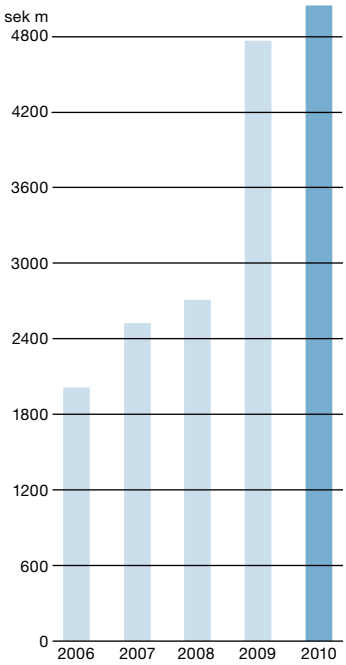
G&L BEIJER 2010

BEIJERS

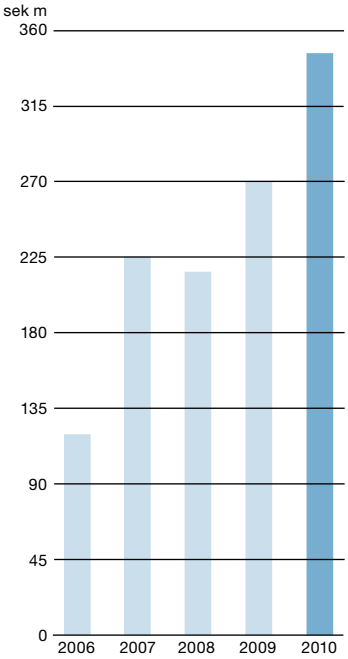
This document is a translation of the Swedish language version.
In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.

2010 HIGHLIGHTS

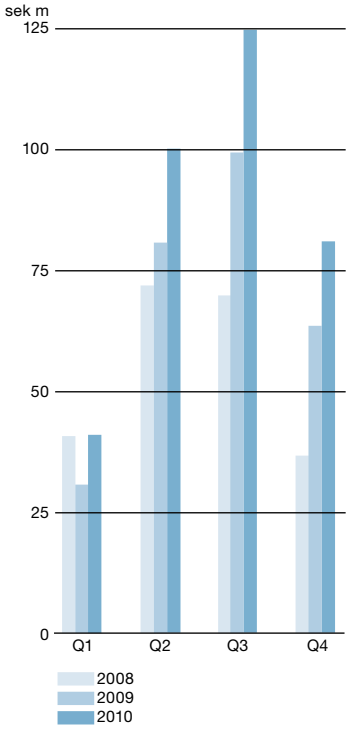
Sales



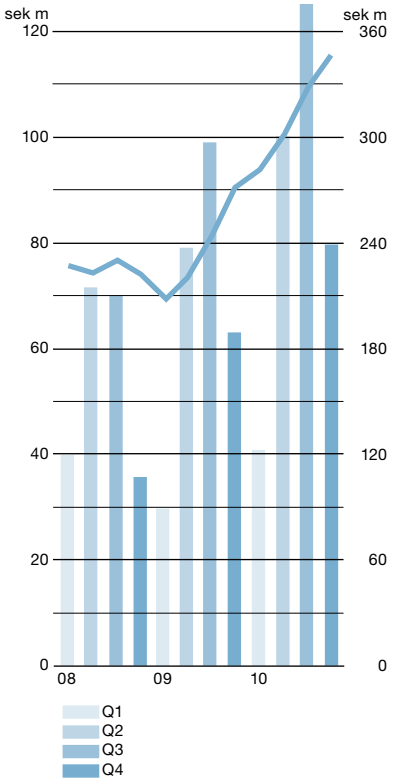
Profit before tax



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-time items which occurred during 2007 and 2008.

Sales increased by six per cent to SEK 5,044.3M. Operating profit rose to SEK 484.0M including a capital gain of SEK 140M from the divestment of Beijer Tech. Profit after tax increased to SEK 398.7M including the capital gain of SEK 140M. Profit per share amounted to SEK 18.85. Excluding a capital gain, profit per share was SEK 12.25. The Board of Directors proposes a dividend of SEK 8.00 per share (6.50).

	2010	2009	2008
Sales, sek m	5 044.3	4 757.7	2 714.1
Operating profit, sek m	344.0	280.1	228.0
Profit after tax, sek m	258.7	192.1	161.2
Profit per share, sek m	12.25	9.39	13.00
Dividend per share, sek*	8.00	6.50	6.00

**) For 2010, in accordance with the Board of Directors' proposal. The table refers to the remaining operation.*

SIGNIFICANT EVENTS

Beijer Tech divested

During the first quarter, G & L Beijer divested its Beijer Tech business area to Beijer Alma. G & L Beijer received a consideration of 2.7 million newly-issued B shares in Beijer Alma and SEK 38.7M in cash. In total, the transaction is valued at approximately SEK 345M and G & L Beijer's capital gain amounted to SEK 140M. The divestment of Beijer Tech was a move forward in the consolidation of G & L Beijer as a strongly growing refrigeration wholesale operation. As a result of the transaction, G & L Beijer became a significant shareholder in Beijer Alma.

Agreement with GDF Suez

During the third quarter, Beijer Ref signed a strategic agreement with the French GDF Suez group, one of the leading companies in the world within the energy sector. The agreement, which is a global general agreement, means that Beijer Ref becomes a preferred supplier to GDF Suez. This is the first agreement of its kind that Beijer Ref has signed with a global customer.

New geographic market

In December, G & L Beijer acquired the assets in Carrier Corporation's refrigeration wholesale operation in Thailand. The operation is expected to report sales of SEK 130M and has 50 employees. The acquisition was carried out through the formation of a jointly-owned company. Beijer's share amounts to 49 per cent of capital and more than 50 per cent of votes. The acquisition was another step forward in Beijer Ref's global strategy where the Thai operation could form a platform for further expansion in South-East Asia. The acquisition has not made any impact on 2010 sales.

Acquisition of SCM Frigo

At the end of the year, G & L Beijer signed an agreement to acquire the Italian SCM Frigo group, which reports annual sales of approximately SEK 220M. SCM Frigo designs, develops and builds chillers. The operation has 70 employees. The company is at the forefront of technical development of chillers for new environment-friendly solutions. SCM Frigo is also a leading supplier in Europe with regard to the assembly of conventional refrigeration units. SCM Frigo is a strategic acquisition in a growing market. Environment-friendly and energy-efficient solutions are given increased priority within the refrigeration sector. Initially, G & L Beijer acquires 51 per cent of the shares in SCM Frigo with an option to acquire the remaining 49 per cent. SCM Frigo is included in G & L Beijer's accounts from 1 January 2011.

OUR **GLOBAL** STRATEGY, A POTENTIAL FOR THE FUTURE

2010 signified a new era for the G & L Beijer Group. After nearly 20 years of adaptations and changes of the Group's structure under the current management, G & L Beijer was consolidated into a single business area – Beijer Ref.

To be absolutely correct, the divestment of Beijer Tech actually brought to an end G & L Beijer's 140 years as a Group with several different, sometimes widely differing, operations.

The consolidation towards establishing a strongly growing operation within refrigeration systems, refrigeration components and comfort cooling meant that we can now fully focus and invest our resources in Beijer Ref. Our ambition is to continue to develop Beijer Ref into a global operator within the refrigeration sector. An important step forward was also made during the year with the acquisition of Carrier's refrigeration wholesale operation in Thailand which can also become a platform for further expansion in South-East Asia.

Beijer Ref currently carries out operations in 24 countries on three continents. The global strategy is an important requirement for our continued growth. We are broadening our product programme within Beijer Ref with more comfort cooling and related operations such as heat pumps. In addition, Beijer Ref is making inroads into growing specialist areas with a significant potential for the future. The acquisition of the Italian SCM Frigo group is one example. SCM Frigo is at the forefront of the technical development of refrigeration units for new environment-friendly solutions. The global strategy gives a geographic spread of risks.

Among the trading companies on the NASDAQ OMX Stockholm Exchange, G & L Beijer can now be distinguished through three unique features. The first is the consolidation towards one single operation. The internationalisation and the global strategy is the second. The third is an increasing focus on environmental and energy issues. Everything we do affects the environment and energy consumption. New demands for environment-friendly refrigerants create a scope for new solutions which provides an extra impetus to the growth within the refrigeration sector. For example, heating and air conditioning for nearly 60 per cent of energy consumption in American homes. Higher energy prices place demands on more energy-efficient and energy-saving solutions which also increases the growth rate in G & L Beijer.

The shareholders have continued to appreciate the restructuring of G & L Beijer. For the fourth year in succession, the total yield of the share exceeded the comparable index. During 2010, the total yield amounted to 67 per cent compared with 27.5 per cent for the comparable index.

G & L Beijer could also report a new record year regarding its results. Profit after tax more than doubled to nearly SEK 400M. This included a capital gain of SEK 140M from the divestment of Beijer Tech. Apart from this capital gain, the year's profit after tax nevertheless exceeded the previous year's profit by a comfortable margin. The increase in pro-

"During the year, G & L Beijer has made several acquisitions and we continue our internationalisation."

fit was 35 per cent. We were able to take advantage of the upturn in the economy and rising demand after the deep recession in 2009. The recovery was strengthened gradually during the year and the organic growth was approximately ten per cent for the full year.

G & L Beijer has a solid and reliable business model for a continued international expansion, which includes both organic growth and acquisitions. We also have a strong financial position and significant financial scope for acquisition.

Prospects for 2011

The markets have not yet fully recovered to previous levels. If the world economy continues to strengthen, G & L Beijer is deemed to be able to increase its sales and results during 2011.

JOEN MAGNUSSON
MANAGING DIRECTOR

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

Share capital

The share capital in G & L Beijer AB amounts to SEK 371,684,512.50, represented by 1,653,120 A shares and 19,585,955 B shares, amounting to 21,239,115 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 2010, G & L Beijer had 2,658 shareholders. Distribution of ownership is shown in the adjacent table.

Market value and trading

Beijer's market value measured as price paid was SEK 280 at the 2010 year end. On the last trading day in 2009, the price paid was SEK 171.50. Including a dividend of SEK 6.50, the total yield for 2010 was 67 per cent. The comparable index rose by 27.5 per cent. The highest price paid during 2010 for the Beijer share was SEK 285.50 and the lowest SEK 156.

Trading of the company's shares amounted to 1.6 million shares, equivalent to a value of SEK 349M. The trading rate was approximately eight per cent of the total number of shares.

Profit

Profit per share after tax amounted to SEK 18.85 (9.39), including a capital gain of SEK 6.60 per share. Excluding the capital gain, profit per share was SEK 12.25.

