only partly varies with the economic trend. 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 authorities, such as the requirement to convert to more environmentally-friendly refrigerants. The market for comfort cooling enjoys strong growth as climate installations in work locations and in cars are becoming increasingly common.

Net sales and Results

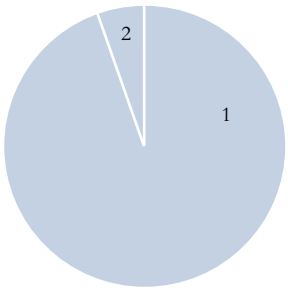
sek m	*2008*	*2007*	*2006*	*2005*	*2004*
Net sales	2 714.1	2 520.5	2 018.3	1 743.2	1 405.6
Operating profit	270.4	260.6	150.4	85.3	39.2
Return on capital employed in operations, %	23.6	29.2	20.2	11.4	7.3
No. of employees	846	774	708	719	634

Geographic distribution of net sales



1. The Netherlands 17%, 2. United Kingdom 16%, 3. Denmark 16%, 4. Sweden 15%, 5. Switzerland 12%, 6. Norway 8%, 7. Finland 5%, 8. Other European countries 10%, 9. Rest of the world 1%

Distribution of net sales



1. Wholesale and Trading companies 94%, 2. Manufacuring companies 6%

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

After the merger with Carrier ARW, 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, 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, Coil-Tech, Guntner Luve and Searle.

Per Bertland
Head of the Beijer Ref business area

Rising living standards result in increased use of different forms of refrigeration technology

A stone heated over an open fire gives off heat when the fire has died out. The heated stone has a higher temperature than the surrounding air. As the stone gives off heat or energy, it cools down to a temperature on a par with the environment. This transfer of energy from a body with high temperature to an environment with low temperature is well known and taken for granted.

However, heat cannot 'by itself' transform from a body with low temperature to a body with high temperature. This is where refrigeration technology comes in. Refrigeration technology is a technique to achieve, utilise and maintain temperatures which are lower than those of the environment, i.e. it transports heat or energy from a room with a lower temperature to a room with a higher temperature. For this, the addition of some form of drive energy is required, usually electrical energy.

The most common refrigeration process is the compressor process which is used in different types of refrigeration plant. A refrigeration plant consists of a number of key components – evaporator/cooler, compressor (with a driving motor), condenser, throttling device and refrigerant. The refrigerant circulates in a closed cycle which links the different key components.

The evaporator/cooler must have a temperature which is lower than the room to be cooled to enable the heat to be transported there. To achieve this, a refrigerant in liquid form must be added to the evaporator. The heat then leaves the room which is to be cooled through the evaporator. In the evaporator, the refrigerant in liquid form is brought to boil. The whole process is achieved by the compressor continually 'sucking up' the evaporated steam from the evaporator. The compressor is thus transferring the heat from an environment with low temperature to an environment with higher temperature. The compressor raises the pressure and the temperature of the refrigerant.

The steam is, thereafter, carried to a condenser which is located outside the cooled room. In the condenser, heat is released and is led away by, for example, the surrounding air, and the refrigerant steam is again transformed into liquid form. The liquid is led into a throttling device which lowers the pressure and thus the temperature of the liquid. The cold liquid with low pressure is then led into the evaporator again.

There are different types of refrigerants which have different boiling points at a given pressure, i.e. when the refrigerant is transformed into steam. For example, the R 134A refrigerant boils at minus 27 degrees C at normal atmospheric pressure. Water boils at plus 100 degrees C at normal atmospheric pressure.

There are a large and growing number of applications for refrigeration technology. Rising living standards result in increased use of different forms of refrigeration technology. The food industry and an increased proportion of ready meals and semi-manufactured products require more and more refrigerating and freezing plants. Refrigeration technology is used in refrigeration and freezer cabinets, for air treatment, comfort cooling, heat pumps and air conditioning in vehicles.

All product areas within the business area increased their sales

2008 Operations

The markets in which Beijer Tech operates were characterised by continued high activity during 2008 although some slow down took place towards the end of the year. All product areas within the business area increased their sales. As a result, Beijer Tech could report yet another record year both with regard to sales and profit.

The sales increase consisted of organic growth and acquisitions in equal parts. The development within the hose segment was especially strong. Beijer Tech carried out three acquisitions and divested one operation during the year.

The divestment of Brogårdsand with its subsidiary, Fyleverken, was a step in Beijer Tech's strategy to consolidate the operations and concentrate its resources on the business area's core segments within trading. The divestment generated a capital gain of SEK 31M. In connection with the transaction, G & L Beijer and the buyer, Finja AB, signed a long-term agreement which means that Beijer Tech became the distributor of Brogårdsand's products to the foundry industry.

In April, Beijer Tech acquired the operation in Hymab (Hydraul & Maskinkomponenter i Örebro AB). The operation reports sales of approximately SEK 16M and has six employees. Hymab markets and sells hydraulic components, hydraulic hose, environmentally-friendly oil products, ball bearings, sealing devices and fasteners.

The Beijer Tech business area carries out value-creating technology trading which develops and improves the customer's processes and products. The business area operates within six product areas: Surface Treatment, Foundries, Steel Mills and Smelters, Fluid Technology, Industrial Rubber and Services. Beijer Tech mainly works the markets in Sweden, Norway and Finland.

In May, Beijer Tech acquired REC Indovent AB's hose operation located in Gothenburg. The operation reports sales of more then SEK 20M and has five employees. REC Indovent markets and sells hoses for a number of applications, such as the handling of hot and aggressive gases and industrial vacuum cleaning. The acquisitions were a step in the strategy for Beijer Tech's subsidiary, Lundgrens, to develop and strengthen its product programme in order to strengthen further its position as a leading hose company in Sweden.

In February, Beijer Tech acquired the operation in Renheat AB. The operation comprises refractory installations of furnaces and prefabrication of casting moulds. It reports annual sales of approximately SEK 5M.

Sales

Beijer Tech's sales increased by four per cent to SEK 642.5M (615.5). Excluding the divested operations, sales increased by 14 per cent. Acquisitions during the year affected sales by seven per cent and organic growth, therefore, amounted to seven per cent.

Operating profit

Beijer Tech's operating profit amounted to SEK 85.6M (55.2). The result for 2008 includes one-time gains of SEK 30.5M. Excluding these items, operating profit amounted to SEK 55.1M, equivalent to an operating margin of 8.6 per cent (9.0). The lower operating margin arose during the fourth quarter mainly as a result of lower sales.

Expansion and new organisation within Lundgrens

In recent years, Beijer Tech has invested in creating a stronger platform for growth within Lundgrens, which is the business area's largest company with sales of SEK 275M with the current structure.

The expansion has consisted of several stages. Basically, Lundgrens has enjoyed good organic growth. Four acquisitions – Slangbolaget BTJ, Specialarmatur, Hymab and the hose operation in REC Indovent – during the past 18 months have contributed annual sales of SEK 50M. On 1 January 2009, a merger process started between Ekonil and Lundgrens aimed at increasing the efficiency in the organisation.

In order to increase its effectiveness, Lundgrens implemented a new marketing organisation at the 2008 year end. The organisation was split into five product areas and two sales regions. The five product areas consist of Standard Products, Hydraulics, Specialty Rubber/Technical Sealants, Ventilation and Specialty Applications for Hose Products. As a result, Lundgrens has a broad and complete product programme of manufacturing supplies and maintenance products.

The marketing side consists of Region North with offices in Stockholm, Örebro and Skellefteå, and Region South with offices in Gothenburg, Malmö and Helsingborg. Lundgrens has a very broad customer base which extends over a large number of sectors. The total number of customers amounts to around 7,000. Sales are largely of a repetitive nature. Approximately 60-65 per cent is sold directly to the industry and the remainder via resellers.

The intention with the new organisation is to add new products to Lundgrens and to broaden its sales resources to the whole of Sweden as well as to offer cutting-edge expertise within the specialty areas. The ambition is to continue to develop the operation, in which additional acquisitions are included as an important part of the strategy.

The companies within the business area represent well-established international suppliers and contribute technical expertise relating to the products as well as experience and knowledge of the markets.

Products

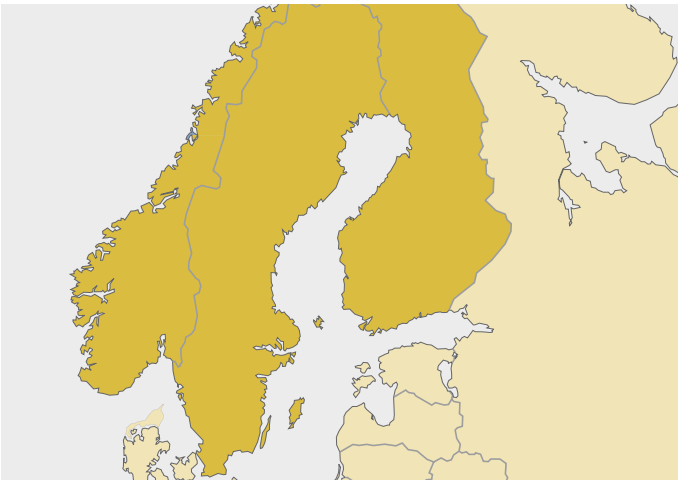
Beijer Tech markets and sells a large number of products – approximately 15,000 products and up to 30,000 items in Sweden, Norway and Finland. The business area is split into six product areas:

• Surface treatment comprises *blast cleaning* and *tumbling* with machines, equipment and media, *abrasive products* ranging from conventional abrasive wheels, to high-technology products such as diamond and CBN and different products within the *polishing* segment.

• Foundry products comprises a broad range of necessities and equipment for the foundry industry. Refractories, insulation products, chemical matrix, alloying agents, coke as well as machinery and spare parts for metal, iron, die casting and steel foundries are examples of product groups within this segment.

• Steel amd smelter products comprises machinery and necessities for steel mills, including different types of furnaces, process lines, rolling mill equipment, graphite electrodes, lances, lifting and handling equipment, equipment for aluminium and copper industries and smelters as well as knife and cutting systems for the paper industry. In addition, procurement of steel products such as with sheet, beam, rod, wire etc is included.

• Fluid technology includes a broad range of hoses and couplings of rubber, plastic, composite and metal, hose fittings, hydraulic couplings, fittings for fire-fighting equipment and hose clips.



• Industrial rubber includes rubber cloths, profiles, rubber mats, silicon rubber products, wear protection of rubber, O rings, oil-seals, construction plastic, transmission products such as V-belts and synchronous drive belts as well as adhesives and gasket, drying and absorption materials.

• Services relates to installation, service, maintenance, assembling, punching and training. The service offer is linked to each product area.

Market

Beijer Tech operates in the Swedish, Norwegian and Finnish markets. The market for the business area's products is mature with moderate growth over a business cycle. The business area has a very broad and varied customer base. The number of customers amounts to approximately 10,000. The ten largest customers accounted for 22 per cent of sales in 2008.

The width and the depth in the product supply means that sales are less sensitive to fluctuations in the general economic activity. Beijer Tech is more affected by long-term changes in the industrial structure. The business area is also dependent on the investment climate within the industry.

Beijer Tech's strategy is to strengthen its competitiveness within existing areas and achieve growth, partly through acquisitions within existing and related segments.

Competitors

The business area's competitors vary depending on product group. The main competitors within Surface Treatment, Foundries, and Steel Mills and Smelters are Askania, Kernfest-Webac, Foseco, Karlebo, Calderys and Swecox. Within Fluid Technology and Industrial Rubber, competitors include Trelleborg, Rubber & Co, Hiflex and Hydroscand.

Organisation

Beijer Tech consists of a group of five operating subsidiaries which have a joint and overall Nordic management with a responsibility to develop the business area. Operations and sales are carried out through the subsidiaries.

G & L Beijer Industri AB operates within four product areas: Surface Treatment, Foundries, Steel Mills and Smelters, and Services. The product supply is very broad and comprises necessities and equipment for foundries, machines and equipment for steel mills, coke for smelting in cupola furnaces, machines for various types of die casting, steel products with beam, rod and wire as well as different types of abrasive products and polishing materials. Large customers are foundries, steel mills, engineering industries, industrial retailers and steel wholesalers.

AB Tebeco operates within Surface Treatment, Foundries and Services. Tebeco provides the broadest range in the market of blast-cleaning abrasives and blast-cleaning machines for the engineering industry as well as tumbling equipment and manufacturing supplies for foundries.

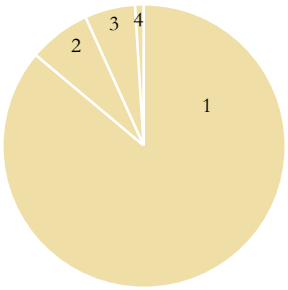
G & L Beijer AS sells parts of the business area's product range in Norway and operates within Surface Treatment, Foundries, Steel Mill and Smelters, and Services. Examples of products are blast-cleaning machines, blast-cleaning abrasives, smelting furnaces, abrasive materials and different types of filters sold to smelters, foundries and offshore industries as well as to surface treatment and engineering industries.

G & L Beijer OY represents Beijer Tech in Finland and operates within Surface Treatment, Foundries, Steel Mills and Smelters, and Services. The most important product groups consist of blast-cleaning machines, blast-cleaning abrasives and foundry equipment as well as machines, plant and spare parts. Customers are mainly found within the steel-mill, foundry and engineering industries.

Net sales and Results

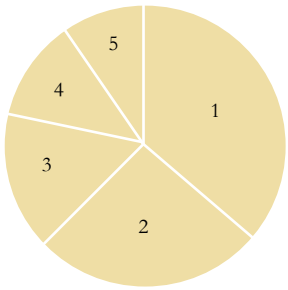
sek m	*2008*	*2007*	*2006*	*2005*	*2004*
Net sales	642.5	615.4	573.9	589.7	568.1
Operating profit	85.6	55.2	38.1	41.8	34.9
Return on capital employed in operations, %	53.6	39.1	25.1	24.1	20.1
No. of employees	184	186	193	194	200

Geographic distribution of net sales



1. Sweden 85%,
2. Norway 7%,
3. Finland 6%,
4. Other European countries 2%

Distribution of net sales



1. Fluid Technology 30%,
2. Foundries 27%,
3. Surface Treatment 20%,
4. Industrial Rubber 13%,
5. Steel Mills and Smelters 10%

Lundgrens Sverige AB operates within Fluid Technology, Industrial Rubber and Services. It offers the commercial, industrial and shipping sectors a wide range of hoses, hose accessories, transmissions, rubber, plastic, gasket materials, drying materials as well as O rings and oil-seals.

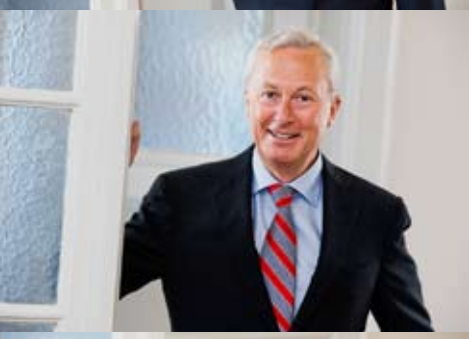
Ekonil AB operates within Fluid Technology, Industrial Rubber and Services. It offers an extensive range of industrial hoses, hose fittings, flow components and chemical hoses as well as service and assembly to industries, OEM, agriculture, well drillers and ski resorts. Ekonil AB will be merged with Lundgrens Sverige AB during the first quarter of 2009.

Peter Kollert
Head of the Beijer Tech business area

Board of Directors

Peter Jessen Jürgensen

CHAIRMAN
Peter Jessen Jürgensen
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 and G & L Beijer A/S.
Shareholding in G & L Beijer AB: 447 626 A shares and 809 200 B shares.



Joen Magnusson

BOARD MEMBER
Joen Magnusson
Born 1951
Board Member since 1985.
Managing Director of G & L Beijer AB.
Board Member of Beijer Electronics and other companies.
Shareholding in G & L Beijer AB: 472 756 A shares and 135 916 B shares.

Bernt Ingman

BOARD MEMBER
Bernt Ingman
Born 1954
Board Member since 2006.
Chairman of Schneidlerföretagen AB.
Shareholding in G & L Beijer AB: 3 000 B shares.

Anne-Marie Pålsson

BOARD MEMBER
Anne-Marie Pålsson
Born 1951
Board Member since 2003.
Vice Chairman of Länsförsäkringar Skåne.
Board Member of Länsförsäkringar AB, Hagströmer & Qviberg and Riksrevisionen.
Executive Member of Kungliga Ingenjörsvetenskapsakademin and Kungliga Skogs- och Lantbruksakademin.
Associate Professor at the University of Lund.
Member of the Swedish Parliment.
Shareholding in G & L Beijer AB: 1 000 B shares.

Poul Friis

BOARD MEMBER
Poul Friis
Born 1939
Board Member since 2002.
Board Member of G & L Beijer A/S.
Shareholding in G & L Beijer AB: 11 900 B shares.

William Striebe

BOARD MEMBER
William Striebe
Born 1950
Board Member since 2009.
Vice President of Carrier Corporation.
Shareholding in G & L Beijer AB: 0

Philippe Delpech

BOARD MEMBER
Philippe Delpech
Born 1962
Board Member since 2009.
President of Carrier Commercial Refrigaration.
Shareholding in G & L Beijer AB: 0

Senior Executives

Chief Financial Officer
Jonas Lindqvist
Born 1962
Shareholding in G & L Beijer AB: 0

Head of the Beijer Ref business area
Per Bertland
Born 1957
Shareholding in G & L Beijer AB: 293 428 A shares and 126 000 B shares

Head of the Beijer Tech business area
Peter Kollert
Born 1961
Shareholding in G & L Beijer AB: 16 000 B shares

Jonas Lindqvist

Per Bertland

Peter Kollert

Auditors
Mikael Eriksson
Born 1955
Authorised Public Accountant,
PricewaterhouseCoopers AB.
Auditor in the G & L Beijer Group since 2005.

Lars Nilsson
Born 1965
Authorised Public Accountant,
PricewaterhouseCoopers AB.
Auditor in the G & L Beijer Group since 2005.

Mikael Eriksson and Lars Nilsson

1. Introduction

G & L Beijer AB has been implementing the Swedish Code for Corporate Governance since 2005.

This Corporate Governance Report has not been examined by the company's Auditors.

2. Preparation of appointment of board of directors and auditors

An Election Committee was appointed in October 2008. 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 24 April 2009. 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 (IKI Invest A/S and Chairman of the G & L Beijer Board of Directors)
Hans Forssman (Skandia Liv)

The Election Committee has carried out its work as follows: It has evaluated the work, composition and competence of the Board of Directors.

3. Information about the board 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
- Board Member of IKI Invest A/S, Labotek A/S, Profort A/S and G & L Beijer A/S.
Shareholding, privately and via companies, in G & L Beijer AB: 447,626 A shares and 809,200 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.

- *Paul Friis* (born 1939), Board Member.
Board Member since 2002.
Education and work experience:
Paul Friis is a graduate engineer of DTU and has worked within ITT, Teleselskaberne Denmark, currently Teledanmark, in different posts and later in leading positions. Paul Friis later worked as Divisional Director in Siemens in Denmark and, thereafter, as Managing Director of NKT Elektronik until 1995. Thereafter, Paul Friis has devoted his time to board work.
Other significant assignments:
- Board Member of G & L Beijer A/S
Shareholding in G & L Beijer AB: 11,900 B shares.

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

- *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 is a PhD in economics and 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 has been a Member of the Swedish Parliament since 2002.
Other significant assignments:
- Vice Chairman of Länsförsäkringar Skåne
- Board Member of Länsförsäkringar AB, Hagströmer & Qviberg, Riksrevisionen, Institutet för Framtidsstudier.
- Deputy Board Member of Riksbankens jubilumsfond.
- Executive Member of Kungliga Ingenjörsvetenskapsakademin and Kungliga Skogs- och Lantbruksakademin.
Shareholding in G & L Beijer AB: 1,000 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 of Beijer Electronics AB
- Board Member/Chairman of a number of companies within the Beijer Group.
- Shareholding, privately and via companies, in G & L Beijer AB: 472,756 A shares and 135,916 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.
CFO of Husqvarna AB.
Education and work experience:
MBA graduate
CFO of Munters for eight years
Other significant assignments:
- Chairman of Schneidlerföretagen AB
Shareholding in G & L Beijer AB: 3,000 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 of Carrier Corporation.
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 as 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 Carriers parent company's, UTC, head office where he worked with business development. At the beginning of 2005, William Striebe returned to Carrier Corporation and its head office as Vice-President.
Shareholding in Beijer: 0.

Independent in relation to the Company and its Management. Not independent in relation to large shareholders.

- *Philippe Delpech* (born 1962), Board Member.
Board Member since 2009.
President of Carrier Commercial Refrigeration.
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 Refrigeration since 2008. Philippe Delpech started his career within Carrier 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 Beijer: 0.

Independent in relation to the Company and its Management. Not independent in relation to large shareholders.

4. Information about auditors

At the Annual Meeting of shareholders in 2005, the Authorised Public Accountants, Mikael Eriksson and Lars Nilsson, both practicing at Öhrlings PricewaterhouseCoopers in Malmö, were elected for the term until the end of the Annual Meeting of shareholders held during the fourth financial year after the election of auditors, i.e. 2009.

5. Work of the board of directors

During 2008, the Board of Directors of G & L Beijer held five Ordinary Meetings, of which one was a strategy meeting. The company's auditors were present at Board Meetings which discussed 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 and other information of importance for the company.

The company's economic and financial position, as well as the investment operations, are discussed at every Ordinary Board Meeting.

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.

Peter Jessen Jürgensen and Joen Magnusson participated in all Board Meetings. Anne-Marie Pålsson, Poul Friis and Bernt Ingman were absent from one Board Meeting each.

6. 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.

7. Remuneration and other terms of employment for the executive management

The Board of Directors has handled 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.

8. Share and share price related incentive schemes

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

9. Quality assurance

The Board of Directors continually studies the company's accounting reports which are sent to the Board in connection with Board Meetings. In addition to the financial reporting for the Group, financial reports for the two business areas are appended as well as comments by the Head of the respective business area. 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.

The Board of Directors' report on internal control relating to the financial reporting for the 2008 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, sections 3.7.2 and 3.7.3, and is, therefore, limited to internal control relating to the financial reporting. This report does not form part of the formal annual accounts documents.

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 fora 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 Boards 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 Group and business area management teams are represented in Boards of Directors at the underlying organisational level and also in individual companies of significance. 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 their 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. 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 3.7.3, 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.

No statement has been made about how well the internal control has functioned and no auditor examination has been carried out.

Contents
Financial reporting

Director's Report

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 2008 financial year.

Group

G & L Beijer's operations consist of the importation of agency products from leading international manufacturers and the 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 providing efficient logistics and warehousing.

Operations are carried out in two business areas, Beijer Ref and Beijer Tech. The G & L Beijer Group is a leading operator within the refrigeration sector in Europe and the leader within industrial products in the Nordic countries. 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, which has only marginal external sales, reports profit after financial income/expense of SEK 54.7M (55.8) for the 2008 financial year.

Significant events during the financial year

In January, G & L Beijer divested its agency operation, Svenska Daikin, through its Beijer Ref business area. Through the divestment, Beijer Ref realised a gain of SEK 23M which is included in the result for the first quarter of 2008. Svenska Daikin is not included in the consolidated accounts from 1 February 2008.

In February, G & L Beijer acquired the operation in Renheat AB through its Beijer Tech business area. The operation reports annual sales of approximately SEK 5M. The acquisition is included in G & L Beijer's accounts from 1 February 2008.

In February, G & L Beijer divested Brogårdsand AB with its subsidiary, Fyleverken, to Finja AB through its Beijer Tech business area. The transaction generated a capital gain of SEK 31M which is included in the consolidated accounts for the first quarter of 2008. In connection with the transaction, G & L Beijer and Finja AB signed a long-term agreement which means that Beijer Tech became the distributor of Brogårdsand's products to the foundry industry. Brogårdsand/Fyleverken is not included in G & L Beijer's accounts from 1 March 2008.

In April, G & L Beijer acquired the operation in Hymab (Hydraul & Maskinkomponenter i Örebro AB) through its Beijer Tech business area. The operation reports sales of approximately SEK 16M and has six employees. Hymab markets and sells hydraulic components, hydraulic hose, environmentally-friendly oil products, ball bearings, sealing devices and fasteners. The acquisition was a step in the strategy for Beijer Tech's subsidiary, Lundgrens, to invest in the hydraulic segment. The operation in Hymab is included in G & L Beijer's accounts from 1 May 2008.

In April, G & L Beijer acquired the distribution rights for Mitsubishi Heavy Industries' products within the air-conditioning and heat-pump segments in Norway through its Beijer Ref business area. The acquisition, which was an assets and liabilities transaction, also included the order book and inventories. The operation reports sales of approximately SEK 20M. The acquisition in Norway was a continuation of Beijer Ref's strategic investment in comfort cooling. The acquisition in Norway will be integrated into Beijer Ref's Norwegian organisation. It is included in the consolidated accounts from 1 May 2008.

In May, G & L Beijer acquired the Slovakian refrigeration wholesale company, RK Slovakia, through its Beijer Ref business area. The company reports sales of approximately SEK 10M and has nine employees. The acquisition means that Beijer Ref made a breakthrough into a new market in Europe. RK Slovakia is included in G & L Beijer's accounts from 1 May 2008.

In May, G & L Beijer acquired the Industrial Hose business area within REC Indovent AB through its Beijer Tech business area. The operation reports sales of more than SEK 20M and has five employees. The acquired operation markets and sells hoses for a number of applications, such as the handling of hot and aggressive gases and industrial vacuum cleaning. The acquired operation will be integrated into Lundgrens. The acquisition is included in G & L Beijer's accounts from 1 June 2008.