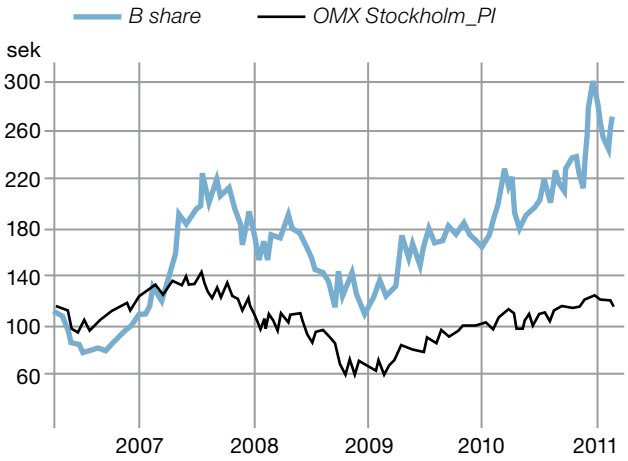
Dividend

The Board of Directors proposes a dividend of SEK 8.00 (6.50) for the 2010 financial year. The dividend proposal is equivalent to 42 per cent (69) of the Group's profit after tax for 2010 and 7.2 per cent (6.3) of shareholders' equity at the 2010 year end. The yield – the proposed dividend as a percentage of the latest price paid during the year – amounts to 2.9 per cent.

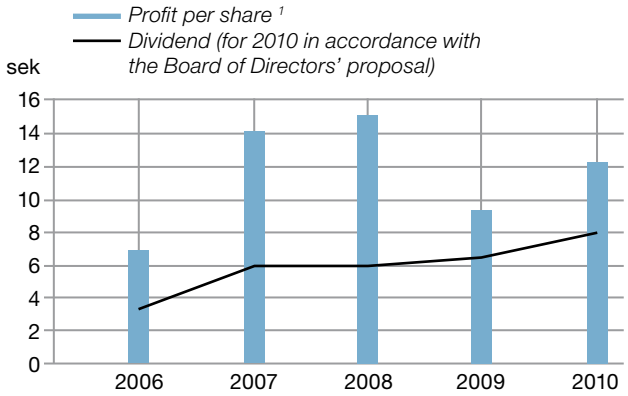
Shareholders on 2010-12-31

	A shares	B shares	Total	Capital	Votes
Carrier	358 710	8 437 429	8 796 139	41.4 %	33.3 %
Jürgensen. Peter Jessen	447 626	809 200	1 256 826	5.9 %	14.6 %
Magnusson, Joen (private & companies)	472 756	142 516	615 272	2.9 %	13.5 %
Bertland, Per (private & companies)	293 428	126 000	419 428	2.0 %	8.5 %
Lannebo fonder		1 822 734	1 822 734	8.6 %	5.1 %
Hain, Jan (private & companies)	80 000	90 000	170 000	0.8 %	2.5 %
Ekdahl, Gunnar (private & companies)		837 334	837 334	3.9 %	2.3 %
SEB Investment Management		659 159	659 159	3.1 %	1.8 %
Livförsäkringsaktiebolaget Skandia		627 151	627 151	3.0 %	1.7 %
SEB Asset Management SA		620 000	620 000	2.9 %	1.7 %
Placeringsfond Nordea, Garanti		396 615	396 615	1.9 %	1.1 %
Swedbank Robur fonder		365 035	365 035	1.7 %	1.0 %
Skandia Fonder		356 075	356 075	1.7 %	1.0 %
Bjurman, Torsten (private & companies)		288 100	288 100	1.4 %	0.8 %
Handelsbanken fonder inkl XACT		284 576	284 576	1.3 %	0.8 %
Carlson fonder		268 117	268 117	1.3 %	0.7 %
Unionen (SIF)		240 000	240 000	1.1 %	0.7 %
Riksbankens jubileumsfond		224 433	224 433	1.1 %	0.6 %
G & L Beijers personalstiftelse		140 000	140 000	0.7 %	0.4 %
AMF-Försäkring och Fonder		127 225	127 225	0.6 %	0.4 %
Didner & Gerge Fonder AB		125 000	125 000	0.6 %	0.3 %
Skandinaviska Enskilda Banken S.A.		116 233	116 233	0.6 %	0.3 %
CBLDN-IF Skadeförsäkring		100 000	100 000	0.5 %	0.3 %
Total holders of >100 000 shares	1 652 520	17 202 932	18 855 452	89.0 %	93.5 %
Other owners	600	2 339 463	2 340 063	11.0 %	6.5 %
Shares in own custody		43 600	43 600		
Total	1 653 120	19 585 995	21 239 115	100.0 %	100.0 %
Votes			36 117 195		

Share development, 5 years



Profit and dividend, 5 years



Share data per registered owner (sek)

Owners of	Number of shares	Per cent	Number of owners
1 – 500	261 659	1.2	2 068
501 – 1000	193 239	0.9	243
1001 – 2000	245 611	1.2	150
2001 – 5000	285 529	1.4	84
5001 – 10000	225 503	1.1	31
10001 – 20000	302 498	1.4	21
20001 – 50000	915 899	4.3	27
50001 – 100000	688 665	3.2	9
100001 –	18 120 512	85.3	25
Total	21 239 115	100.0	2 658

Share data* (sek)

	2010	2009	2008	2007	2006
Profit per share [1]	12.25	9.39	15.15	14.12	6.88
Equity per share [2]	111	103	80	59	43
Dividend [3]	8.00	6.50	6.00	6.00	3.25
Market value [4]	280	171.50	109	175	109
Yield, % [5]	2.9	3.8	5.5	3.4	3.0
Cash flow per share [6]	12.11	10.49	11.45	15.52	8.34

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

Definitions

1) Relates to remaining operation. Net profit for the year divided by the average number of outstanding shares.
2) Shareholders' equity divided by the number of outstanding shares at year end.
3) For 2010, in accordance with the Board of Directors' proposal.
4) On 31 December.
5) Dividend in relation to market value.
6) Relates to remaining operation. Cash flow from current operations before changes in working capital divided by average number of outstanding shares.

THE COMPANIES' MARKET VALUES AT **ALL-TIME-HIGH** LEVELS

The trading companies on the NASDAQ OMX Stockholm Exchange showed a good recovery in sales during 2010 after the strong decline in the previous year, when sales fell by 15 per cent. The sector, which in a broader sense consists of ten companies, increased its total sales by six per cent to SEK 34.8 billion during 2010.

However, the increase in sales volumes was larger than the current SEK value may indicate. This is because many of the companies have significant sales outside Sweden. When a translation is made into SEK, the increasingly strong SEK has, therefore, affected sales negatively by approximately 4-5 percentage points. This is equivalent to sales of approximately SEK 1.5 billion. On the other hand, an increased acquisition activity contributed positively to the sales development.

More remarkable is the companies' total collective improvement in operating profit. It increased by 89 per cent in total to SEK 2.2 billion. In addition to the volume increases, the companies' extensive savings programmes and cost reductions during 2009 generated significant contributions to the total results increase during 2010.

As a result, the combined operating margin rose by 6.2 per cent compared with 3.5 per cent in the previous year. However, this is still some distance short of the previous top levels of more than eight per cent and SEK 3.2 billion in total achieved in 2008. It also applies to total sales which amounted to nearly SEK 39 billion in 2008.

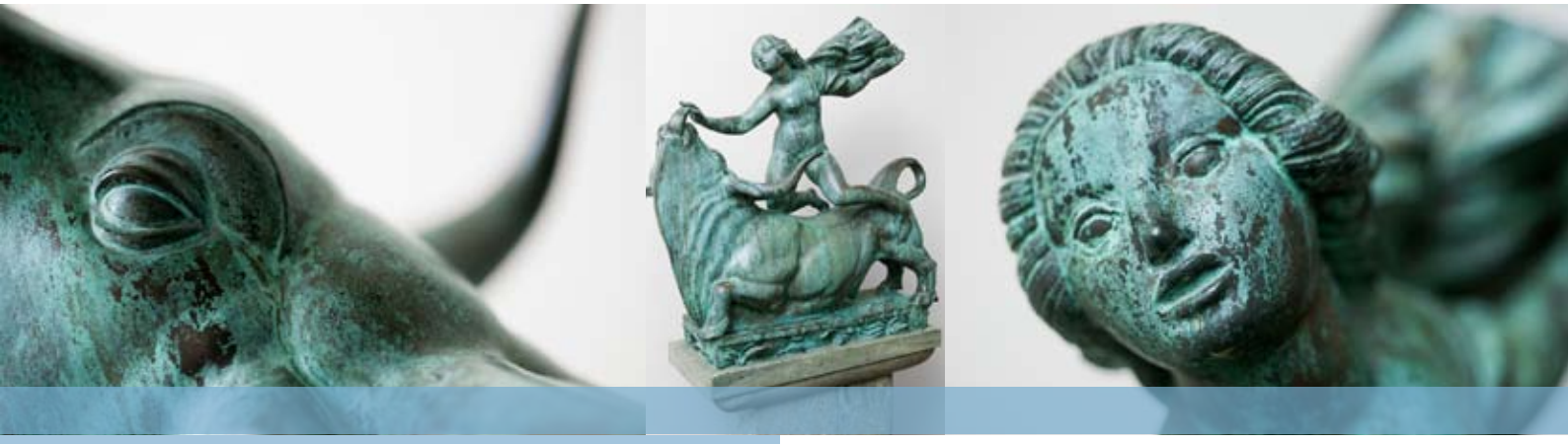
The stock market appears to anticipate continued rising sales and improved results. The companies' combined market value increased by 52 per cent to SEK 29.3 billion at the 2010 year end. It meant that the EBIT multiple (market value in relation to operating result), measured on historic operating results, fell to just under 14 at the end of 2010 compared with nearly 17 a year earlier.

The stock market thus anticipated fairly accurately the result increases during 2010. The companies' total market value increased by a full 73 per cent already in 2009. In the past two years, the increase was thus a full 162 per cent, albeit from a low level as the valuations were thoroughly depressed at the end of 2008. Seen over one business cycle (the past five years), the sector's total annual results averaged SEK 2.3 billion. A valuation measured on historic average results gave an EBIT multiple of just under 13 at the year end.

However, the stock market is looking at anticipated future results. If the market value is measured in relation to the actual result outcome in the following year, the future-oriented EBIT multiple stood at 7-9 in the past four years. It implies an anticipation that previous record results will be exceeded in the next few years.

The companies' reports for the fourth quarter of 2010 also breathed cautious optimism ahead of 2011. In general, demand in the markets strengthened gradually during the course of 2010. There are no signs of a slow-down and there are several indications of a continued positive trend.

In addition, there is a significantly higher acquisition activity which will contribute to growth during 2011. In 2010, the sector acquired a total of nearly 40 companies with combined sales in excess of SEK 2 billion. It is equivalent to approximately six per cent of total sales in 2010 which will also contribute to growth during 2011.



Carl Milles' bronze miniature 'Europa and the bull' adorns G & L Beijer's head office in Malmö.

	Sales 2010, sek m	Change from 2009, %	Operating profit 2010, sek m	Change from 2009, %	Operating margin, %	Market value on 31 Dec 2010, sek m
Addtech*	4 206	12	340	51	8.1	4 371
BE Group	5 129	19	98	—	1.9	2 265
Beijer Electronics	1 232	13	124	95	9.7	1 322
B & B Tools*	7 769	– 1	335	52	4.3	3 206
Elektronikgruppen	922	28	21	—	2.3	125
G & L Beijer	5 044	6	344	23	6.8	5 936
Indutrade	6 745	8	614	17	9.1	9 280
Lagercrantz*	1 913	6	124	125	6.5	1 193
Malmbergs El	525	9	26	– 9	5.0	323
OEM International	1 430	15	138	87	9.7	1 263
Total	34 915	6	2 164	89	6.2	29 284

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

FOCUS ON GLOBAL EXPANSION

The Thai operation could form a platform for further expansion in South-East Asia.