In June, G & L Beijer acquired the Czech refrigeration wholesale company, Fridanair, through its Beijer Ref business area. The company reports sales of approximately SEK 30M and has 20 employees. The acquisition means that Beijer Ref made yet another breakthrough into a new market in Europe. Fridanair is included in G & L Beijer's accounts from 1 July 2008.

In September, G & L Beijer AB and Carrier Corporation, a subsidiary of United Technologies Corporation in the USA, signed a letter of intent which meant that G & L Beijer intended to acquire Carrier's refrigeration wholesale operation in Europe and South Africa through a directed new share issue to Carrier Corporation.

Events after the end of the financial year

After the end of the financial year, G & L Beijer signed a final purchase agreement to acquire Carrier ARW on 13 January 2009. An Extraordinary General Meeting on 29 January 2009 resolved to carry out a non-cash issue by issuing 358,710 class A shares and 8,437,429 class B shares to Carrier Corporation and, therefore, increase the company's share capital by SEK 153,932,423.50 as payment for the acquisition of Carrier ARW. This means that G & L Beijer's shareholders before the transaction and Carrier Corporation will hold 66.7 per cent and 33.3 per cent respectively of the votes and 58.5 per cent and 41.5 respectively of the capital in the company. The Extraordinary General Meeting also resolved that the number of Board Members shall be seven and to elect Philippe Delpech and William Striebe as new Board Members with effect from the date of completion of the acquisition of Carrier ARW until the end of the next Annual Meeting of shareholders.

The transaction was completed on 30 January 2009. The total capital contributed in kind has been valued at SEK 1,055.5M. The transaction means that G & L Beijer's pro forma sales will increase to approximately SEK 6,200M with an operating profit of SEK 527M calculated on the twelve-month period up to and including September 2008. The total number of employees will be approximately 1,800. G & L Beijer will achieve a significantly strengthened financial position. Carrier ARW is included in G & L Beijer's accounts from 1 February 2009.

Sales and Results

Sales of the G & L Beijer Group rose by seven per cent to SEK 3,356.6 M (3,136.0) in 2008. Acquisitions and some organic growth explain the growth. Both business areas contributed to the sales increase which, however, abated during the fourth quarter as a result of the significant slowdown in European economic activity.

Sales in Sweden accounted for 28 per cent of consolidated sales. Holland, Denmark and the United Kingdom each accounted for approximately 13 per cent of sales, Switzerland and Norway for 10 per cent and eight per cent respectively. Finland, Poland, Hungary, the Baltic States, Ireland, the Czech Republic, Romania and Slovakia accounted for the remainder of sales.

The consolidated operating profit rose by 13 per cent by SEK 336.4M (298.4). The result includes one-time gains of SEK 53.2M (5.9). Excluding one-time gains, operating profit amounted to SEK 283.2M (295.5).

Consolidated financial income/expense amounted to SEK -14.4M (-15.5). Financial income/expense includes a share in profits of associated companies of SEK 9.4M (10.3) from the Group's indirect ownership in CMP (Copenhagen Malmö Ports). Profit before taxes amounted to SEK 322.0M (282.9). Profit after tax amounted to SEK 255.2 (212.5).

Profitability

Return on capital employed in operations amounted to 23.2 per cent (25.4) and 22.7 per cent (24.8) respectively. Return on equity was 29.7 per cent (33.6).

Capital expenditure, liquidity and number of employees

Group investments in tangible fixed assets, including acquisitions, amounted to SEK 91.6M (290.0). Liquid funds, including unutilised bank overdraft facilities, amounted to SEK 192.7M (199.4) at the year end. The average number of employees was 1,036 (966).

Cash flow, financing and equity ratio

The cash flow from current operations before changes in working capital was SEK 197.2M (247.6). Interest-bearing liabilities amounted to SEK 722.0M (698.8). The net debt amounted to SEK 617.6M (617.9). Shareholders' equity amounted to SEK 990.0M (726.9). The change in equity was SEK 263.1M (190.5). It included net profit for the year of SEK 255.2M (212.5) less a dividend of SEK 74.4M (40.4). Translation differences amounted to SEK 82.9M (18.4). The equity ratio was 44.6 per cent (36.6) at the year end.

Research and development

Research and development relating to the trading operation is mainly carried out by the suppliers. The Group's manufacturing companies carry out their own research and development which amounted to SEK 1.9M (7.0) in 2008.

Prospects for 2009

The continued economic trend is nigh impossible to judge. It is clear that the economy will weaken significantly during the first half of the year. Only the future can show how deep and how long the recession will be.

Business areas

Beijer Ref

Through acquisitions and divestments as well as organic growth, Beijer Ref could report a good development during the year. During the year, the market was stable at a high level although it varied to some extent between the quarters. During 2008, the business area carried out three acquisitions with combined sales of SEK 60M. The acquisitions involved establishing operations in two new markets, the Czech Republic and Slovakia, and an expanded product programme within air conditioning. In January, Beijer Ref divested its agency operation in Svenska Dakin. Through the divestment, Beijer Ref realised a gain of SEK 23M.

The business area's sales increased by eight per cent to SEK 2,714.1M (2,520.5). Of sales, Sweden accounted for SEK 523M, Holland for SEK 426M, United Kingdom for SEK 456M, Denmark for SEK 429M and Switzerland for SEK 333M. Operating profit amounted to SEK 270.4M (260.6). Excluding one-time gains, operating profit amounted to SEK 247.7M (254.7), equivalent to an operating margin of 9.1 per cent (10.1). The lower result is partly explained by lower purchasing volumes to avoid an inventory build-up, which involved lower revenues from volume-based agreements, and costs for integrating acquisitions during 2007 and 2008.

Beijer Tech

The markets in which Beijer Tech operates were characterised by continued high activity during 2008 although some slowdown took place towards the end of the year. All product areas within the business area increased their sales. The business area carried out three acquisitions with combined annual sales of approximately SEK 40M. In February, Beijer Tech divested Brogårdsand with its subsidiary, Fyleverken, as a step in its strategy to consolidate the operations and concentrate its resources on the business area's core segments within trading. The transaction generated a capital gain of approximately SEK 31M. In connection with the transaction, G & L Beijer and the buyer, Finja Betong AB, signed a long-term agreement which means that Beijer Tech became the distributor of Brogårdsand's products to the foundry industry.

The business area's sales rose by four per cent to SEK 642.5M (615.5). Operating profit amounted to SEK 85.6M (55.2). The result for 2008 includes one-off gains of SEK 30,5M. Excluding one-off gains, the result was SEK 55.1M, equivalent to an operating margin of 8.6 per cent (9.0). The lower operating margin arose during the fourth quarter mainly as a result of lower sales.

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).

Currency

In 2008, G & L Beijer had sales in 16 countries in Europe. The largest sale currencies are SEK, EUR, GBP, DKK and NOK. Purchases are mainly made in SEK and EUR. For further information about the Group's currency policy and financial risk handling, see note 3.

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 the business areas' products and services. During 2008, the Group has a geographic spread with sales in 16 markets in Europe and a large number of customers and a broad product programme within the areas of operations 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 undertakings, 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 nega-

tive 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.

Environment

G & L Beijer strives to contribute to ecologically sustainable development. The Group carries out operations which require permits and are liable to give notification. Operations requiring permits comprise machine processing locations. Operations liable to give notification comprise the handling of refrigerants.

Shares and ownership

On 31 December 2008, the parent company's share capital consisted of the following number of shares with a nominal value of SEK 17.50 per share.

Class of shares	*Number of shares*	*Number of votes*	*Share of capital, %*	*Share of votes, %*
A 10 votes	1 294 410	12 944 100	10.4	53.7
B 1 vote	11 148 566*	11 148 566	89.6	46.3
	12 442 976	24 092 666	100.0	100.0

**) Of which 43,600 shares in own custody*

At the year end, Peter Jessen Jürgensen was the largest owner in G & L Beijer with 21.9 of votes and 10.1 per cent of capital. Joen Magnusson (family & companies) held 20.2 per cent of votes and 4.9 per cent of capital. Per Bertland (family & companies) held 12.7 per cent of votes and 3.4 per cent of capital.

After the end of the financial year, G & L Beijer carried out a out a non-cash issue to Carrier Corporation by issuing 358,710 class A shares and 8,437,429 class B shares and, therefore, increase the company's share capital by SEK 153,932,423.50 as payment for the acquisition of Carrier ARW. After the issue, the number of A shares amounts to 1,653,120 and the number of B shares to 19,542,395 excluding shares in own custody. The total number of shares amounts to 21,195,515 and the total number of votes to 36,073,595. After the issue, Carrier Corporation became G & L Beijer's largest shareholder with 41.5 per cent of capital and 33.3 per cent of votes. Through dilution from the issue, Peter Jessen Jürgensen reduced his ownership from 21.9 per cent of votes and 10.1 per cent of capital to 14.7 per cent of votes and 5.9 per cent of capital. Joen Magnusson (family & companies) reduced his ownership from 20.2 per cent of votes and 4.9 per cent of capital to 13.5 per cent of votes and 2.9 per cent of capital. Per Bertland (family & companies) reduced his ownership from 12.7 per cent of votes and 3.4 per cent of capital to 8.5 per cent of votes and 2.0 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 Heads of the two business areas. 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 one month's salary.

Proposal for distribution of profit

Profit at the disposal of the Annual Meeting of shareholders:

SEK K	
Profit brought forward	98 932
Net profit for the year	58 403
Total	157 335

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

SEK K	
Dividend, SEK 6.00 per share	74 396
To be carried forward	82 939
Total	157 335

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 profit and loss account and balance sheet will be submitted for adoption to the Annual Meeting of shareholders on 24 April 2009. 29 April 2009 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 2009

Peter Jessen Jürgensen
Chairman

Poul Friis

Bernt Ingman

Anne-Marie Pålsson

William Striebe

Philippe Delpech

Joen Magnusson
Managing Director

Our Audit Report was submitted on 22 March 2009

Mikael Eriksson
Authorised Public Accountant

Lars Nilsson
Authorised Public Accountant

SEK K	2008	2007	NOTE
OPERATING INCOME, ETC			
Net sales	3 356 591	3 135 967	5
Change in work-in-progress and finished products	1 974	1 130	
Other operating income	104 843	35 786	7
Total income, etc	3 463 408	3 172 883	
OPERATING EXPENSES			
Raw materials and necessities	– 107 679	– 147 300	
Goods for resale	– 2 161 083	– 1 951 778	
Other external costs	– 300 130	– 267 192	8, 9
Remuneration of employees	– 518 589	– 471 841	6
Depreciation and write-down of intangible and tangible fixed assets	– 36 303	– 35 519	18, 19
Other operating expenses	– 3 235	– 900	
Operating profit	336 389	298 353	
RESULT OF FINANCIAL INVESTMENTS			
Result of holdings in associated companies	9 400	10 300	21
Financial income	11 309	5 102	11
Financial expenses	– 35 078	– 30 882	12
Profit before taxes	322 020	282 873	
Tax on the year's profit	– 66 846	– 70 416	14
Net profit for the year	255 174	212 457	15
Attributable to:			
The parent company's shareholders	255 174	212 136	
Minority interest	—	321	
The year's profit per share, SEK [1]	20.58	17.11	16
Dividend per share, SEK [2]	6.00	6.00	17

1) No dilution exists
2) For 2008, in accordance with the Board of Directors' proposal

Consolidated balance sheet

SEK K	2008-12-31	2007-12-31	NOTE
Assets			
FIXED ASSETS			
Intangible fixed assets	576 679	483 242	18
Tangible fixed assets	178 928	181 400	19
Holdings in associated companies	33 805	26 047	21
Deferred tax recoverable	7 562	7 209	28
Trade debtors and other receivables	501	319	22
Total fixed assets	797 475	698 217	
CURRENT ASSETS			
Inventories	722 444	657 963	23
Trade debtors and other receivables	581 883	548 051	22
Income taxes recoverable	12 587	34	
Liquid funds	104 381	80 881	24
Total current assets	1 421 295	1 286 929	
Total assets	2 218 770	1 985 146	
Shareholders' equity			
EQUITY AND RESERVES WHICH CAN BE ATTRIBUTED TO THE PARENT COMPANY'S SHAREHOLDERS			
Share capital	217 752	217 752	25
Translation reserve	102 164	19 224	
Profit brought forward	670 036	489 258	
	989 952	726 234	
Minority interest	—	672	
Total equity	989 952	726 906	
Liabilities			
LONG-TERM LIABILITIES			
Borrowing	391 857	459 866	27, 32
Deferred tax liabilities	23 012	33 372	28
Pension commitments	14 670	14 580	29, 33
Other provisions	8 195	10 737	30
Total long-term liabilities	437 734	518 555	
CURRENT LIABILITIES			
Trade creditors and other liabilities	454 413	487 623	31
Borrowing	315 481	227 797	27, 32
Current tax liabilities	21 072	24 100	
Other provisions	118	165	30
Total current liabilities	791 084	739 685	
Total liabilities	1 228 818	1 258 240	
Total liabilities and equity	2 218 770	1 985 146	

Consolidated changes in equity

SEK K	Attributable to the parent company's shareholders			Minority interest	Total equity	NOTE
	Share capital	Translation reserve	Profit brought forward			
SHAREHOLDERS' EQUITY ON 2006-12-31	217 752	770	317 420	451	536 393	
Exchange rate differences		18 454			18 454	
Total transactions reported direct in shareholders' equity	—	18 454	—	—	18 454	
Net profit for the year			212 136	321	212 457	
Total reported income and expenses	217 752	19 224	529 556	772	767 304	
Dividend for 2006			– 40 298	– 100	– 40 398	17
	—	—	– 40 298	– 100	– 40 398	
SHAREHOLDERS' EQUITY ON 2007-12-31	217 752	19 224	489 258	672	726 906	
Exchange rate differences		82 940			82 940	
Total transactions reported direct in shareholders' equity	—	82 940	—	—	82 940	
Net profit for the year			255 174		255 174	
Total reported income and expenses	217 752	102 164	744 432	672	1 065 020	
Dividend for 2007			– 74 396		– 74 396	17
Sale of subsidiaries				– 672	– 672	
	—	—	– 74 396	– 672	– 75 068	
SHAREHOLDERS' EQUITY ON 2008-12-31	217 752	102 164	670 036	—	989 952	

Consolidated cash flow statement

SEK K	2008	2007	Note
Current operations			
Operating profit	336 389	298 353	
Adjustments for items not included in the cash flow:			
Depreciation and write-downs of intangible and tangible fixed assets	36 303	35 519	
Change in pension, guarantee and other provisions	– 3 714	– 8 069	
Capital result on sale of fixed assets	– 57 893	1 510	
Total	311 085	327 313	
Received interest and dividend	12 951	8 978	
Paid interest	– 35 078	– 34 400	
Paid income tax	– 91 733	– 54 336	
Cash flow from current operations before changes in working capital	197 225	247 555	
Changes in working capital			
Change in inventories	– 18 667	– 90 224	
Change in operating receivables	– 17 485	18 554	
Change in operating liabilities	– 93 823	30 962	
Cash flow from current operations	67 250	206 847	
Investment operations			
Acquisition of tangible and intangible fixed assets	– 56 970	– 51 767	
Acquisition of operations	– 40 451	– 216 870	34
Sale of operations	73 624	7 186	
Sale of tangible fixed assets	15 064	2 080	
Cash flow from investment operations	– 8 733	– 259 371	
Financial operations			
Raising of loans	—	142 284	
Amortisation of liabilities	28 916	– 49 553	
Paid dividend to shareholders	– 74 396	– 40 298	
Paid dividend to the minority	—	– 100	
Cash flow from financial operations	– 45 480	52 333	
Change in liquid funds	13 037	– 191	
Exchange rate difference, liquid funds	10 463	3 073	
Liquid funds on 1 January	80 881	77 999	
Liquid funds on 31 December	104 381	80 881	24

Divested operations have affected the cash flow by sales proceeds of SEK 73.6M. The divestments generated a capital gain of SEK 55.3M. Net assets in sold companies amounted to SEK 18.3M.

Parent company profit and loss account

SEK K	2008	2007	NOTE
OPERATING INCOME, ETC			
Other operating income	—	—	
Total income	—	—	
OPERATING EXPENSES			
Other external costs	– 8 141	– 7 809	8
Personnel costs	– 6 143	– 5 875	6
Depreciation and write-down of tangible and intangible fixed assets	– 270	– 253	19
Operating profit	– 14 554	– 13 937	
RESULT OF FINANCIAL INVESTMENTS			
Result of participations in Group companies	63 023	65 408	10
Financial income	21 099	16 668	11
Financial expenses	– 14 877	– 12 322	12
Profit after financial investments	54 691	55 817	
APPROPRIATIONS			
Appropriations	2 876	– 49	13
Profit before taxes	57 567	55 768	
Tax on the year's profit	836	2 460	14
Net profit for the year	58 403	58 228	15

Parent company balance sheet

SEK K	2008-12-31	2007-12-31	Note
Assets			
Fixed assets			
Tangible fixed assets			
Equipment, tools and installations	701	899	19
Total tangible fixed assets	701	899	
Financial fixed assets			
Participations in Group companies	102 469	245 022	20
Holdings in associated companies	9 750	9 750	21
Total financial fixed assets	112 219	254 772	
Total fixed assets	112 920	255 671	
Current assets			
Current receivables			
Receivables from Group companies	567 632	432 544	
Other current receivables	9 840	547	
Prepaid expenses and accrued income	479	212	
Total current receivables	577 951	433 303	
Cash and bank			
Cash and bank	131	126	
Total current assets	578 082	433 429	
Total assets	691 002	689 100	
Equity and liabilities			
Shareholders' equity			
Restricted equity			
Share capital (12,442,976 shares at a nominal value of SEK 17.50 each)	217 752	217 752	25
Total restricted equity	217 752	217 752	
Non-restricted equity			
Profit brought forward	98 932	112 950	
Net profit for the year	58 403	58 228	
Total non-restricted equity	157 335	171 178	
Total equity	375 087	388 930	
Untaxed reserves			26
Tax allocation reserves	1 185	4 024	
Accumulated accelerated depreciation	157	194	
Total untaxed reserves	1 342	4 218	
Liabilities			
Long-term liabilities			
Long-term interest-bearing liabilities to Group companies	5 803	7 832	
Other long-term interest-bearing liabilities	106 500	130 500	27
Total long-term liabilities	112 303	138 332	
Current liabilities			
Bank overdraft facilities	129 751	87 730	27
Other current interest-bearing liabilities	62 980	62 830	27
Trade creditors	4 837	211	
Liabilities to Group companies	1 573	35	
Tax liabilities	—	4 251	
Other liabilities	358	288	
Accrued expenses and prepaid income	2 771	2 275	
Total current liabilities	202 270	157 620	
Total equity and liabilities	691 002	689 100	
Pledged assets	92 569	235 122	32
Contingent liabilities	79 488	99 997	33

Parent company changes in equity

SEK K	Share capital	Non-restricted equity	Total equity	Note
Equity on 2006-12-31	217 752	146 922	364 674	
Received Group contribution		11 732	11 732	
Paid Group contribution		– 2 946	– 2 946	
Tax effect of Group contribution		– 2 460	– 2 460	
Total changes in equity not reported in the profit and loss account		6 326	6 326	
Net profit for the year		58 228	58 228	
Dividend		– 40 298	– 40 298	17
Equity on 2007-12-31	217 752	171 178	388 930	
Received Group contribution		5 890	5 890	
Paid Group contribution		– 2 903	– 2 903	
Tax effect of Group contribution		– 837	– 837	
Total changes in equity not reported in the profit and loss account		2 150	2 150	
Net profit for the year		58 403	58 403	
Dividend		– 74 396	– 74 396	17
Equity on 2008-12-31	217 752	157 335	375 087	

Parent company cash flow statement

SEK K	2008	2007
CURRENT OPERATIONS		
Operating profit	– 14 554	– 13 937
Adjustment for items not included in the cash flow:		
Depreciation of intangible and tangible fixed assets	270	253
Total	– 14 284	– 13 684
Received Group contributions	2 987	8 786
Received interest and dividend	84 122	82 076
Paid interest	– 14 877	– 12 322
Repaid / Paid income tax	– 4 927	219
Cash flow from current operations before changes in working capital	53 021	65 075
CHANGES IN WORKING CAPITAL		
Change in operating receivables	– 143 972	– 31 905
Change in operating liabilities	6 730	– 177
Cash flow from current operations	– 84 221	32 993
INVESTMENT OPERATIONS		
Acquisition of tangible and intangible fixed assets	– 72	– 906
Sale of tangible fixed assets	—	463
Sale of operations	142 553	—
Cash flow from investment operations	142 481	– 443
FINANCIAL OPERATIONS		
Raising of loans / Amortisation of liabilities	16 141	7 240
Paid dividend	– 74 396	– 40 298
Cash flow from financial operations	– 58 255	– 33 058
Change in cash and bank	5	– 508
Cash and bank on 1 January	126	634
Cash and bank on 31 December	131	126

Notes to the financial statements

Note 1 General information

G & L Beijer AB (the parent company) and its subsidiaries (taken together, the Group) import agency products from leading international manufacturers and manufacture own products, and combine this with service and support relating to the products. Operations are carried out in two business areas, Beijer Ref and Beijer Tech. The Group has subsidiaries within large parts of Europe.

The parent company is a limited company which is registered and located in Malmö. 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 2009.

Note 2 Applied reporting and valuation principles

General reporting principles

These consolidated accounts have been prepared in accordance with the Annual Accounts Act, RFR 1.1 'Supplementary reporting regulations for Groups' and International Financial Reporting Standards (IFRS) such as they have been approved by the EU. Standards which have been published but which have not yet come into force are not adhered to at present.

Implementation of new Reporting Principles

On the preparation of the consolidated accounts at 31 December 2008, a number of standards and interpretations have been published which have not yet come into force. Below follows a preliminary evaluation of the effect the implementation of these standards and pronouncements could have on G & L Beijer AB's financial reports:

IAS 1 Formulation of financial reports (revised)
The standard applies from 1 January 2009. The changes involve, in particular, changes in the formats and terms of the financial reports. The Group's future formulation of its financial reports will thus be affected when this standard is implemented.

IAS 23 Loan costs (revised)
The revised standard comes into force on 1 January 2009 and applies to financial years starting from this date. The standard forces companies to capitalise loan costs for assets which take a significant time to complete. The option to write off these loan costs will be removed. G & L Beijer AB's assessment is that the standard is not expected to have any impact on the consolidated accounts.

*IAS 27 Consolidated reporting and separate financial reports (revised)**
The standard applies from 1 July 2009. The change means, among other things, that results attributed to minority shareholders shall always be reported even if it means that the minority interest is negative. Also that transactions with minority shareholders shall always be reported in shareholders' equity and, where a parent company loses its controlling influence, the remaining share, if any, shall be revalued at actual value. The amendment of the standard will influence the reporting of future transactions.

IAS 32 (Amendment), 'Financial instruments: Classification', and IAS 1 (Amendment), 'Formulation of financial reports' – 'Puttable financial instruments and obligations arising on liquidation' (applies from 1 January 2009).
In accordance with the amended standards, classification as equity shall be made for redeemable financial instruments and instruments, or parts of instruments, which put an obligation on the company to transfer a proportional share of the company's net assets to another party only on liquidation, on condition that the financial instruments have specific properties which fulfil certain conditions. IAS 32 and IAS 1 (Amendment) applies from 1 January 2009 but this is not expected to have any impact on the Group's financial reports.

IAS 39 (Amendment), 'Financial instruments: Reporting and valuation' – 'Eligible Hedged Items' (applies from 1 July 2009).
The amendment makes clear how existing instruments for reporting hedged items shall be applied in two specific situations. It makes clear when inflation can be can be identified as the hedged risk in a financial instrument and how reporting shall be made on the use of options as hedging instruments. The Group will apply IAS 39 (amendment) from 1 January 2009 but this is not expected to have any impact on the Group's financial reports.

*IFRS 2 Share-related remuneration (revised) – Vesting conditions and cancellations**
The standard applies from 1 January 2009. The amendment influences the definition of earning conditions and introduces a new term 'non-vesting conditions' (conditions which are not defined as earning conditions). The standard states that non-vesting conditions shall be taken into account on the estimation of the actual value of the equity instrument. Products or services received by a counterparty which fulfil all other earning conditions shall be reported whether non-vesting conditions have been fulfilled or not.

IFRS 8 Operational segments
The standard comes into force on 1 January 2009 and applies to financial years starting from this date. The standard deals with the classification of the company's operations in different segments. In accordance with the standard, the company shall take its starting point in the structure of the internal reporting and determine reportable segments in accordance with this structure. G & L Beijer AB is of the opinion that no additional segments will be presented in the 2009 Annual Report.

*IFRIC 12 Service concession arrangements**
The interpretation pronouncement comes into force on 1 January 2008 and applies to financial years starting after this date. The pronouncement deals with the arrangements where a private company shall construct an infrastructure to provide a public service for a specific period of time. The company gets paid for the service during the duration of the agreement. The Group will apply IFRIC 12 from 1 January 2008, but this is not expected to have any impact on the consolidated accounts.

IFRIC 13 Customer loyalty programmes
The interpretation pronouncement comes into force on 1 July 2008 and applies to financial years starting after this date. The interpretation makes clear that the sale of products and services combined with customer loyalty points shall be reported as a multi-element transaction. The revenue from such transactions shall be allocated on the different components in the transaction based on their actual values. The Group will apply IFRIC 13 from 1 January 2009, but this is not expected to have any impact on the consolidated accounts.