G & L Beijer's new strategy with the consolidation towards one business area, Beijer Ref, within refrigeration and air conditioning, enables the Group to focus fully on the global expansion which started in connection with the acquisition of Carrier ARW (Air Condition and Refrigeration Wholesalers) in 2009.

The global market for refrigeration and air conditioning is anticipated to show a strong growth trend during the foreseeable future. There are several driving forces behind the market growth. Heating and refrigeration of private residences, offices, commercial premises, different types of plant etc, account for a significant portion of total energy consumption. With the trend of rising energy prices and increased environmental awareness around discharge issues, demand for more energy-efficient and energy-saving solutions increases within both the heating and refrigeration segments. New and more efficient products and solutions are aimed at both a large replacement market and new sales.

Another driving force has been the decision by the authorities to introduce various regulations governing the use of refrigerants. International agreements mean that conventional refrigerants will have to be faced out in favour of natural refrigerants such as carbon dioxide and ammonia. New refrigerants cannot be used in old refrigeration units. These will have to be replaced by new units or reconstructed. This has created a large replacement market. A third driving force is the continuous improvement in living stan-

The Italian SCM Frigo group is at the forefront of technical development of refrigeration units for new environment-friendly solutions.

dards experienced globally which, for example, has seen an increased demand for more convenience food. This, as a result, has increased the requirement for refrigeration. It has also increased demand for the use of air conditioning in private residences, cars etc.

The European market for distributed refrigeration systems and refrigeration components alone is estimated at approximately SEK 20 billion. Beijer Ref is deemed to have a market share of approximately 20 per cent in Europe. The leading distributor of refrigeration products, air conditioning and heating in the USA, Watsco, reports sales of nearly USD 3 billion. The market in the USA is significantly larger than the European market and is described as fragmented but growing.

G & L Beijer has the necessary qualities to achieve a strong increase in sales over the next few years through organic growth and continued international acquisitions. G & L Beijer has a strong financial position. The organisation has extensive experience of acquisitions and a proven model for the ensuing integration process.

Beijer Ref also has a documented growth history. During the first half of the 'noughties', Beijer Ref took the step up from being the leading refrigeration wholesaler in the Nordic countries to become the leading refrigeration wholesaler in Europe following its acquisition of Elsmark. During the five-year period, 2001-2005, growth amounted to 17 per cent per annum. With Carrier ARW, volumes doubled and growth during the five-year period, 2006-2010, was 24 per cent per annum.



Business concept

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

Objectives

G & L Beijer aims to create scope for strong growth within Beijer Ref. The parent company, together with Beijer Ref, has set the following targets.

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 Ref aims to grow faster than the market.

The Group aims to achieve a high return on capital employed in operations.

The Group normally has good cash flows and a high-dividend capacity. 30-70 per cent of profit after tax will be paid in dividend. 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 a level which is adapted to the Group's low operating risk. The equity ratio should not fall below 30 per cent other than during limited period.

Strategies

G & L Beijer's operation shall be concentrated on Beijer Ref.

Beijer Ref's resources shall be concentrated mainly on its trading operations. Continued growth shall be achieved through the development of operations in existing markets through organic growth and supplementary acquisitions as well as acquisitions in new geographic markets in Europe and in the global market.

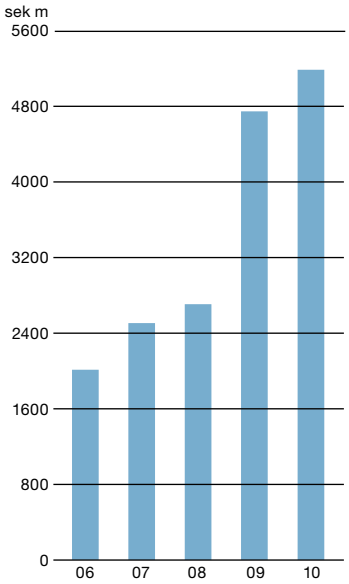
The Group shall give priority to long-term and stable business relationships.

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

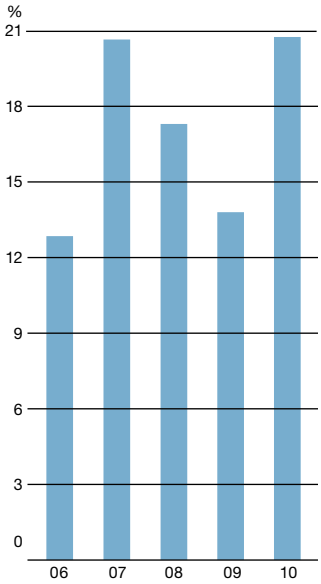
Business model

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 refrigeration components and air conditioning. The Group's value chain consists of: agency agreements; purchasing; some manufacturing; processing and customer adaptation of products; technical expertise; efficient logistics and warehousing; system

Net sales



Return on capital employed in operations



Net sales

The figures in the diagram relate to existing operations.

Return on capital employed in operations

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

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

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

Long-term planning and stability are characteristics which typify G & L Beijer's relationships with suppliers and customers. At the same time, the ability to change is also an important cornerstone.

The Group has undergone gradual changes and adaptations to new market conditions. Operations have been divested or distributed and new operations have been added. In March 2010, the Beijer Tech business area was divested to Beijer Alma. The divestment was a move forward in focusing on the strongly-growing operation within refrigeration systems and refrigeration components.

All in all, Beijer Ref has a comprehensive product range which covers the sector's total requirements. G & L Beijer has a good geographic spread with sales in 20 countries in Europe as well as sales in Thailand, South Africa, Namibia and Botswana. The total number of customers amounts to approximately 50,000.

The Group's markets are mature and show moderate growth. G & L Beijer strives to increase growth, partly through acquisition. Over the past five years, 2006-2010, the Group has reported average growth of 24 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 7.6 per cent during the five-year period. It has shown variations with a high of 9.6 per cent and a low of 5.9 per cent. Return on capital employed in operations has averaged 17 per cent. Return on capital employed in operations has varied between 21 per cent and 13 per cent. Return on equity was 19 per cent on average. The high was 28 per cent and the low was 12 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 48 per cent of profit after tax. G & L Beijer's shareholders have received a total yield (dividend plus share-price growth) of 28 per cent per annum on average during the five-year period, 2006-2010. The comparable index - the Six Return Index - rose by 12 per cent per annum during the same period.

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

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

G & L Beijer consolidated its positions in the market through its Beijer Ref business area and operations developed positively with increased sales as well as significantly improved operating profit and higher operating margin during 2010. The Group was also able to report its highest profit after tax so far.

During the first quarter, G & L Beijer divested its Beijer Tech business area to Beijer Alma. G & L Beijer received a consideration of 2.7 million newly-issued B shares in Beijer Alma and SEK 38.7M in cash. In total, the transaction is valued at approximately SEK 345M and G & L Beijer's capital gain amounted to SEK 140M. The divestment of Beijer Tech was a move forward in the consolidation of G & L Beijer towards the strongly growing refrigeration wholesale operation. As a result of the transaction, G & L Beijer became a significant shareholder in Beijer Alma. Beijer Tech is not included in the below reporting and in comparative figures from 2009.

During the third quarter, G & L Beijer signed a strategic agreement with the French GDF Suez group, one of the leading companies in the world within the energy sector, through Beijer Ref. The agreement, which is a global general agreement, means that Beijer Ref becomes a preferred supplier to GDF Suez in all markets. The agreement comprises Beijer Ref's entire product programme within refrigeration systems and comfort cooling. This is the first agreement of its kind that Beijer Ref has signed with a global customer.

At the beginning of December, G & L Beijer acquired the assets in Carrier Corporation's refrigeration wholesale operation in Thailand through Beijer Ref. The operation is expected to report sales of SEK 130M and has 50 employees. The acquisition was carried out through the formation of a jointly-owned company, Beijer B Grimm (Thailand) Ltd. Beijer's share amounts to 49 per cent of capital and more than 50 per cent of votes. The operation is included in G & L Beijer's accounts from 1 January 2011.

At the end of the year, G & L Beijer signed an agreement to acquire the Italian SCM Frigo group, which reports annual sales of approximately SEK 220M. SCM Frigo designs, develops and builds chillers. The operation has 70 employees. Initially, G & L Beijer acquires 51 per cent of the shares in SCM Frigo with an option to acquire the remaining 49 per cent. SCM Frigo is included in G & L Beijer's accounts from 1 January 2011.

Sales

Consolidated sales increased by six per cent to SEK 5,044.3M (4,757.7). The increase is essentially explained by organic growth. Beijer Ref accounted for 100 per cent of consolidated sales.

Operating profit

The Group's operating profit increased to SEK 484.0M (280.1). The result includes one-time items of SEK 140M from the divestment of Beijer Tech in 2010. Beijer Ref contributed SEK 365.8M (299.3).

Profit after financial income/expense and tax

Financial income/expense amounted to SEK 1.0M (-9.6). Financial income/expense includes a share in profits of SEK 8.0M (7.4) from the Group's indirect ownership CMP (Copenhagen Malmö Ports). Profit before taxes including one-time items amounted to SEK 485.0M (270.5). Profit after tax including one-time items amounted to SEK 398.7M (192.1).

Profitability

Return on capital employed in operations and capital employed amounted to 20.8 per cent (13.9) and 17.2 per cent (12.6) respectively. Return on equity was 17.6 per cent (12.1). For further information about key figures, see Five-Year Summary.

Other financial information

The Group's investments in tangible and intangible fixed assets, including acquisitions, amounted to SEK 36.3M (1,132.5). The cash flow from current operations was SEK 256.6M (214.7). Liquid funds, including unutilised bank overdraft facilities, were SEK 478.4M (537.6) at the year end. Shareholders' equity amounted to SEK 2,358.7 (2,175.5). The net debt amounted to SEK 395.4M (400.2). The equity ratio amounted to 59 per cent (54).

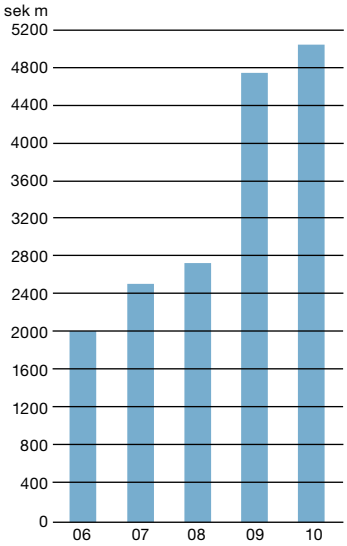
Parent company

The parent company, G & L Beijer AB, reported profit after financial income/expense of SEK 292.4M (57.4). The result includes a capital gain of SEK 163M from the divestment of Beijer Tech in 2010. Profit after tax amounted to SEK 297.3M (62.0). At the year end, loan financing was SEK 27.7M (342.3). The parent company's investments amounted to SEK 1.3M (1.0).