IFRIC 14/IAS 19 – The limit in a Defined Benefit Asset, minimum Funding Requirements and their Interaction
The interpretation pronouncement comes into force on 1 January 2008 and applies to financial years starting after this date. The pronouncement makes clear under which conditions a surplus in a benefit-based pension scheme may be reported as an asset. The pronouncement also makes clear how the pension asset or pension liability is affected by statutory or contractual capitalisation requirements. The Group will apply IFRIC 14 from 1 January 2009, but this is not expected to have any impact on the consolidated accounts.

IFRIC 15, 'Agreements for construction of real estates' (applies from 1 January 2009).
The interpretation makes clear if IAS 18, 'Revenues', or IAS 11, 'construction contracts' shall be applied on certain transactions. It will, probably, result in IAS 18 being applied on more transactions. IFRIC 15 is not relevant for the Group's operations as all revenues are reported in accordance with IAS 18.

IFRIC 16 'Hedges of a net investment in a foreign operation' (applies from 1 October 2008).
IFRIC 16 makes clear the reporting of hedges of a net investment. It includes the fact that hedges of net investments relate to differences in functional currency, not reporting currency, and that hedging instruments can be held by any company in the Group. The requirements in IAS 21, 'The effects of changed exchange rates', apply to the hedged item. The Group will apply IFRIC 16 from 1 January 2009. This is not expected to have any significant impact on the Group's financial reports.

IFRIC 17, 'Distributions of Non-cash Assets to Owners' (applies to the financial year starting on 1 July 2009 or later).
IFRIC 17 gives guidance that a liability relating to distributions of non-cash assets shall be reported when the company has an undertaking towards its shareholders and that the liability shall be valued at actual value. When the liability is settled, i.e. on the distribution date, the assets distributed to settle the liability shall be revalued to actual value. The result of the revaluation shall be reported in the profit and loss account. IFRIC 17 also states that IFRS 5 Plant held for sale and closed operations is applicable for fixed assets available for distribution. The Group will apply IFRIC 17 on distribution of non-cash assets and where the distribution is a mixture of distribution of non-cash assets and cash, future oriented from 1 January 2010.

IFRIC 18 'Transfers of Assets from Customers' (applies for transfers of tangible fixed assets or cash from customers, where these assets are received on 1 July 2009 or later).
IFRIC 18 makes clear the reporting treatment of agreements where a company receives an asset which must be used either to connect the company to a network or continually give the customer access to goods and services. The interpretation statement makes clear, among other things, under which conditions the definition of an asset is fulfilled, reporting in the balance sheet of the asset and its acquisition value on the first reporting occasion and the appurtenant revenue reporting. The interpretation statement is not expected to have an impact on the Group's financial reporting as the Group does not have any agreements if this type with its customers.

** These standards/interpretations are not adopted by the EU at this moment.*

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.

The parent company applies the same reporting principles with the exceptions and additions stipulated by the Swedish Financial Accounting Standards Council's recommendation RFR 2.1 'Reporting for legal entities'. The reporting principles for the parent company are stated in the section 'Parent company reporting principles'.

Reporting for segments
The primary principle of classification for the Group's segments is operating segments. The Group's internal reporting system is built up bearing in mind monitoring of the return on the Group's products and services, which is why operating segments are the primary principle of classification.

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, provisions 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 brand names 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 original 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 and development is reported as costs as they arise. 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 they arise. 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 when testing the need for a write-down, if any. The Group's cash-generating units are identified by country of operation.

The following amortisation periods are applied:

	Group	*Parent company*
Acquired intangible assets:		
Computer programs	3-5 years	—
R & D	5 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.

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.

The assets' residual values and period of use are tested on every balance sheet date and adjusted when required.

Depreciation is based on original acquisition values less calculated residual value. Depreciation is made in a straight line over the estimated use of the asset.

The following depreciation periods are applied:

	Group	*Parent company*
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

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 before 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 instruments in the following categories: financial assets valued at actual value via the profit and loss account; loan receivables and trade debtors; financial instruments which are held until maturity; and financial assets which can be sold. The classification is dependent on the objective for which the instruments were acquired. The Executive Management determines the classification of the instruments on the first reporting date and reconsiders its decision on every reporting date.

In the 2007 and 2008 Annual Reports there are only financial assets of the loan receivables and trade debtors categories. Loan receivables and trade debtors 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. Loan receivables and trade debtors are included in the item 'Trade debtors and other receivables' in the balance sheet.

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 expired or been transferred and the Group has transferred virtually all risks and benefits linked with the ownership. Loan receivables and trade debtors are reported at accrued acquisition value by application of the effective rate method.

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. In semi-finished or finished products of the company's own manufacture, the acquisition value consists of direct manufacturing costs 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 directly against shareholders' equity when the pertaining tax effect is reported in shareholders' equity. 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 accordance with IAS 37, Provisions, contingent liabilities and contingent assets 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 a calculation of future guarantee risk.

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 contribution-based schemes, 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 benefit-based pension schemes, benefits to employees and former employees are paid based on the salary at a date of retirement and the number of years worked. The Group carries a risk of ensuring that the payments undertaken are made.

The benefit-based pension schemes are both funds invested in various pension schemes and floating debts. Where the funds are invested, the assets which belong to the schemes 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 scheme 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 scheme against a deficit in another scheme is only made if the company has the right to utilise a surplus in one scheme to regulate a deficit in another scheme, or if the commitments are intended to be settled on a net basis.

The pension cost and the pension commitment for the benefit-based pension schemes 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 calculated annually 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 29.

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 is reported in the result over the anticipated average remaining period of service for the employees covered by the scheme.

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 scheme which comprises several employers. For the 2008 financial year, the company has not had access to information which makes it possible to report this scheme as a benefit-based scheme.

The pension scheme in accordance with ITP, which is secured through insurance in Alecta, is, therefore, reported as a contribution-based scheme. The year's contributions for pension insurance schemes subscribed in Alecta amount to SEK 4.7M (6.7). Alecta's surplus can be distributed to the policy holders and/or the insured. At the 2008 year end, Alecta's surplus in the form of the collective consolidation level amounted to 99 per cent (109). 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 one month's 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.

Consolidated accounts

(a) 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 influence over another company. Subsidiaries are included in the consolidated accounts from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated accounts from the date on which the controlling influence ceases.

Acquisition accounting is used for reporting the Group's acquisitions of subsidiaries. The acquisition cost for an acquisition consists of actual value of the assets paid as consideration, issued equity instruments and arisen or acquired liabilities on the date of transfer, plus costs which are 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.

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.

(b) Associated companies
Associated companies are all companies in which the Group has a significant but not controlling interest. As a rule, this applies to shareholdings comprising between 20 and 50 per cent of the votes. Holdings in associated companies are reported in accordance with the equity method and are initially valued at acquisition value. The Group's reported value of holdings in associated companies includes

goodwill identified on the date of acquisition, net after write-downs, if any.

The Group's share of a result 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 a write-down in respect of the transferred asset. Where applicable, the reporting principles for associated companies have been changed to guarantee a consistent application of principles within the Group.

Translation of foreign currency

(a) 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.

(b) 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.

(c) 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, is translated into the Group's reporting currency as follows:

a. assets and liabilities for each balance sheet are translated at the balance sheet date rate,
b. income and expenses for each profit and loss account is translated at the average exchange rate and
c. all exchange rate differences which arise are reported as a separate part of shareholders' equity.

On consolidation, the 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 posted to 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.

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
For information about the Board of Directors', Managing Director's and other Senior Executives' salaries and other remuneration, costs and commitments relating to pensions and similar benefits, as well as agreements relating to severance pay, see note 6. Otherwise, there are no related parties transactions of significance.

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.

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

Group contributions and shareholder contributions
The company reports Group contributions and shareholder contributions in accordance with the pronouncement by the Swedish Financial Accounting Standards Council's Emergency Issues Task Force. Shareholder contributions are posted direct to shareholders' equity at the recipient and is capitalised in shares and participations with the contributor to the extent that a write-down is not required. Group contributions are reported in accordance with financial meaning. It means that Group contributions provided with the objective of minimising the Group's total tax are reported direct against profits brought forward after deduction for their current tax effect.

Remuneration of employees
The parent company reports benefit-based pension schemes in accordance with the Swedish Institute of Public Accountants' Recommendation No 4, Reporting of pension liability and pension cost. The parent company has undertaken benefit-based pensions to employees. In this respect, the parent company's commitments to pay pensions in the future have a current value, determined for each employee partly by the pension level, the age and the degree to which a full pension has been earned. This current value has been calculated in accordance with actuarial basis and is based on the salary and pension levels applicable on the balance sheet date. The pension commitments are reported as a provision in the balance sheet. Pension commitments for white collar workers secured through insurance in Alecta are reported as a contribution-based scheme in the parent company. The interest portion in the year's pension cost is reported among financial expenses. Other pension costs are charged to operating profit.

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 Group uses forward-exchange contracts and interest swaps to hedge some exposure where applicable. The risk handling is managed by a central finance department in collaboration with the business areas' finance departments (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, credit risks, use of derivative instruments and investment of surplus liquidity.

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 contain a currency clause. Continual price adjustments are made on a par with changed purchase prices caused by, among other things, exchange rate fluctuations. Forward cover is made in the following cases: Individual large transactions with a fixed price for the customer; agreements without a currency clause; and large individual purchases with no possibility for price adjustment. On translation to the Group currency, SEK, the Group is exposed to a translation risk. This type of currency risk is not hedged, except in the United Kingdom and Switzerland where equity hedge exists. The arisen exchange rate difference compared with the previous year is shown in note 5. On the balance sheet date, the Group had no outstanding forward exchange agreements or other 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. At the year end, in principle, all liabilities were at floating interest rate as this was deemed to be most advantageous. The Group is continually monitoring the trend in interest rates and the question of tying the interest rate of the whole, or parts of, the liability to a floating interest rate is under continuous consideration by the G & L Beijer'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 192.7M (199.4). In addition, there are limits granted by the Group's banks to cover the working capital requirement which may arise.

Note 4 Important estimates and assessments for reporting purposes

Estimates and assessments are continually evaluated and based on historic experience and other factors, including expectations from future events which are deemed to be reasonable under current circumstances.

The Group makes estimates and assumptions about the future. The estimates for reporting purposes which become the consequence of these will, from a definition viewpoint, seldom correspond with the actual result. The estimates and assumptions, which involve a significant risk for essential adjustments in reported values for assets and liabilities during the next financial year, are, above all, testing of the need for a write-down of goodwill.

Every year, the Group examines if there is a need for a write-down of goodwill in accordance with the reporting principle described in note 2. Recovery values for cash-generating units have been determined through calculation of value of use. For these calculations, some estimates must be made (note 18).

Note 5 Reporting for segments

Primary segments – operations

	Beijer Ref		Beijer Tech		Group	
	2008	2007	2008	2007	2008	2007
Revenues						
External sales	2 714 108	2 520 522	642 483	615 445	3 356 591	3 135 967
Total revenues	2 714 108	2 520 522	642 483	615 445	3 356 591	3 135 967
Results						
Result by operation	270 364	260 553	85 651	55 199	356 015	315 752
Undistributed costs					– 19 626	– 17 399
Operating profit	270 364	260 553	85 651	55 199	336 389	298 353
Result of holdings in associated companies					9 400	10 300
Financial income					11 309	8 620
Financial expenses					– 35 078	– 34 400
Tax on the year's profit					– 66 846	– 70 416
Net profit for the year					255 174	212 457
Other information						
Assets	1 837 660	1 670 065	311 360	278 151	2 149 020	1 948 216
Undistributed assets					69 750	36 930
Total assets					2 218 770	1 985 146
Liabilities	367 249	443 991	99 177	92 717	466 426	536 708
Undistributed liabilities					716 515	662 843
Total liabilities					1 182 941	1 199 551
Investments	64 124	246 457	27 374	27 110		
Depreciation	29 317	28 841	6 714	6 423		

Operations: The Group is organised into two business areas, Beijer Ref and Beijer Tech. The business areas form the primary basis of division. There are no sales or other transactions between the different operations. Undistributed costs represent common costs.

The division into segments is determined by the products and, therefore, the customers they address.
The Beijer Ref segment is split into three operations: the wholesale operation, air-conditioning and manufacturing. Of these, the wholesale operation is the largest. The companies within this operation are full-range wholesalers for the refrigeration sector. They provide products and services to the European refrigerating/freezer, technical insulation, heat pumps and climate comfort markets.
The Beijer Tech segment is a wholesale and trading operation which sells a wide product range of components, machinery and plant to the manufacturing and engineering industries.

Assets of operations consist mainly of tangible fixed assets, intangible fixed assets, inventories, receivables and operating cash in hand.
Liabilities of operations consist of operating liabilities, but not items such as taxes and some company borrowing.
Investments consist of purchases of tangible fixed assets and intangible fixed assets, including increases which have been the consequence of acquisitions.

Secondary segments – geographic regions

The Group's operations are mainly carried out in Europe. In Sweden, which is the Group's domestic market, operations are carried out within both Beijer Ref and Beijer Tech as they are in Norway and Finland. In other countries, operations are mainly carried out within the Beijer Ref business area. The sales figures are based on the country in which the customer is located. Assets and investments are reported where the asset is located.

	Sales		Assets		Investments	
	2008	2007	2008	2007	2008	2007
Sweden	931 538	982 111	676 523	738 457	36 923	54 458
United Kingdom	453 755	490 424	232 227	250 292	4 655	11 121
Denmark	428 793	323 572	409 315	327 650	9 797	11 890
The Netherlands	426 348	390 014	250 871	249 672	4 773	29 530
Switzerland	328 923	260 610	356 595	271 044	1 926	161 142
Norway	268 739	229 483	121 211	119 118	15 654	2 029
Finland	180 307	146 832	78 703	64 455	980	1 351
Poland	70 845	62 194	43 826	41 278	419	1 261
Hungary	61 993	59 582	48 198	34 830	312	45
Other European countries	184 424	170 440	103 705	61 435	16 059	740
Rest of the world	20 926	20 705	—	—	—	—
Total	3 356 591	3 135 967	2 321 174	2 158 231	91 498	273 567
Undistributed assets/Eliminations			– 102 404	– 173 085		
Total assets			2 218 770	1 985 146		

Note 6 Employees and remuneration of employees

Average number of employees

Parent Company	2008	of whom men	2007	of whom men
Sweden	3	67%	3	67%
Total in Parent Company	3	67%	3	67%
Subsidiaries				
Sweden	387	87%	398	85%
United Kingdom	160	69%	161	73%
The Netherlands	101	80%	70	80%
Norway	93	85%	89	82%
Switzerland	72	78%	63	71%
Denmark	67	75%	66	79%
Finland	33	73%	33	73%
Hungary	32	66%	29	69%
Poland	21	86%	18	83%
Czech Republic	21	67%	—	—
Slovakia	10	30%	—	—
Ireland	8	63%	8	63%
Estonia	8	88%	8	75%
Romania	8	88%	9	89%
Latvia	6	67%	5	60%
Lithuania	6	83%	6	67%
Total in subsidiaries	1 033	79%	963	79%
Total Group	1 036	79%	966	79%

Salaries, other remuneration and social costs (SEK K)

	2008		2007	
	Salaries and remuneration	Social costs	Salaries and remuneration	Social costs
Parent Company [1]	5 792	3 528	5 621	3 224
(of which pension costs) [2]	—	(1 408)	—	(1 213)
Subsidiaries	407 188	102 081	361 432	101 564
(of which pension costs)	—	(25 125)	—	(26 494)
Total Group	412 980	105 609	367 053	104 788
(of which pension costs) [3]	—	(26 533)	—	(27 707)

1) Absence for illness is not reported for the parent company as the number of employees is below 10.
2) Of the parent company's pension costs, SEK 950K (751) relate to the Board of Directors and the Managing Director.
3) Of the Group's pension costs, SEK 4,602K (4,900) relate to the Board of Directors and the Managing Director.

(Note 6, cont.)

Salaries and other remuneration distributed by country and between Board Members, etc, and other employees

	2008		2007	
	Board and MD	Other employees	Board and MD	Other employees
Total Parent Company	4 284	1 508	3 952	1 669
(of which, bonus, etc)	(248)	(135)	(240)	(130)
Subsidiaries in Sweden	10 173	132 338	13 158	130 394
(of which, bonus, etc)	(808)	(5 116)	(1 687)	(4 498)
Subsidiaries outside Sweden				
The Netherlands	1 249	44 974	1 350	27 661
(of which, bonus, etc)	(96)	(2 565)	(296)	(5 123)
United Kingdom	1 886	44 496	2 461	48 471
(of which, bonus, etc)	(—)	(206)	(419)	(392)
Switzerland	3 986	41 405	2 816	30 877
(of which, bonus, etc)	(1 751)	(2 333)	(743)	(2 168)
Norway	4 901	41 225	4 325	35 985
(of which, bonus, etc)	(1 157)	(879)	(1 053)	(1 405)
Denmark	4 430	37 796	4 140	30 062
(of which, bonus, etc)	(1 684)	(996)	(1 403)	(—)
Finland	2 325	12 804	2 285	10 672
(of which, bonus, etc)	(279)	(807)	(305)	(610)
Poland	905	4 021	1 160	2 961
(of which, bonus, etc)	(121)	(650)	(289)	(523)
Hungary	567	3 526	1 072	4 368
(of which, bonus, etc)	(—)	(580)	(—)	(—)
Ireland	—	3 285	—	2 756
Czech Republic	145	2 519	—	—
Estonia	1 314	1 307	1 109	1 067
(of which, bonus, etc)	(378)	(138)	(351)	(115)
Slovakia	394	1 306	—	—
Lithuania	648	876	442	750
Romania	368	748	312	466
Latvia	546	725	462	661
(of which, bonus, etc)	(68)	(—)	(132)	(—)
Total subsidiaries	33 837	373 351	35 092	327 151
(of which, bonus, etc)	(6 342)	(14 270)	(6 678)	(14 834)
Total Group	38 121	374 859	39 044	328 820
(of which, bonus, etc)	(6 590)	(14 405)	(6 918)	(14 964)

Benefits for senior executives

For 2008, a director's fee of SEK 340K was paid to the Chairman and SEK 215K to each of the other Board Members. The Board consists of four men and one woman. The Managing Director, Joen Magnusson, has received a salary, remuneration and other benefits amounting to SEK 3,529K (3,287) including a bonus payment of SEK 248K (240). An annual amount equivalent to 26 per cent of his gross salary, including bonus payment, 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 one month's salary. The bonus payment is based on qualitative and quantitative target fulfilment. Other senior executives include the Chief Financial Officer and the two Business Area Managers, all men, who received salaries, remuneration and other benefits totalling SEK 5,403K (4,897) including bonus payments of SEK 369K (356). Pension solutions to other senior executives are contribution-based and average 23 per cent of salary including bonus payment. Where notice of termination is given by these executives, no severance payment will be paid. Where notice of termination is given by the company, these executives will receive of 10 months' salary and the company will pay a pension insurance premium of 23 per cent on average. 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 executive 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 is decided at the Board Meeting held in connection with the Annual Meeting of shareholders.

Note 7 Other operating income

Group	2008	2007
Capital gain	59 727	804
Commission	22 562	19 601
Installation work	13 679	10 243
Exchange gains	3 281	842
Rents	357	717
Other	5 237	3 579
Total	104 843	35 786

Note 8 Remuneration of auditors

Other external costs include costs for audit and other assignments carried out by the principal auditor, PricewaterhouseCoopers as follows:

Group	2008	2007
Audit, principal auditor	2 400	2 542
Audit, other	146	108
Other assignments (principal auditor and other)	1 849	1 503
Total	4 395	4 153

Parent Company		
Audit, principal auditor	550	663
Other assignments (principal auditor and other)	290	255
Total	840	918

Note 9 Lease contracts

Group	2008	2007
The year's leasing cost	47 565	40 547
Leasing charge which falls due within 1 year	38 648	33 041
Leasing charge which falls due within 1-5 years	77 184	79 915
Leasing charge which falls due later than 5 years	20 460	12 104

The above amounts mainly relate to 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

Parent Company	2008	2007
Dividends received, Group companies	61 381	65 050
Dividends received, associated companies	1 642	358
Total	63 023	65 408

The parent company has received dividends of SEK 26,000K from G & L Beijer Tech AB, SEK 22,381K from G & L Beijer A/S, and SEK 13,000K from Beijer Ref AB. It has also received a dividend of SEK 1,642K from Förvaltnings AB Norra Vallgatan, which is an associated company.

Note 11 Financial income

Group	2008	2007
Interest income	5 567	4 266
Dividend income	2 017	—
Exchange gain	3 561	684
Capital gain	164	152
Total	11 309	5 102

Parent Company		
Interest income, Group companies	19 955	16 163
Interest income, external	25	117
Exchange gain	1 119	388
Total	21 099	16 668

Note 12 Financial expanses

Group	2008	2007
Interest expenses	– 34 174	– 29 624
Exchange loss	– 423	– 228
Other	– 481	– 1 030
Total	– 35 078	– 30 882

Parent Company		
Interest expenses, Group companies	– 7	– 19
Interest expenses, external	– 14 870	– 12 483
Exchange gain	—	180
Total	– 14 877	– 12 322

Note 13 Appropriations

Parent Company	2008	2007
Tax allocation reserve, the year's change	2 839	—
Difference between book depreciation and depreciation according to plan		
– Equipment, tools and installations	37	– 49
Total	2 876	– 49

Note 14 Tax on the year's profit

Group	2008	2007
Current tax	– 74 456	– 64 306
Deferred tax (note 28)	7 610	– 6 110
Tax on the year's profit	– 66 846	– 70 416

Reconciliation of effective tax		
Profit before taxes	322 020	282 873
Tax expense calculated according to actual tax rate, 28%	– 90 166	– 79 204
Effect of different tax rates	7 027	6 769
Non-deductible costs	– 3 562	– 3 509
Non-taxable income	21 363	4 740
Tax attributable to previous years	– 1 557	332
Utilised loss carry forwards, not previously reported	17	479
Other	32	– 23
Net effective tax	– 66 846	– 70 416
Effective tax rate	20,8%	24,9%

Parent Company		
Current tax	836	2 460
Tax on the year's profit	836	2 460

Reconciliation of effective tax		
Profit before taxes	57 567	55 768
Tax expense calculated according to actual tax rate, 28%	– 16 119	– 15 615
Non-deductible costs*	– 232	– 139
Non-taxable incomer	17 187	18 214
Net effective tax	836	2 460
Effective tax rate	– 1,5%	– 4,4%
*) of which tax on tax allocation reserve	– 34	– 29

The main reason why the tax rate has fallen is the divestments of Brogårdsand and Svenska Daikin carried out during the year for which the gains are tax-exempt.

Note 15 Currency effect in results

Group	2008	2007
Currency effect in operating profit	3 281	842
Currency effect in financial income and expenses	3 587	456
Currency effect in profit after tax	6 868	1 298

Parent Company		
Currency effect in financial income and expenses	1 119	568
Currency effect in profit after tax	1 119	568

Note 16 Profit per share

	2008	2007
Profit attributable to the parent company's shareholders	255 174	212 136
Weighted average number of outstanding shares	12 399 376	12 399 376
Profit per share, SEK*	20,58	17,11

*) No dilution exists.

Note 17 Dividend per share

Dividends paid during 2008 and 2007 amounted to SEK 74,396K (SEK 6.00 per share) and SEK 40,298K (SEK 3.25 per share) respectively. A dividend of SEK 6.00 per share for 2008, SEK 74,396K in total, will be proposed at the Annual Meeting of shareholders on 24 April 2009.

Note 18 Intangible fixed assets

Capitalised expenditure for software

Group

Accumulated acquisition values	2008	2007
On 1 January	36 356	30 146
Acquisitions during the year	2 040	4 838
Acquisition of companies	320	—
The year's translation differences	3 281	1 372
Total	41 997	36 356

Accumulated amortisation		
On 1 January	– 28 795	– 20 987
Acquisition of companies	– 95	—
The year's amortisation	– 4 541	– 5 242
The year's translation differences	– 2 614	– 2 566
Total	– 36 045	– 28 795
Residual value	5 952	7 561

Capitalised expenditure for research and development, etc

Group

Accumulated acquisition values	2008	2007
On 1 January	14 250	7 212
Acquisitions during the year	1 861	7 038
Divestments and disposals	– 650	—
Reclassification	– 3 700	—
The year's translation differences	5	—
Total	11 766	14 250

Accumulated amortisation		
On 1 January	– 3 264	– 1 233
Divestments and disposals	649	—
The year's amortisation	– 2 141	– 1 365
The year's write-up/write-down	– 288	—
Reclassification	161	—
The year's translation differences	25	– 666
Total	– 4 858	– 3 264
Residual value	6 908	10 986

Agencies, customer lists, etc

Group

Accumulated acquisition values	2008	2007
On 1 January	5 790	—
Acquisition of companies	16 338	5 790
Total	22 128	5 790

Accumulated amortisation		
On 1 January	– 302	—
The year's amortisation	– 2 956	– 302
Reclassification	– 119	—
Total	– 3 377	– 302
Residual value	18 751	5 488

Goodwill

Group

Accumulated acquisition values	2008	2007
On 1 January	459 208	277 190
Acquisition of companies	15 336	175 417
Adjustment of acquisition calculation	– 309	—
Divestments and disposals	– 3 239	—
Reclassification	3 658	—
The year's translation differences	70 414	6 601
Residual value	545 068	459 208

Examination of need for write-down of goodwill

Goodwill is distributed on the Group's cash generating units identified by country of operation and operation.

Goodwill	2008	2007
Beijer Ref	493 052	422 476
Beijer Tech	52 016	36 732
Total	545 068	459 208

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 respective 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 6.2 per cent before 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 requirements on the company's total capital.