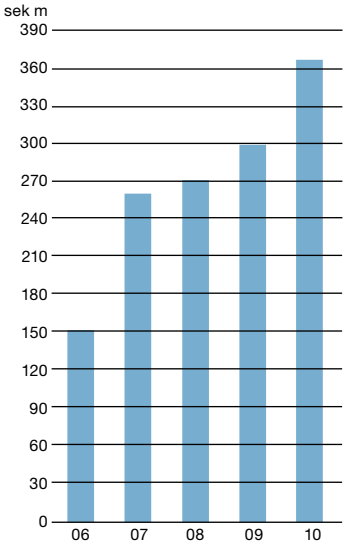
Currency

G & L Beijer's sales are transacted in Europe and South Africa, Botswana, Namibia and Thailand. EUR accounted for 49 per cent of total sales, ZAR for 11 per cent, GBP for 9 per cent, CHF for 8 per cent, SEK for 7 per cent, DKK for 7 per cent and NOK for 4 per cent. EUR accounted for 66 per cent of purchases.

Beijer Ref
Net sales



Beijer Ref
Operating profit



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

Organisation and staff

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

In 2010, the Group had an average of 1,657 employees (1,591). The parent company, including Beijer Förvaltning AB, had seven employees (7) on average. The number of employees in Beijer Ref was 1,650 (1,584).

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 be trained continually to assume responsibility for, and develop, the Group's environmental work.

ENERGY-EFFICIENT IN A GROWING MARKET

Beijer Ref markets and sells complete refrigeration systems, refrigeration components and air conditioning in 20 countries in Europe and in South Africa, Namibia, Botswana and Thailand.

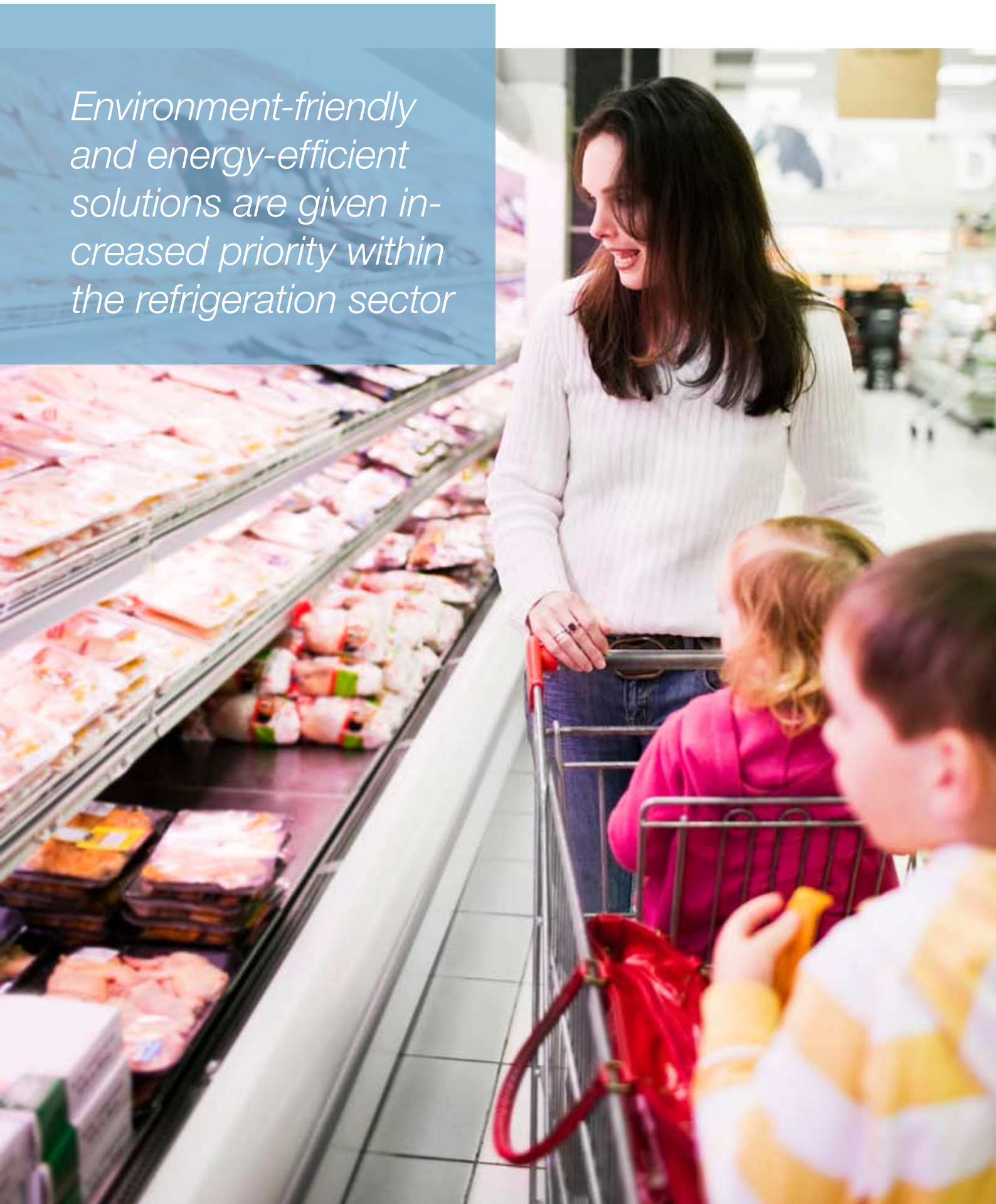
2010 operations

Beijer Ref consolidated its positions in the market. Operations developed positively with increased sales as well as significantly improved operating profit and higher operating margin during 2010. The past year saw a period of consolidation after the deep recession seen during 2009 in the wake of the international finance crisis.

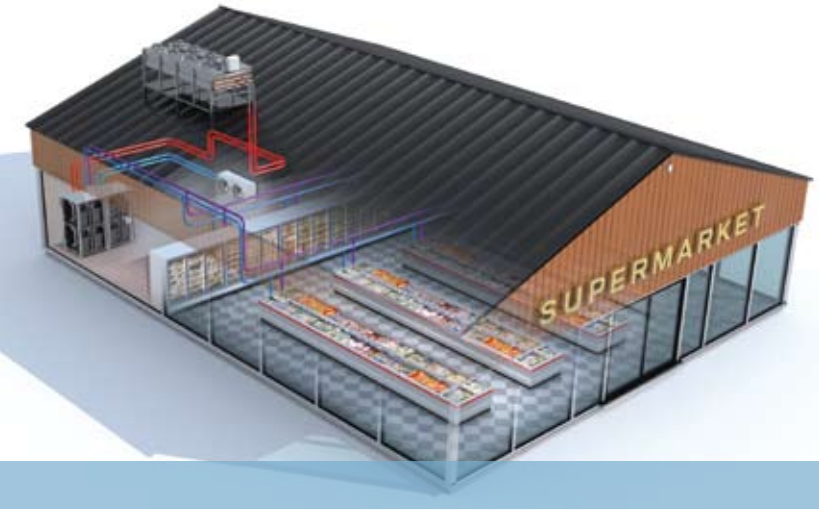
The integration and co-ordination of the large acquisition of Carrier ARW at the beginning of 2009 was completed during the year, including moving the operation of the French subsidiary, Delmos, from Paris to Lyon. Beijer Ref could also take advantage of significant purchase synergies from the acquisition during the year. In addition, a pattern has emerged where some large suppliers prefer larger and more wide-ranging customers which favoured Beijer Ref.

During the year, Beijer Ref also implemented some important strategic steps for the continued development of the company. Beijer Ref signed a strategic agreement with the French GDF Suez group, one of the leading companies in the world within the energy sector. The agreement, which is a global general agreement, means that Beijer Ref became a preferred supplier to GDF Suez in all markets. The agreement comprises Beijer Ref's entire product programme within refrigeration systems and comfort cooling. This, the first agreement of its kind that Beijer Ref has signed with a global customer, attracted attention in the sector and could be followed by more agreements.

In December, Beijer Ref acquired the assets in Carrier Corporation's refrigeration wholesale operation in Thailand. The operation is expected to report sales of SEK 130M and has 50 employees. The acquisition was another step forward in the global strategy where the Thai operation could form a platform for further expansion in South-East Asia. The acquisition was carried out through a new jointly-owned company in which Beijer's share amounts to 49 per cent of capital and more than 50 per cent of votes.



Environment-friendly and energy-efficient solutions are given increased priority within the refrigeration sector

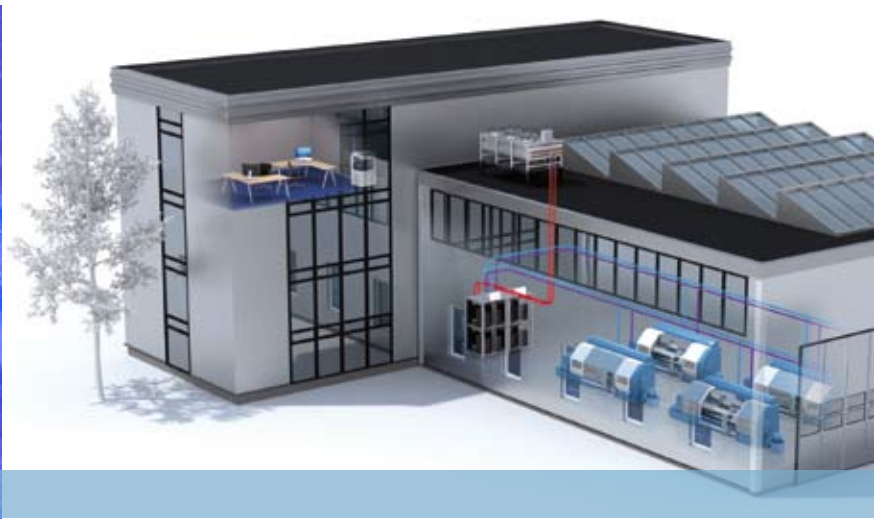


At the end of the year, Beijer Ref signed an agreement to acquire the Italian SCM Frigo group, which reports annual sales of approximately SEK 220M. SCM Frigo designs, develops and builds chillers. The operation has 70 employees. The company is at the forefront of technical development of refrigeration units for new environment-friendly solutions. SCM Frigo is also a leading supplier in Europe with regard to the assembly of refrigeration units. SCM Frigo is included in G & L Beijer's accounts from 1 January 2011.

SCM Frigo was a strategic acquisition in a growing market. Environment-friendly and energy-efficient solutions are given increased priority within the refrigeration sector. SCM Frigo has developed a unique modular system for the assembly of refrigeration units which use natural refrigerants such as carbon dioxide and ammonia instead of conventional refrigerants. During the past five years, the company, which was established in 1979, has enjoyed strong growth in sales and its export share amounts to 75 per cent. Initially, G & L Beijer acquires 51 per cent of the shares in SCM Frigo with an option to acquire the remaining 49 per cent.

The market for refrigeration systems recovered to some extent during 2010 after the dramatic decline in demand during 2009 with falls of 10-30 per cent depending on market. Demand reached a low during the fourth quarter of 2009. Thereafter, the markets strengthened gradually during 2010 and organic growth increased for each quarter.