There is no need for a write-down of the Group's goodwill item.

Total intangible fixed assets

Group

Accumulated acquisition values	2008	2007
On 1 January	515 604	314 548
Acquisitions during the year	3 901	11 876
Acquisition of companies	31 994	181 207
Adjustment of acquisition calculation	– 309	—
Divestments and disposals	– 3 889	—
Reclassification	– 42	—
The year's translation difference	73 700	7 973
Total	620 959	515 604

Accumulated amortisation		
On 1 January	– 32 362	– 22 220
Acquisition of companies	– 95	—
Divestments and disposals	649	—
The year's amortisation	– 9 638	– 6 909
The year's write-up/write-down	– 288	—
Reclassification	42	—
The year's translation differences	– 2 588	– 3 233
Total	– 44 280	– 32 362
Residual value	576 679	483 242

Note 19 Tangible fixed assets

Buildings and land

Group

Accumulated acquisition values	2008	2007
On 1 January	144 136	139 774
Acquisitions during the year	1 400	3 740
Acquisition of companies	—	3 123
Divestments and disposals	– 19 272	– 3 407
The year's translation differences	– 500	906
Total	125 764	144 136

Accumulated amortisation		
On 1 January	– 57 017	– 50 749
Acquisition of companies	—	– 2 865
Divestments and disposals	13 287	699
The year's amortisation	– 3 424	– 3 977
The year's translation differences	525	– 125
Total	– 46 629	– 57 017
Residual value	79 135	87 119
Of which land	5 199	5 785
Book values, Sweden	33 936	35 400
Tax assessment values, buildings, Sweden	25 590	18 744
Tax assessment values, land, Sweden	8 339	12 106

Machinery and other technical plant

Group

Accumulated acquisition values	2008	2007
On 1 January	156 468	155 115
Acquisitions during the year	11 013	5 873
Acquisition of companies	1 847	1 156
Divestments and disposals	– 67 601	– 2 258
The year's translation differences	– 1 759	– 3 418
Total	99 968	156 468

Accumulated amortisation		
On 1 January	– 131 111	– 127 110
Acquisition of companies	– 1 758	– 731
Divestments and disposals	53 333	2 054
The year's amortisation	– 1 675	– 6 230
The year's translation differences	1 308	906
Total	– 79 903	– 131 111
Residual value	20 065	25 357

Equipment, tools and installations

Group

Accumulated acquisition values	2008	2007
On 1 January	237 699	211 771
Acquisitions during the year	31 057	24 488
Acquisition of companies	1 671	19 642
Divestments and disposals	– 15 863	– 11 892
Reclassification	—	15
The year's translation differences	2 681	– 6 325
Total	257 245	237 699

Accumulated amortisation		
On 1 January	– 168 775	– 154 767
Acquisition of companies	– 67	– 11 871
Divestments and disposals	13 377	10 016
The year's amortisation	– 21 235	– 18 403
The year's write-up/write-down	– 43	—
The year's translation differences	– 814	6 250
Total	– 177 557	– 168 775
Residual value	79 688	68 924

Construction in progress

Group	2008	2007
Balance on 1 January	—	15
Accrued expenses during the year	37	—
Translation difference	3	—
Reclassifications during the year	—	– 15
Total	40	0

Total tangible fixed assets

Group

Accumulated acquisition values	2008	2007
On 1 January	538 303	506 675
Acquisitions during the year	43 507	34 101
Acquisition of companies	3 518	23 921
Divestments and disposals	– 102 736	– 17 557
The year's translation differences	425	– 8 837
Total	483 017	538 303

Accumulated amortisation		
On 1 January	– 356 903	– 332 626
Acquisition of companies	– 1 825	– 15 467
Divestments and disposals	79 997	12 769
The year's amortisation	– 26 334	– 28 610
The year's write-up/write-down	– 43	—
The year's translation differences	1 019	7 031
Total	– 304 089	– 356 903
Residual value	178 928	181 400

Equipment, tools and installations

Parent Company

Accumulated acquisition values	2008	2007
On 1 January	1 784	1 822
Acquisitions during the year	72	906
Divestments and disposals	– 105	– 944
Total	1 751	1 784

Accumulated amortisation		
On 1 January	– 885	– 1 113
Divestments and disposals	105	481
The year's amortisation	– 270	– 253
Total	– 1 050	– 885
Residual value	701	899

Note 20 Participations in Group companies

Parent Company

Accumulated acquisition values	2008
On 1 January	245 022
Sale of shares	– 142 553
Total	102 469

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

Company	Company ID number	Registered office	Number of participations	Direct share of capital, %[1]	Indirect share of capital, %[1]	Book value 2008	Book value 2007
G & L Beijer Förvaltning AB	556020-8935	Malmö	20 000	100		9 900	9 900
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		72 569	72 569
G & L Beijer A/S	56813616	Ballerup	40 000	100		—	142 553
Kylma AB	556059-7048	Solna			100		
Asarums Industrier AB	556072-3289	Karlshamn			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		
Beijer Ref ApS	26010292	Ballerup			100		
Air-Con A/S	49360517	Ebeltoft			100		
TT-Coil Norge AS	947473697	Mysen			100		
Schlösser Möller Kulde AS	914492149	Oslo			100		
Beijer Ref Polska Sp.z.o.o	206476	Warzaw			100		
TT-Coil Deutschland Gmbh	984002092	Hamburg			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	CH-020.3.911.192-5	Regensdorf			100		
Dean & Wood Ltd	467637	Leatherhead			100		
Dean & Wood Ireland	299353	Dublin			100		
Coolmark bv	24151651	Barendrecht			100		
Uniechemie B.V.	8032408	Apeldoorn			100		
Equinoxe Kft Cg	01-09-163446	Budapest			100		
Beijer Ref Romania s.r.l.	J35-2794-29	Timisoara			100		
RK Slovakia s.r.o.	36551856	Nové Zâmky			100		
Fridanair s.r.o.	16734874	Plzen			100		
Beijer Tech							
G & L Beijer Tech AB	556650-8320	Malmö	50 000	100		20 000	20 000
G & L Beijer Industri AB	556031-1549	Malmö			100		
Lundgrens Sverige AB	556063-3504	Gothenburg			100		
AB Tebeco Industriprodukter	556021-1442	Halmstad			100		
Slanggrossisten Ekonil AB	556173-1083	Helsingborg			100		
G & L Beijer AS	929417607	Drammen			100		
G & L Beijer OY	0109075-7	Helsinki			100		
Total Group						102 469	245 022

1) Share of capital corresponds with share of vote for the total number of shares

Note 21 Holdings in associated companies

The holding related to Förvaltnings AB Norra Vallgatan (corporate ID number 556669-0383) which has its registered office in Malmö, Sweden.

Group	2008	2007
Balance on 1 January	26 047	16 105
Dividends received	– 1 642	– 358
Share of profit [1]	9 400	10 300
Balance on 31 December	33 805	26 047

1) After tax.

On the balance sheet date, the Group's participation in the associated company, which is unlisted, was as follows:

	2008	2007
Assets	81 268	64 336
Liabilities	9 860	9 315
The year's profit	19 856	21 757
Ownership, %	47	47

Parent Company	2008	2007
Balance on 1 January	9 750	9 750
Balance on 31 December	9 750	9 750

Note 22 Trade debtors and other receivables

Group	2008	2007
Trade debtors	510 977	492 505
Prepaid expenses and accrued income	45 851	42 219
Other receivables	25 556	13 646
On 31 December	582 384	548 370
Minus long-term portion	– 501	– 319
Short-term portion	581 883	548 051

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.

Provisions for doubtful receivables	2008	2007
Opening balance	13 120	9 493
Costs for bad debt losses	– 6 727	– 6 212
Allocated during the period	11 247	9 839
Closing balance	17 640	13 120

Note 23 Inventories

Group	2008	2007
Raw materials and supplies	32 723	47 452
Work-in-progress	12 489	12 333
Finished products and goods for resale[1]	672 187	593 212
Advances to suppliers	5 045	4 966
Total inventories	722 444	657 963
1) Of which reported to net sales value	24 597	23 515

Note 24 Liquid funds

Liquid funds in the Group consist of cash and bank and amounted to SEK 104,381K (80,881).

Note 25 Share capital

Number of shares	2008	2007
A shares with number of votes 10	1 294 410	1 294 410
B shares with number of votes 1	11 148 566	11 148 566
Total	12 442 976	12 442 976
Shares in own custody	– 43 600	– 43 600
Number of outstanding shares	12 399 376	12 399 376

Each share has a nominal value of SEK 17.50.

Note 26 Untaxed reserves

Parent Company	2008	2007
Tax allocation reserves	1 185	4 024
Accumulated accelerated depreciation	157	194
Total*	1 342	4 218

*) The tax portion amounts to 28 per cent

Note 27 Borrowing

Group Long-term	2008	2007
Bank loans	391 857	459 866
Total long-term	391 857	459 866
Current		
Bank overdraft facilities	203 607	109 782
Bank loans	111 874	118 015
Total current	315 481	227 797
Total borrowing	707 338	687 663

The Group's fixed-interest term as a whole is less than six months.

Due dates for long-term borrowing are as follows:		
Between 1 and 5 years	391 857	458 494
More than 5 years	—	1 372
	391 857	459 866

Parent company Long-term	2008	2007
Bank loans	106 500	130 500
Total long-term	106 500	130 500
Current		
Bank overdraft facilities	129 751	87 730
Bank loans	62 980	62 830
Total current	192 731	150 560
Total borrowing	299 231	281 060

Due dates for long-term borrowing are as follows:		
Between 1 and 5 years	106 500	130 500
	106 500	130 500

The Group's borrowing by currency is as follows:

SEK	531 715	284 532
GBP	65 438	63 609
DKK	60 661	72 937
EUR	24 088	70 281
NOK	8 078	7 145
CHF	5 876	180 402
Other currencies	11 482	8 757
	707 338	687 663

Reported amounts for borrowing form a good approximation of their actual value.

Note 28 Deffered tax

Group	Amount on 2006 12-31	Acquisitions/ Divestments	Reported over the profit and loss account	Translation differences	Amount on 2007 12-31	Acquisitions/ Divestments	Reported over the profit and loss account	Reported against shareholders' equity	Translation differences	Amount on 2008 12-31
Deffered tax recoverable:										
Fixed assets	1 261	—	– 390	11	882	– 16	873	—	– 91	1 648
Inventories	1 146	—	– 145	39	1 040	—	– 165	—	– 30	845
Provision for pensions	3 100	969	– 428	121	3 762	—	94	—	442	4 298
Other provisions	5 055	—	196	– 74	5 177	—	– 358	—	– 125	4 694
Loss carry forwards	2 744	—	– 1 915	– 271	558	—	– 68	—	54	544
Other	1 739	—	228	49	2 016	—	865	—	101	2 982
Set-off	– 6 171	—	– 55	—	– 6 226	—	– 1 223	—	—	– 7 449
Total deffered tax recoverable	8 874	969	– 2 509	– 125	7 209	– 16	18	0	351	7 562
Deffered tax liabilities:										
Fixed assets	– 15 941	– 2 134	– 1 115	– 45	– 19 235	1 473	4 658	– 87	– 756	– 13 947
Inventories	– 2 423	—	– 217	– 55	– 2 695	—	613	—	– 510	– 2 592
Tax allocation reserve	– 15 645	291	– 2 324	10	– 17 668	2 727	1 098	—	– 79	– 13 922
Set-off	6 171	—	55	—	6 226	—	1 223	—	—	7 449
Total deffered tax liabilities	– 27 838	– 1 843	– 3 601	– 90	– 33 372	4 200	7 592	– 87	– 1 345	– 23 012
Deffered tax	– 18 964	– 874	– 6 110	– 215	– 26 163	4 184	7 610	– 87	– 994	– 15 450

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.