Virtually all markets in which Beijer Ref operates developed positively during the year, albeit at different rates. South Africa, Holland, Finland, United Kingdom, Spain, Italy, Hungary, Poland and the Baltic States enjoyed especially favourable development with double-figure growth. The Nordic market showed stable growth while the East European markets recovered strongly during the second half of the year from low levels. Beijer Ref's organic volume growth amounted to approximately ten per cent during the year. All in all, Beijer Ref is deemed to have captured market share during the year.



Beijer Ref has a good geographic distribution of sales. Southern Europe is the largest market with 30 per cent of sales. Central Europe accounts for 23 per cent and the Nordic countries for 21 per cent. South Africa accounts for eleven per cent, United Kingdom and Ireland for ten per cent and Eastern Europe for five per cent.

Sales in Beijer Ref's individually largest market, France, amounted to SEK 997M. Holland accounted for SEK 651M, South Africa for SEK 533M, United Kingdom for SEK 471M and Switzerland for SEK 434M, of total sales. The Nordic countries, Sweden, Denmark, Norway and Finland, reported combined sales of SEK 1,037M. Italy and Spain accounted for SEK 270M and SEK 203M of the sales respectively.

Sales

Beijer Ref's sales increased by six per cent to SEK 5,044.3M (4,757.7). Sales were affected by generally weaker foreign currencies on translation into SEK. The organic volume growth amounted to approximately ten per cent.

Commercial refrigeration reported sales of SEK 3,985M and accounted for 79 per cent of the sales. Comfort cooling reported sales of SEK 908M and accounted for 18 per cent of sales. The manufacturing companies reported sales of SEK 151M.

Operating profit

The operating profit increased by 22 per cent to SEK 365.8M (299.3). The operating margin was 7.3 per cent (6.3). The improved result is explained by rising sales volumes and continued synergies from the acquisition of Carrier ARW as well as strict cost control.

Beijer Ref is the leading refrigeration and air-conditioning wholesaler in Europe with sales in 20 countries. Beijer Ref also has significant operations in South Africa and, in addition, operations in Botswana and Namibia as well as in Thailand. Beijer Ref also carries out the manufacture of heat exchangers and the assembly of refrigeration units. 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 its products, its comprehensive product range and its ability to offer efficient overall solutions.

Products

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

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

In simple terms, a complete refrigeration system consists of the following components:
- A compressor which pumps a refrigerant through a cooling system.
- A refrigerant which transports heat away from the refrigerated area.
- Heat exchangers of various types such as evaporators, condensers or coolers.

Beijer Ref offers the market a total of tens of thousands different products in the refrigeration sector. Operations are carried out in two segments: Wholesale & Trading companies and Manufacturing companies.

Wholesale & Trading companies

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, Alfa Laval, Armacell, Bitzer, Bock, Carel, Castel, Emerson, Frigabohn, Danfoss, Honeywell, Ineos, Johnson Controls, Luve, Cupori, Electrolux, Henry and L´Unité Hermetique.

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

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

Beijer Ref's competitive edge lies in its technical competence relating to the products, an extensive and varied product range and, 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 79 per cent of the business area's sales in 2010. Comfort cooling accounted for around 18 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 and Norway. The products complement each other well in terms of customer segment and production technology, which provides integrated technical and marketing strength.

The manufacturing companies accounted for approximately three per cent of the business area's gross sales in 2010. 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. Beijer Ref also carries out the assembly of heat exchangers and refrigeration units in South Africa.

Market and market segments

Beijer Ref is established in 20 markets in Europe: Sweden, Denmark, Norway, Finland, United Kingdom and Ireland, Holland, Switzerland, Poland, the three Baltic States, Hungary, Rumania, the Czech Republic, Slovakia, France, Italy, Spain and Belgium. Beijer Ref also carries out significant operations in South Africa and has its own distributing sales companies in Namibia, Botswana and Thailand.

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

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

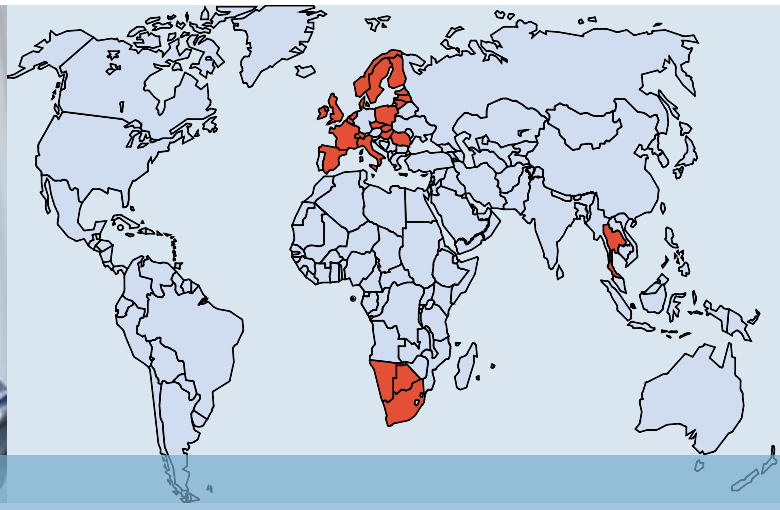
The European market for refrigeration is estimated to be worth approximately SEK 20 billion per annum. Demand in the business area's largest segment, commercial refrigeration, is relatively stable and only partly varies with the economic trend. There are several driving forces behind a rising trend in demand for refrigeration. Rising consumption of refrigerated and frozen products, as well as the establishment of new food supermarkets, benefits the segment. In addition, the market is being positively affected by decisions made by the authorities, such as the requirement to convert to more environment-friendly refrigerants. The market for comfort cooling enjoys a strong growth trend. Climate installations in work locations and in cars are becoming increasingly common. Refrigeration units emit surplus heat and with higher energy prices new technical solutions are created to recover the heat.

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

Competitors

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

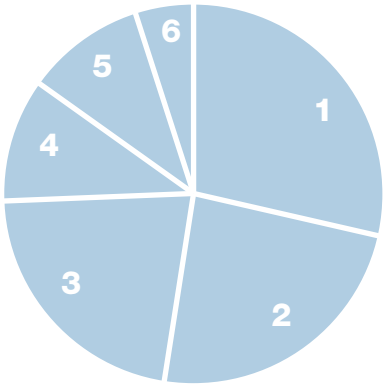
The manufacturing companies face competition from Alfa Laval, Luvata, Güntner, Luve and GEA.



Per Bertland
Beijer Ref

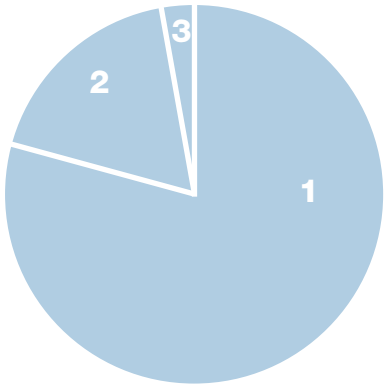
sek m	2010	2009	2008	2007	2006
Net sales	5044.3	4757.8	2714.1	2520.5	2018.3
Operating profit	365.8	299.3	270.4	260.6	150.4
Return on capital employed in operations, %	15.7	17.5	23.6	29.2	20.2
Number of employees	1650	1584	846	774	708

Geographic distribution of net sales

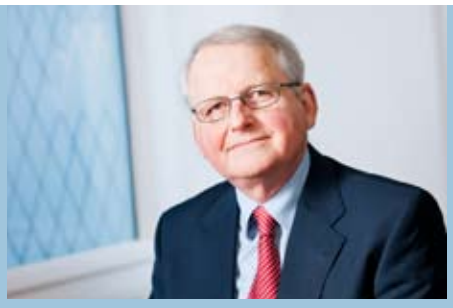


1. Southern Europe 30%
2. Central Europe 23%
3. The Nordic countries 21%
4. South Africa 11%
5. UK & Ireland 10%
6. Eastern Europe 5%

Distribution of net sales



1. Commercial refrigeration 79%
2. Comfort cooling 18%
3. Manufacturing 3%



Peter Jessen Jürgensen

Chairman. Born 1949.
Board Member since 1999.
Chairman of Bio Aqua ApS and Scanfort A/S.
Board Member of IKI Invest A/S, Labotek A/S, Profort A/S, News Cap A/S and G & L Beijer A/S.
Shareholding in G & L Beijer AB: 447 626 A shares and 809 200 B shares.

Joen Magnusson

Board Member. 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. Born 1954.
Board Member since 2006.
CFO of Husqvarna AB.
Chairman of Schneidlerföretagen AB.
Shareholding in G & L Beijer AB: 3 000 B shares.

William Striebe

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

Philippe Delpech

Board Member. Born 1962.
Board Member since 2009.
President of Carrier Europe, Middle East, Africa.
Shareholding in G & L Beijer AB: 0.

Anne-Marie Pålsson

Board Member. Born 1951.
Board Member since 2003.
Vice Chairman of Länsförsäkringar Skåne.
Board Member of Länsförsäkringar AB.
Executive Member of Kungliga Ingenjörsvetenskapsakademin and Kungliga Skogs- och Lantbruksakademin.
Associate Professor at the University of Lund.
Shareholding in G & L Beijer AB: 1 500 B shares.

Harald Link

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

Per Bertland

Head of Beijer Ref. Born 1957.
Shareholding in G & L Beijer AB:
293 428 A shares and 126 000 B shares.

Jonas Lindqvist

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

AUDITORS

Mikael Eriksson

Authorised Public Accountant, auditor in charge.
Born 1955.
PricewaterhouseCoopers AB.
Auditor in the G & L Beijer Group since 2005.

Cecilia Dorselius

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


-1.98

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 2010 financial year.

Group

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

Operations are carried out within the Beijer Ref business area. The G & L Beijer Group is a leading operator within the refrigeration sector in Europe. Growth is achieved both organically and through the acquisition of companies which supplement existing operations.

Parent company

The parent company, G & L Beijer AB, is the parent company of the G & L Beijer Group. The parent company carries out central functions such as group management and group control. The company's registered office is in Malmö. The parent company, which has only marginal external sales, reports profit after tax of SEK 297.3M (62.0) for the 2010 financial year.

Significant events during the financial year

During the first quarter, G & L Beijer divested its Beijer Tech business area to Beijer Alma. G & L Beijer received a consideration of 2.7 million newly-issued B shares in Beijer Alma and SEK 38.7M in cash. In total, the transaction is valued at approximately SEK 345M and G & L Beijer's capital gain amounted to SEK 140M. The divestment of Beijer Tech was a move forward in the consolidation of G & L Beijer as a strongly growing refrigeration wholesale operation. As a result of the transaction, G & L Beijer became a significant shareholder in Beijer Alma. Beijer Tech is not included in the reporting below or in the comparative figures from 2009. Beijer Tech is reported as a divested operation.

During the third quarter, Beijer Ref signed a strategic agreement with the French GDF Suez group, one of the leading companies in the world within the energy sector. The agreement, which is a global general agreement, means that Beijer Ref becomes a preferred supplier to GDF Suez in all markets. The agreement comprises Beijer Ref's entire product programme within refrigeration systems and comfort cooling. This is the first agreement of its kind that Beijer Ref has signed with a global customer.

In December, G & L Beijer acquired the assets in Carrier Corporation's refrigeration wholesale operation in Thailand. The operation is estimated to report sales of SEK 130M and has around 50 employees. The acquisition was carried out through the formation of a jointly-owned company, Beijer B Grimm (Thailand) Ltd. Beijer's share amounts to 49 per cent of capital and more than 50 per cent of votes. The acquisition was another step forward in Beijer Ref's global strategy where the Thai operation could form a platform for further expansion in South-East Asia. The acquisition is included in G & L Beijer's accounts from 1 January 2011.

At the end of the year, G & L Beijer signed an agreement to acquire the Italian SCM Frigo group, which reports annual sales of approximately SEK 220M. SCM Frigo designs, develops and builds chillers. The operation has 70 employees. The company is at the forefront of technical development of refrigeration units for new environment-friendly solutions. SCM Frigo is also a leading supplier in Europe with regard to the assembly of conventional refrigeration units. SCM Frigo is a strategic acquisition in a growing market. Environment-friendly and energy-efficient solutions are given increased priority within the refrigeration sector. SCM Frigo has developed a unique modular system for the assembly of refrigeration units which use natural refrigerants such as carbon dioxide and ammonia instead of conventional refrigerants. Initially, G & L Beijer acquires 51 per cent of the shares in SCM Frigo with an option to acquire the remaining 49 per cent. SCM Frigo is included in G & L Beijer's accounts from 1 January 2011.

Sales and results

Consolidated sales rose by six per cent to SEK 5,044.3M (4,757.7) in 2010. The increase is essentially explained by organic growth. Beijer Ref accounted for 100 per cent of sales.

Consolidated operating profit increased to SEK 484.0M (280.1). The result includes one-time items of SEK 140M from the divestment of Beijer Tech in 2010. Beijer Ref contributed SEK 365.8M (299.3). Consolidated financial income/expense amounted to SEK 1.0M (-9.6). Financial income/expense includes a share in profits from the Group's indirect ownership in CMP (Copenhagen Malmö Ports) of SEK 8.0M (7.4). Profit before taxes including one-time items amounted to SEK 485.0M (270.5). Profit after tax including one-time items amounted to SEK 398.7M (192.1).

Profitability

Return on capital employed in operations and capital employed amounted to 20.8 per cent (13.9) and 17.2 per cent (12.6) respectively. Return on equity was 17.6 per cent (12.1). For further information about key figures, see Five-Year Summary.

Capital expenditure, liquidity and employees

Group investments in tangible and intangible fixed assets, including acquisitions, amounted to SEK 36.3M (1,132.5). Liquid funds, including unutilised bank overdraft facilities, amounted to SEK 478.4M (537.6) at the year end. The average number of employees was 1,657 (1,591).

Cash flow, financing and equity ratio

The cash flow from current operations was SEK 256.6M (214.7). Interest-bearing liabilities amounted to SEK 569.7 (734.0). The net debt amounted to SEK 395.4M (400.2). Shareholders' equity amounted to SEK 2,358.7M (2,175.5). The change in equity amounted to SEK 183.2M (1,185.5). It included total profit for the year of SEK 320.4M (204.9) and a deduction for a dividend of SEK 137.8M (74.4). The equity ratio was 59.4 per cent (54.3) at the year end.

Research and development

Research and development relating to the products in 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 1.2M (1.0) in 2010.

Prospects for 2011

The markets have not yet fully recovered to previous levels. However, the majority of G & L Beijer's markets and operations show significant improvement compared with the previous year. If the world economy continues to strengthen, G & L Beijer is deemed to be able to increase its sales and results during 2011.

Beijer Ref

Beijer Ref consolidated its positions in the market and operations developed positively with increased sales as well as significantly improved operating profit and higher operating margin during 2010. The integration and co-ordination of the large acquisition of Carrier ARW at the beginning of 2009 was completed during the year. Beijer Ref was able to continue to take advantage of significant purchase synergies from the acquisition.

During the year, Beijer Ref implemented some important strategic steps for the continued development of the company. Beijer Ref signed an agreement with the French GDF Suez group, one of the leading companies in the world within the energy sector. The agreement, which is a global general agreement, means that Beijer Ref became a preferred supplier to GDF Suez in all markets. In December, Beijer Ref acquired the assets in Carrier Corporation's refrigeration wholesale operation in Thailand. The operation is estimated to report annual sales of SEK 130M and has around 50 employees. The acquisition was carried out through a new jointly-owned company in which Beijer's share amounts to 49 per cent of capital and more than 50 per cent of votes. At the end of the year, G & L Beijer signed an agreement for the acquisition of the Italian SCM Frigo group, which reports annual sales of approximately SEK 220M. SCM Frigo designs, develops and builds chillers. The operation has 70 employees. Initially, Beijer Ref acquires 51 per cent of the shares in SCM Frigo with an option to acquire the remaining 49 per cent.

Beijer Ref's sales increased by six per cent to SEK 5,044.3M (4,757.7). Sales were affected by generally weaker foreign currencies on translation into SEK. The organic volume growth amounted to approximately ten per cent. Virtually all markets in which Beijer Ref operates developed positively during the year. All in all, Beijer Ref is deemed to have captured market share during the year. Sales in Beijer Ref's individually largest market, France, amounted to SEK 997M. Holland accounted for SEK 651M, South Africa for SEK 533M, United Kingdom for SEK 471M and Switzerland for SEK 434M of total sales. The Nordic countries, Sweden, Denmark, Norway and Finland, reported combined sales of SEK 1,037M. Italy and Spain accounted for SEK 270M and SEK 203M of the business area's sales respectively.

The business area's operating profit increased by 22 per cent to SEK 365.8M (299.3). The operating margin was 7.3 per cent (6.3). The improved result is explained by rising sales volumes and continued synergies from the acquisition of Carrier ARW as well as strict cost control.

Reporting principles in accordance with IFRS

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

Operating risks

The G & L Beijer Group's operations are affected by a number of external factors the effects of which on the Group's operating profit can be controlled to a varying degree. The Group's business area is dependent on the general economic trend, especially in Europe, which controls demand for the business areas' products and services. The Group has a good geographic spread with sales in 20 markets in Europe as well as in South Africa, Namibia, Botswana and Thailand. The Group has 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 negative effects on the result and to clarify responsibilities and authorities within the Group. Monitoring to ensure that the rules and regulations are complied with is made by the person responsible and is reported to the Board of Directors. For further information about the financial risk handling, see note 3.

G & L Beijer has sales in 20 countries in Europe as well as in South Africa, Botswana, Namibia and Thailand. The largest sale currencies are EUR, ZAR, GBP, CHF, SEK, DKK and NOK. Purchases are mainly made in EUR. For further information about the Group's currency policy, see note 3.

Environment

G & L Beijer strives to contribute to ecologically sustainable development. The Group carries out operations which are liable to give notification. These comprise the handling of refrigerants.

Corporate Governance Report

1. Introduction

The company has been implementing the Swedish Code for Corporate Governance since 2005 and here submits its Corporate Governance Report for 2010. The follow-up during 2010 has resulted in G & L Beijer having no discrepancies to report.

2. Annual Meeting

The shareholders' right to make decisions on G & L Beijer's affairs is exercised at the Annual Meeting of shareholders or, where appropriate, at an Extraordinary General Meeting. The Meeting makes decisions about the Articles of Association and, at the Annual Meeting, the shareholders elect Board Members and the Chairman of the Board of Directors. The shareholders also elect the Auditors and determine their remuneration. In addition, the Annual Meeting deals with resolutions on the adoption of the profit and loss account and the balance sheet, on the distribution of the Company's profit and on the discharge from liability towards the Company for the Board Members and the Managing Director. The Annual Meeting of shareholders also passes resolutions on the appointment and work of the Election Committee and takes decisions about principles for the remuneration and employment terms for the Managing Director and other Senior Executives.

3. Preparation of appointment of Board of Directors and Auditors

An Election Committee was appointed in October 2010. 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 5 May 2011. The Members of the Election Committee were appointed from the company's largest owners.

The year's Election Committee consists of the following members:
Peter Rönström (Lannebo Fonder), Chairman of the Election Committee
Peter Jessen Jürgensen (Chairman of the G & L Beijer Board of Directors)
Philippe Delpech (Carrier)
Stefan Roos (SEB Fonder)

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

4. Information about the Board Members
In accordance with the Articles of Association, the Board of Directors shall comprise not less than four and not more than eight Members. These are elected annually by the Annual Meeting of shareholders. Below follows information about the Board Members:

- *Peter Jessen Jürgensen* (born 1949), Chairman.
Board Member since 1999.
Education and work experience:
Graduate engineer and MBA in Denmark. Engineer in Atlas. Work in the family company, HJJ, as Managing Director of the subsidiary, Ajax, and later as Managing Director of IKI and Managing Director of TTC in Denmark.
Other significant assignments:
- Chairman of Bio Aqua ApS and Scanfort A/S
- Board Member of IKI Invest A/S, Labotek A/S, Profort A/S 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.

- *Poul Friis* (born 1939), Board Member.
Board Member since 2002.
Poul Friis was a Member of the Board of Directors until 20 April 2010 and retired from the Board of Directors in connection with the Annual Meeting of shareholders.
Education and work experience:
Poul Friis is a graduate engineer of DTU and has worked within ITT, Teleselskaberne Denmark, currently Teledanmark, in different posts and later in leading positions. Poul Friis later worked as Divisional Director in Siemens in Denmark and, thereafter, as Managing Director of NKT Elektronik until 1995. Thereafter, Poul 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: 6,000 B shares.

The Election Committee is of the opinion that Poul 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 has a PHD in economics from the University of Lund. During her professional career, Anne-Marie Pålsson has worked in the academic world. She is an Associate Professor at the University of Lund. Anne-Marie Pålsson holds a number of board assignments and was a Member of the Swedish Parliament during the period 2002-2010.
Other significant assignments:
- Vice Chairman of Länsförsäkringar Skåne.
- Board Member of Länsförsäkringar AB.
- Executive Member of Kungliga Ingenjörsvetenskapsakademin and Kungliga Skogs- och Lantbruksakademin.
Shareholding in G & L Beijer AB: 1,500 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.
Education and work experience:
Master of Laws degree from University of Connecticut Law School, BA in history, Fairfield University. Vice President of Business Development within Carrier Corporation since 2005. From 1990 to 1993, William Striebe was legal adviser to Carrier Corporation's operations in Europe, the Middle East and Africa. At the end of 1993, he was appointed Vice-President within legal matters for Carrier's North-American operation. William Striebe returned to Europe in 1996 as Vice-President with responsibility for business development and legal matters. In 2002, William Striebe moved to the head office Carrier's parent company, UTC, where he worked in mergers and acquisitions until 2005.
Shareholding in G & L Beijer AB: 0

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

- *Philippe Delpech* (born 1962), Board Member
Board Member since 2009.
President of Carrier Europe, Middle East, Africa.
Education and work experience:
MBA from ESCP European School of Management, Paris, Economics degree from INSEAD Asia, Economics degree from DECF IAE in France and graduate engineer from ENIT, France. President of Carrier Commercial refrigeration since 2008 and in addition of HVAC Europe, Middle East, Africa since 2010.
Philippe Delpech started his career within Carrier in 2001 as Vice-President, Commercial Air Conditioning & Services EMEA & General Manager Northern Europe. From 2003, Philippe Delpech held different appointments with Carrier in Asia before he returned to Europe in 2006. Before Philippe Delpech joined Carrier in 2001, he held different positions in Danfoss, ABB, Aerospatiale, Turbomeca and SKF.
Shareholding in G & L Beijer: 0

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

- *Harald Link* (born 1955), Board Member
Board Member since 2010.
Education and work experience:
Master of Business Administration from University of St. Gallen, Switzerland.
Chairman and CEO of B. Grimm Group, Bangkok, Thailand. Previously Executive in the same Group. Harald Link has held leading positions in the B. Grimm Group for about 30 years.
Other significant assignments:
- Chairman of Amata Power Ltd., Amata B. Grimm Power Ltd., Amata Power (Bien Hoa) Ltd., B. Grimm Energy Corporation, and Carrier (Thailand) Ltd.
- Board Member of Siemens Ltd., Carl Zeiss Ltd., Merck Ltd., Independent Director of Siam City Cement Public Co. Ltd. and True Corporation Public Co. Ltd.