Note 29 Pension commitments

Group	2008	2007
Benefit-based commitments and value of managed assets		
Wholly or partly invested commitments:		
Current value of benefit-based commitments	73 111	56 642
Actual value of managed assets	– 57 151	– 49 459
Total wholly or partly invested commitments	15 960	7 183
Net value of floating benefit-based commitments	5 910	7 049
Net commitments before adjustments	21 870	14 232
Adjustments:		
Accumulated unreported actuarial profits (+)	7 193	7 022
and losses (-)	– 14 393	– 6 674
Net amount in the balance sheet (commitment +, asset -)	14 670	14 580
The net amount is reported in the following item in the balance sheet:		
Pension commitments	14 670	14 580
Net amount in the balance sheet (commitment +, asset -)	14 670	14 580
The net amount is distributed on schemes in the following countries:		
Sweden	3 529	4 025
Norway	4 520	2 975
The Netherlands	6 621	7 580
Pension cost		
Benefit-based schemes		
Cost for pensions earned during the year	3 195	2 712
Interest expense	3 350	2 712
Anticipated yield on managed assets	– 3 140	– 2 297
Actuarial profits(-) and losses(+)reported during the year	157	– 362
Profits(-) or losses(+) on reductions and regulations	34	48
Cost, benefit-based schemes	3 596	2 813
Cost, contribution-based schemes	22 937	20 903
Payroll tax	6 437	3 416
Total cost for payments after ended employment	32 970	27 132

Reconciliation of net amounts for pensions in the balance sheet

The following table explains how the net amount in the balance sheet has changed during the period

Net amount on 1 January 2008	14 580	15 938
Cost for benefit-based schemes	2 959	242
Payments	– 3 804	– 3 556
Changed commitments in pension schemes	– 774	694
Exchange rate differences	1 709	1 262
Net amount in the balance sheet on 31 December 2008	14 670	14 580

Yield on managed assets		
Actual yield on managed assets	– 12 564	1 839
Anticipated yield on managed assets	3 140	2 297
Actuarial result for managed assets during the period	– 15 704	– 458

Actuarial assumptions		
The following significant actuarial assumptions have been applied on calculation of the commitments:		
Discount rate, %	4,5-6,8	4,0-5,05
Anticipated yield on managed assets, %	5,5-6,1	4,5-5,5
Future increases in salaries, %	2,0-5,0	1,5-3,0
Future increases in pensions, %	0,4-3,0	0,2-3,0

The Dutch benefit-based pension schemes cover, in principle, all employees and are based on the average salary during the period of employment.

The Swedish pension schemes relate mainly to PRI liabilities to employees in Sweden. The remaining liability relates to two pension schemes in Norway.

Payroll tax liability on Swedish pension schemes is reported under the heading *'Trade creditors and other liabilities'*.

Note 30 Other provisions

Group	2008	2007
Guarantee commitments	7 905	10 737
Other	408	165
Total	8 313	10 902
Long-term portion	8 195	10 737
Current portion	118	165
Total	8 313	10 902

Guarantee commitments		
Net value at the start of the period	10 737	5 586
Provisions made during the period	2 736	7 350
Amounts utilised during the period	– 2 567	– 1 136
Restored unutilised amount	– 2 912	– 929
Translation difference	193	– 134
Reclassification	– 282	—
Net value at the period end	7 905	10 737

Other information		
Net value at the start of the period	165	221
Provisions made during the period	126	—
Amounts utilised during the period	– 213	—
Restored unutilised amount	—	– 62
Translation difference	48	6
Reclassification	282	—
Net value at the period end	408	165

Guarantee reserve

A guarantee reserve is reported when the underlying product or service has been sold. The guarantee provision is calculated based on previous years' guarantee expenses and an estimate of the future guarantee risk.

Note 31 Trade creditors and other liabilities

Group	2008	2007
Trade creditors	263 903	282 671
Advances from customers	11 088	3 603
Accrued expenses and prepaid income	117 069	112 400
Other current liabilities	62 353	88 949
Total	454 413	487 623

Note 32 Pledged assets

Group For own liabilities and provisions	2008	2007
Property mortgages	18 582	8 400
Floating charges	56 866	45 650
Shares	671 577	544 024
Pledged trade debtors	1 104	10 094
Pledged inventories	—	8 906
Other	600	1 000
Total	748 729	618 074

Parent company For own liabilities and provisions		
Shares in subsidiaries	92 569	235 122
Total	92 569	235 122

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 33 Contingent commitments / Contingent liabilities

Group	2008	2007
Undertakings towards pension institutions	4 438	5 077
Total	4 438	5 077

Parent company		
Guarantees in favour of Group companies	79 488	99 997
Total	79 488	99 997

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

Note 34 Acquisition of companies

2008
During the year, six new acquisitions were carried out, of which two were acquisitions of companies and four were acquisitions of assets and liabilities. The acquired ownership has been 100 per cent in all cases. The total purchase price for the year's acquisitions amounts to SEK 42M. The acquired companies and operations have businesses which lie within the Group's existing business areas into which they have been incorporated after the acquisitions. Collectively, the operations acquired during the year have influenced the Group's net sales by approximately SEK 39M. Total annual sales in the acquired units amount to approximately SEK 101M. The acquisitions are also described in the Directors' Report.
Of the total purchase price of SEK 42M, SEK 23M referred to surplus values. The largest part of the surplus values has been attributed to synergy gains with the Group's existing operations. These surplus values have, therefore, been classified as goodwill.

	Reported value in the acquired companies before the acquisition	*Actual value adjustment*	*Actual value reported in the Group*
Goodwill	0	15 336	15 336
Agencies, customer lists, etc	392	6 869	7 260
Tangible fixed assets	820	631	1 451
Inventories	23 602	0	23 602
Other current assets	7 440	0	7 440
Interest-bearing loans	–4 661	0	–4 661
Other operating liabilities	–8 508	0	–8 508
	19 086	22 836	41 922

Effect on the cash flow	
Purchase price	41 922
Not paid purchase price	–1 471
	40 451

2007
During the year, seven new acquisitions were carried out, of which five were acquisitions of companies and two were acquisitions of assets and liabilities. The acquired ownership has been 100 per cent in all cases. The total purchase price for the year's acquisitions amounts to SEK 238M. The acquired companies and operations have businesses which lie within the Group's existing business areas into which they have been incorporated after the acquisitions. Collectively, the operations acquired during the year have influenced the Group's net sales by approximately SEK 256M. Total annual sales in the acquired units amount to approximately SEK 404M. The acquisitions are also described in the Directors' Report.
Of the total purchase price of SEK 238M, SEK 173M referred to surplus values. The largest part of the surplus values has been attributed to synergy gains with the Group's existing operations. These surplus values have, therefore, been classified as goodwill.

Total, excluding Charles Hasler

	Reported value in the acquired companies before the acquisition	*Actual value adjustment*	*Actual value reported in the Group*
Goodwill	0	31 810	31 810
Agencies, customer lists, etc	0	5 790	5 790
Tangible fixed assets	9 873	0	9 873
Inventories	48 400	0	48 400
Other current assets	40 220	0	40 220
Liquid funds	7 450	0	7 450
Interest-bearing loans	–26 393	0	–26 393
Other operating liabilities	–39 175	0	–39 175
	40 375	37 600	77 975

Effect on the cash flow	
Purchase price	77 975
Not paid purchase price	–11 613
Liquid funds in acquired companies	–7 450
	58 912

Charles Hasler

	Reported value in the acquired companies before the acquisition	*Actual value adjustment*	*Actual value reported in the Group*
Goodwill	0	141 674	141 674
Tangible fixed assets	442	0	442
Inventories	35 167	0	35 167
Other current assets	23 713	0	23 713
Liquid funds	2 295	0	2 295
Deferred tax liability	–2 122	0	–2 122
Interest-bearing loans	–19 593	0	–19 593
Other operating liabilities	–21 323	0	–21 322
	18 580	141 674	160 254

Effect on the cash flow	
Purchase price	160 254
Liquid funds in acquired companies	–2 295
	157 959

Note 35 Events after the balance sheet date

After the end of the financial year, G & L Beijer signed a final purchase agreement to acquire Carrier ARW on 13 January 2009. An Extraordinary General Meeting on 29 January 2009 resolved to carry out a non-cash issue by issuing 358,710 class A shares and 8,437,429 class B shares to Carrier Corporation and, therefore, increase the company's share capital by SEK 153,932,432.50 as payment for the acquisition of Carrier ARW. This means that G & L Beijer's shareholders before the transaction and Carrier Corporation will hold 66.7 per cent and 33.3 per cent respectively of the votes and 58.5 per cent and 41.5 respectively of the capital in the company. The Extraordinary General Meeting also resolved that the number of Board Members shall be seven and to elect Phillippe Delpech and William Striebe as new Board Members with effect from the date of completion of the acquisition of Carrier ARW until the end of the next Annual Meeting of shareholders.

The transaction was completed on 30 January 2009. The total capital contributed in kind has been valued at SEK 1,055.5M. The transaction means that G & L Beijer's pro forma sales will increase to approximately SEK 6,200M with an operating profit of SEK 527M calculated on the twelve-month period up to and including September 2008. The total number of employees will be approximately 1,800. G & L Beijer will achieve a significantly strengthened financial position. Carrier ARW is included in G & L Beijer's account from 1 February 2009.

The merger of G & L Beijer's and Carrier ARW's operations creates a strong group within refrigeration wholesale distribution in Europe and a solid platform for global expansion. G & L Beijer and Carrier complement each other in Europe. Carrier is also a big operator in South Africa. The merged operations will work in 21 countries, including the Nordic countries and the Baltic States, United Kingdom, Holland, Spain, Belgium, Switzerland, France, Italy, some countries in Eastern Europe, and South Africa. Carrier ARW also contributes an extended product portfolio to G & L Beijer's current product programme.

Audit Report
to the Annual Meeting of the shareholders of G & L Beijer AB
Corporate identity number 556040-8113

We have examined the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the Managing Director of G & L Beijer AB for 2008. The company's annual accounts and consolidated accounts are included in the printed version of this document on pages 33-63. The Board of Directors and the Managing Director are responsible for the accounts and the administration of the company as well as the application of the Annual Accounts Act when preparing the annual accounts and the application of International Financial Reporting Standards (IFRS) as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. These standards require that we plan and perform the audit to obtain a high level of, but not absolute, assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles and their application by the Board of Directors and the Managing Director, significant estimates made by the Board of Directors and the Managing Director when preparing the annual accounts, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning the discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board Member or the Managing Director. We also examined whether any Board Member 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 our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and provide a true and fair view of the company's results of operations and financial position in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the annual Accounts Act and provide a true and fair view of the Group's results of operations and financial position. The Directors' Report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the Annual Meeting of shareholders that the profit and loss account and balance sheet of the parent company and the Group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the Directors' Report and that the Members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Malmö, 22 March 2009

Mikael Eriksson
Authorised Public Accountant

Lars Nilsson
Authorised Public Accountant

SEK M	2008	2007	2006	2005	2004
Sales and results					
Net sales	3 356.6	3 136.0	2 592.2	2 332.9	1 973.7
Other operating income, etc	106.8	36.9	43.5	31.6	22.0
Operating expenses excluding amortisation and depreciation	–3 090.7	–2 839.0	–2 428.3	–2 220.6	–1 906.2
Amortisation and depreciation	–36.3	–35.5	–35.6	–33.3	–29.8
Operating profit	336.4	298.4	171.8	110.6	59.7
Net interest income and expenses	–23.8	–25.8	–21.6	–18.5	–13.5
Other financial income and expenses	9.4	10.3	6.4	7.9	0.9
Profit before taxes and minority interest	322.0	282.9	156.6	100.0	47.1
Taxes	–66.8	–70.4	–47.4	–27.9	–11.9
Profit after tax	255.2	212.5	109.2	72.1	35.2
Minority interest	—	–0.3	–0.2	0.6	–0.2
Net profit	255.2	212.1	109.0	72.7	35.0
Capital structure					
Cash and bank including unutilised bank overdraft facilities	192.7	199.4	184.7	146.0	162.4
Shareholders' equity	990.0	726.9	536.4	479.7	412.7
Capital employed (1)	1 712.0	1 429.1	1 105.2	1 082.4	1 055.1
Capital employed in operations (2)	1 573.8	1 322.2	1 027.2	1 038.3	995.1
Interest-bearing liabilities	722.0	698.8	565.4	605.6	638.8
Total assets	2 218.8	1 985.1	1 542.1	1 462.4	1 431.2
Key figures					
Equity ratio, % (3)	44.6	36.6	34.8	32.8	28.8
Return on equity after full tax, % (4)	29.7	33.6	21.5	16.2	8.7
Return on capital employed, % (5)	22.7	24.8	16.5	11.6	7.4
Return on capital employed in operations, % (6)	23.2	25.4	16.6	10.9	7.4
Interest coverage ratio (7)	10.2	10.2	7.6	5.1	3.9
Debt ratio (8)	0.7	1.0	1.1	1.3	1.5
Profit margin, % (9)	9.6	9.0	6.0	4.3	2.4
Other information					
Average number of employees	1 036	966	907	919	839
of whom outside Sweden	646	565	518	526	453
Payroll excluding social security contributions	413.0	367.1	321.8	311.2	288.2
of whom outside Sweden	264.7	217.9	183.8	178.3	158.3
Investments intangible and intangible fixed assets including acquisitions	91.6	290.0	33.8	49.0	155.6

Definitions

(1) Total assets minus non-interest-bearing liabilities including deferred tax.

(2) Capital employed minus liquid funds, financial assets and other interest-bearing assets.

(3) Shareholders' equity including minority liability as a percentage of total assets.

(4) Profit after deduction for full tax as a percentage of average equity.

(5) Profit before taxes and minority interest plus financial expenses as a percentage of average capital employed.

(6) Operating profit as a percentage of average capital employed in operations.

(7) Profit before taxes and minority interest plus financial expenses divided by financial expenses.

(8) Interest-bearing liabilities divided by equity.

(9) Profit before taxes and minority interest as a percentage of net sales for the year.

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