Shareholding in G & L Beijer: 0.

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

5. Information about Auditors
G & L Beijer's Auditors are the authorised public accounting firm PricewaterhouseCoopers AB, with the Authorised Public Accountants, Mikael Eriksson and Cecilia Dorselius. Mikael Eriksson is the auditor in charge. PricewaterhouseCoopers AB is elected for a term until the 2012 Annual Meeting of shareholders.

6. Work of the Board of Directors
During 2010, the Board of Directors of G & L Beijer held five Ordinary Meetings, of which one was a strategy meeting. The company's economic and financial position, as well as the investment operations, are discussed at every Ordinary Board Meeting. The work during 2010 focused extensively on matters relating to the divestment of the Beijer Tech business area as well as matters relating to continued expansion.

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 as well as other information of importance for the company.

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

Peter Jessen Jürgensen, Bernt Ingman, Philippe Delpech and Joen Magnusson participated in all Board Meetings. Anne-Marie Pålsson participated in three Meetings and William Striebe, Harald Link and Poul Friis participated in two Board Meetings each. Harald Link took up his duty as a Board Member in connection with the third Board Meeting and Poul Friis retired as a Board Member in connection with the second Board Meeting.

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

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

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

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

10. Quality assurance
The Board of Directors continually studies the company's financial reports which are sent to the Board in connection with Board Meetings. In addition to the financial reporting for the Group, financial reports are appended as well as comments by the Managing Director and the Head of the 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.

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

Internal Control Report

The Board of Directors' report on internal control relating to the 2010 financial year.

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

Description
The base for internal control relating to financial reporting consists of the control environment within the organisation, decision-making routes, authorities and responsibili-

ties which are documented and communicated through the controlling document. These relate primarily to the Boards' of Directors working procedures, the Managing Director's working procedure and approvals instructions. G & L Beijer is a company with strong owner influence. The owners are represented on the Board of Directors and in executive positions within the company. G & L Beijer is decentralised in its nature and the individual companies' own organisations fulfil important functions relating to company culture and the control environment through the short decision-making routes which exist and the strong presence of local management. The legal organisation coincides with the operational organisation and there are, therefore, no decision-making venues which are disengaged from the responsibilities regulated in civil law which are vested in the different legal entities. The management work is based on the work of the Board of Directors which is the backbone of the company management. This starts from G & L Beijer AB's Board of Directors and goes out, via the business area Board of Directors, into the organisation's different company Boards of Directors. The rules and regulations which deal with company management, such as the Companies Act, form the foundation for how the Board work is carried out and, as a result of this, to the working procedures, authorities and responsibilities which are regulated through this legislation. The decisions made by the Boards of Directors are documented and carefully monitored. Senior Executives from Group and business area management team is 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 the importance of their work and it increases their work motivation. The distribution of responsibilities and authorities leads to a strong will to live up to these responsibilities and the ensuing expectations.

Risk evaluation is made continually to map out risk areas relating to the financial reporting. This is aimed at identifying and evaluating the most significant risks which influence the internal control relating to the financial reporting in the Group's companies, the business area and processes. The current position is assessed and points for improvement established. The control activities are also evaluated on a continuous basis.

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

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

Shares and ownership

On 31 December 2010, the parent company's share capital consisted of the following number of shares with a nominal value of SEK 17.50 per share. The number of A shares amounted to 1,653,120 and the number of B shares to 19,585,995. The total number of shares amounts to 21,239,115 and the total number of votes to 36,117,195. The total share capital amounts to SEK 371 684 512.50.

Class of share	*Number of shares*	*Number of votes*	*Share of capital, %*	*Share of votes, %*
A 10 votes	1 653 120	16 531 200	7.8	45.8
B 1 vote	19 542 395	19 542 395	92.0	54.1
	21 195 515	36 073 595		
B shares in own custody	43 600	43 600	0.2	0.1
	21 239 115	36 117 195	100.0	100.0

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

Guidelines for the remuneration of senior executives

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

Proposal for distribution of profit

Profit at the disposal of the Annual Meeting of shareholders:

sek k	
Share premium reserve	901 604
Profit brought forward	20 778
Net profit for the year	297 304
Total	1 219 686

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

sek k	
Dividend, SEK 8.00 per share	169 564
To be carried forward	1 050 122
Total	1 219 686

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 proposed dividend reduces the company's equity ratio to 97 per cent and the consolidated equity ratio to 58 per cent.

The profit and loss account and balance sheet will be submitted for adoption to the Annual Meeting of shareholders on 5 May 2011. 29 April 2011 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 29 March 2011

Peter Jessen Jürgensen
Chairman

Bernt Ingman

Anne-Marie Pålsson

William Striebe

Philippe Delpech

Harald Link

Joen Magnusson
Managing Director

Our Audit Report was submitted on 30 March 2011

Mikael Eriksson
Authorised Public Accountant
Auditor in charge

Cecilia Dorselius
Authorised Public Accountant

sek k	Remaining operation 2010	2009
Operating income, etc		
Net sales	5 044 303	4 757 746
Change in work-in-progress and finished products	1 415	–484
Other operating income	11 310	10 225
Total income, etc	5 057 028	4 767 487
Operating expenses		
Raw materials and necessities	–139 592	–138 222
Goods for resale	–3 332 012	–3 133 995
Other external costs	–400 541	–395 792
Remuneration of employees	–783 319	–763 955
Depreciation and write-down of intangible and tangible fixed assets	–41 004	–40 116
Other operating expenses	–16 588	–15 288
Operating profit	343 972	280 119
Result of financial investments		
Result of holdings in associated companies	8 000	7 400
Financial income	9 168	3 723
Financial expenses	–16 138	–20 705
Profit before taxes	345 002	270 537
Tax on the year's profit	–86 285	–78 471
Net profit for the year	258 717	192 066
Attributable to:		
The parent company's shareholders	259 685	192 066
Non-controlling interests	–968	—
The year's profit per share, sek[1]	12.25	9.39
Dividend per share, sek[2]		

1) No dilution exists
2) For 2010, in accordance with the Board of Directors' proposal

THE GROUP'S REPORT ON TOTAL RESULTS

sek k	Remaining operation 2010	2009
Net profit for the year	258 717	192 066
Other total results		
Exchange rate differences	–176 698	–1 027
Revaluation of financial assets available for sale	93 525	—
Other total results for the year	–83 173	–1 027
Total profit for the year	175 544	191 039
Attributable to:		
The parent company's shareholders	176 505	191 039
Non-controlling interests	–961	

Divested operation 2010	Divested operation 2009	Total 2010	Total 2009	Note
141 742	505 404	5 186 045	5 263 150	5
—	—	1 415	–484	
144 425	29 468	155 735	39 693	7
286 167	534 872	5 343 195	5 302 359	
—	—	–139 592	–138 222	
–92 755	–338 533	–3 424 767	–3 472 528	
–16 699	–63 105	–417 240	–458 897	8, 9
–28 505	–105 612	–811 824	–869 567	6
–1 698	–5 562	–42 702	–45 678	18, 19
–240	–1 510	–16 828	–16 798	
146 270	20 550	490 242	300 669	
—	—	8 000	7 400	21
58	459	9 226	4 182	11
–211	–1 650	–16 349	–22 355	12
146 117	19 359	491 119	289 896	
–1 303	–5 427	–87 588	–83 898	14
144 814	13 932	403 531	205 998	15
144 814	13 932	404 499	205 998	
—	—	–968	—	
6.83	0.68	19.08	10.07	16
		8.00	6.50	17

Divested operation 2010	Divested operation 2009	Total 2010	Total 2009	Note
144 814	13 932	403 531	205 998	
—	–102	–176 698	–1 129	
—	—	93 525	—	22
—	–102	–83 173	–1 129	
144 814	13 830	320 358	204 869	
144 814	13 830	321 319	204 869	
		–961		

sek k	*2010-12-31*	*2009-12-31*	*Note*
Assets			
Fixed assets			
Intangible fixed assets	782 390	910 988	18
Tangible fixed assets	214 295	248 638	19
Holdings in associated companies	40 865	39 588	21
Financial assets available for sale	514 665	93 529	22
Deferred tax recoverable	31 280	31 503	29
Trade debtors and other receivables	51 563	41 733	23
Total fixed assets	1 635 058	1 365 979	
Current assets			
Inventories	1 175 387	1 204 210	24
Trade debtors and other receivables	978 870	1 087 329	23
Income taxes recoverable	4 964	15 581	
Liquid funds	174 307	333 775	25
Total current assets	2 333 528	2 640 895	
Total assets	3 968 586	4 006 874	
Shareholders' equity			
Equity and reserves which can be attributed to the parent company's shareholders			
Share capital	371 685	371 685	26
Other contributed capital	901 172	901 172	
Reserves	17 855	101 035	
Profit brought forward	1 068 366	801 638	
Total	2 359 078	2 175 530	
Non-controlling interests	– 386	—	
Total equity	2 358 692	2 175 530	
Liabilities			
Long-term liabilities			
Borrowing	211 421	369 241	28, 33
Other long-term liabilities	2 953	817	
Deferred tax liabilities	67 514	57 268	29
Pension commitments	24 888	28 333	30, 34
Other provisions	7 325	8 635	31
Total long-term liabilities	314 101	464 294	
Current liabilities			
Trade creditors and other liabilities	920 930	946 532	32
Borrowing	333 350	336 414	28, 33
Current tax liabilities	22 943	44 011	
Other provisions	18 570	40 093	31
Total current liabilities	1 295 793	1 367 050	
Total liabilities	1 609 894	1 831 344	
Total liabilities and equity	3 968 586	4 006 874	

	Attributable to the parent company's shareholders				*Non-controlling interests*	*Total equity*	*Note*
sek k	*Share capital*	*Other contri-buted capital*	*Reserves*	*Profit brought forward*			
Shareholders' equity on 2008-12-31	217 752		102 164	670 036	—	989 952	
Net profit for the year				205 998		205 998	
Exchange rate differences			– 1 129			– 1 129	
Total, other total result	—	—	– 1 129	—	—	– 1 129	
Total result	—	—	– 1 129	205 998	—	204 869	
Dividend for 2008				– 74 396		– 74 396	17
New issue	153 933	901 604				1 055 537	
Issue costs		– 432				– 432	
	153 933	901 172	—	– 74 396	—	980 709	
Shareholders' equity on 2009-12-31	371 685	901 172	101 035	801 638	—	2 175 530	
Net profit for the year				404 499	– 968	403 531	
Exchange rate differences			– 176 705		7	– 176 698	
Revaluation of financial assets available for sale[1]			93 525			93 525	22
Total, other total result	—	—	– 83 180	—	7	– 83 173	
Total result	—	—	– 83 180	404 499	– 961	320 358	
Dividend for 2009				– 137 771		– 137 771	17
Acquisition of non-controlling interests					575	575	
	—	—	—	– 137 771	575	– 137 196	
Shareholders' equity on 2010-12-31	371 685	901 172	17 855	1 068 366	– 386	2 358 692	

1) Deferred tax expense is included with SEK 33.4M.

sek k	*2010*	*2009*	*Note*
Current operations			
Operating profit	490 242	300 669	
Adjustments for items not included in the cash flow:			
Depreciation and write-downs			
of intangible and tangible fixed assets	42 702	45 678	
Change in pension, guarantee and other provisions	– 15 517	– 14 713	
Capital result on sale of fixed assets	1 032	205	
Capital gain, divestment of Beijer Tech	– 140 000	—	
Issue costs	—	– 432	
Total	378 459	331 407	
Received interest and dividend	15 949	4 182	
Paid interest	– 16 349	– 22 355	
Paid income tax	– 117 225	– 78 618	
Cash flow from current operations before changes in working capital *	260 834	234 616	
Changes in working capital *			
Change in inventories	– 143 243	139 071	
Change in operating receivables	– 82 049	89 407	
Change in operating liabilities	111 078	– 43 990	
Cash flow from current operations	146 620	419 104	
Investment operations			
Acquisition of tangible and intangible fixed assets	– 33 008	– 57 938	18, 19
Liquid funds in acquired operations	38	36 466	35
Sale of operations	38 700	—	36
Acquisition of operations	– 3 279	– 47 120	35
Sale of tangible fixed assets	641	8 548	
Repayment of shareholders' contributions in associated companies	—	1 617	21
Cash flow from investment operations *	3 092	– 58 427	
Financial operations			
Raising of loans / Amortisation of liabilities	– 156 943	– 52 211	
Paid dividend to shareholders	– 137 771	– 74 396	
Investment by owners with no controlling interests	575	—	
Cash flow from financial operations *	– 294 139	– 126 607	
Change in liquid funds	– 144 427	234 070	
Exchange rate difference, liquid funds	– 13 368	– 4 676	
Liquid funds on 1 January	333 775	104 381	
Liquid funds on 31 December	174 307	333 775	25
***) of which divested operations:**			
Cash flow from current operations before changes in working capital	4 219	19 923	
Change in working capital	9 311	18 309	
Cash flow from investment operations	– 407	– 23 139	
Cash flow from financial operations	– 9 673	– 16 292	

sek k	*2010*	*2009*	*Note*
Operating income, etc			
Other operating income	—	25	7
Total income	—	25	
Operating expenses			
Other external costs	– 9 101	– 9 290	8
Personnel costs	– 9 079	– 8 218	6
Depreciation and write-down of intangible and tangible fixed assets	– 461	– 241	18, 19
Operating profit	– 18 641	– 17 724	
Result of financial investments			
Result of participations in Group companies and associated companies	311 172	75 803	10
Financial income	4 087	9 407	11
Financial expenses	– 4 183	– 10 070	12
Profit after financial investments	292 435	57 416	
Appropriations			
Appropriations	246	– 74	13
Profit before taxes	292 681	57 342	
Tax on the year's profit	4 623	4 649	14
Net profit for the year	297 304	61 991	15

PARENT COMPANY'S REPORT ON TOTAL RESULTS

sek k	*2010*	*2009*
Net profit for the year	297 304	61 991
Other total results		
Received Group contribution	4 587	21 287
Paid Group contribution	– 3 630	– 3 179
Tax effect of Group contribution	– 251	– 4 763
Other total results for the year	706	13 345
Total profit for the year	298 010	75 336

PARENT COMPANY BALANCE SHEET

sek k	2010-12-31	2009-12-31	Note
Assets			
Fixed assets			
Intangible fixed assets			
Capitalised expenditure for software	1 095	—	18
Total intangible fixed assets	1 095	—	
Tangible fixed assets			
Equipment, tools and installations	688	909	19
Total tangible fixed assets	688	909	
Financial fixed assets			
Participations in Group companies	1 087 542	1 175 330	20
Holdings in associated companies	8 133	8 133	21
Other long-term securities holdings	306 450	—	22
Deferred taxes recoverable	4 372	—	29
Receivables from Group companies	142 552	142 552	
Total financial fixed assets	1 549 049	1 326 015	
Total fixed assets	1 550 832	1 326 924	
Current assets			
Current receivables			
Receivables from Group companies	89 287	475 814	
Other current receivables	1 657	1 552	
Prepaid expenses and accrued income	317	489	
Total current receivables	91 261	477 855	
Cash and bank			
Cash and bank	44	68	
Total current assets	91 305	477 923	
Total assets	1 642 137	1 804 847	
Equity and liabilities			
Shareholders' equity			
Restricted equity			
Share capital	371 685	371 685	26
Total restricted equity	371 685	371 685	
Non-restricted equity			
Share premium reserve	901 604	901 604	
Profit brought forward	20 778	95 852	
Net profit for the year	297 304	61 991	
Total non-restricted equity	1 219 686	1 059 447	
Total equity	1 591 371	1 431 132	
Untaxed reserves			27
Tax allocation reserves	—	1 185	
Accumulated accelerated depreciation	1 171	232	
Total untaxed reserves	1 171	1 417	
Liabilities			
Long-term liabilities			
Long-term interest-bearing liabilities to Group companies	—	6 105	
Other long-term interest-bearing liabilities	—	95 500	28
Total long-term liabilities	—	101 605	
Current liabilities			
Bank overdraft facilities	27 665	98 414	28
Other current interest-bearing liabilities	—	148 386	28
Trade creditors	183	1 041	
Liabilities to Group companies	6 321	17 647	
Other liabilities	543	459	
Accrued expenses and prepaid income	4 437	4 746	
Other provisions	10 446	—	31
Total current liabilities	49 595	270 693	
Total equity and liabilities	1 642 137	1 804 847	
Pledged assets	72 569	72 569	33
Contingent liabilities	528 284	420 676	34

sek k	*Share capital*	*Non-restricted equity*	*Total equity*	*Note*
Equity on 2008-12-31	217 752	157 335	375 087	
Net profit for the year		61 991	61 991	
Received Group contribution		21 287	21 287	
Paid Group contribution		– 3 179	– 3 179	
Tax effect of Group contribution		– 4 763	– 4 763	
Total, other total result	—	13 345	13 345	
Total result	—	75 336	75 336	
Dividend for 2008		– 74 396	– 74 396	17
New issue	153 933	901 604	1 055 537	
Issue costs		– 432	– 432	
	153 933	826 776	980 709	
Equity on 2009-12-31	371 685	1 059 447	1 431 132	
Net profit for the year		297 304	297 304	
Received Group contribution		4 587	4 587	
Paid Group contribution		– 3 630	– 3 630	
Tax effect of Group contribution		– 251	– 251	
Total, other total result	—	706	706	
Total result	—	298 010	298 010	
Dividend for 2009		– 137 771	– 137 771	17
	—	– 137 771	– 137 771	
Equity on 2010-12-31	371 685	1 219 686	1 591 371	

sek k	*2010*	*2009*
Current operations		
Operating profit	– 18 641	– 17 724
Adjustment for items not included in the cash flow:		
Depreciation and write-downs of intangible and tangible fixed assets	461	241
Result on sale of fixed assets	—	– 25
Issue costs	—	– 433
Total	– 18 180	– 17 941
Received Group contributions	962	18 108
Received interest and dividend	210 590	94 407
Paid interest	– 4 183	– 10 070
Paid income tax	– 114	– 335
Paid shareholders' contributions	—	– 9 000
Cash flow from current operations before changes in working capital	189 075	75 169
Changes in working capital		
Change in operating receivables	328 881	– 42 234
Change in operating liabilities	– 13 037	14 355
Cash flow from current operations	504 919	47 290
Investment operations		
Acquisition of intangible and tangible fixed assets	– 1 335	– 958
Sale of operations	38 700	—
Acquisition of subsidiaries	—	– 17 521
Sale of tangible fixed assets	—	534
Repayment of shareholders' contributions in associated companies	—	1 617
Cash flow from investment operations	37 365	– 16 328
Financial operations		
Raising of loans	—	43 371
Amortisation of liabilities	– 404 537	—
Paid dividend	– 137 771	– 74 396
Cash flow from financial operations	– 542 308	– 31 025
Change in cash and bank	– 24	– 63
Cash and bank on 1 January	68	131
Cash and bank on 31 December	44	68

Note 1
General information

G & L Beijer AB (the parent company) and its subsidiaries (taken together, the Group) imports agency products from leading international manufacturers and manufactures own products, and combines this with service and support relating to the products. The Group has subsidiaries in large parts of Europe and in South Africa and Thailand.

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

These consolidated accounts were approved for publication by the Board of Directors on 29 March 2011.

Note 2
Applied reporting and valuation principles

General reporting principles

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

Implementation of new reporting principles

New and amended standards applied by the Group

The Group has applied the following new and amended IFRS from 1 January 2010.

IFRS 3 (revised), 'Business combinations', and ensuing amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Holdings in associated companies', and IAS 31, 'Participations in joint ventures', shall be applied, future-oriented, where the date of acquisition falls in the first financial year starting 1 July 2009 or later.

The revised standard continues to prescribe that acquisition accounting is applied for business combinations but with some significant amendments. For example, all payments for acquiring an operation are reported at actual value on the date of acquisition, including conditional considerations which have been classified as liability and which have, thereafter, been revalued via the profit and loss account. Holdings with no controlling influence in the acquired operation can for every acquisition be valued, optionally, either at actual value or at the proportional share of the net assets of the acquired operation. All acquisition-related costs are written off.

IAS 27 (revised) demands that the effects of all transactions with holders with no controlling interest are reported in shareholders' equity, as long as the controlling interest remains, and these transactions no longer give rise to goodwill or gains and losses. The standard also states that when a parent company loses its controlling influence, any remaining share shall be revalued at actual value in the profit and loss account.

IAS 38 (amended), 'Intangible assets', (applies to financial years starting 1 January 2010 or later). The amendment gives guidance in determining the actual value of an intangible asset acquired in a business combination and which permits reporting of a group of assets as a sole asset if the individual assets have similar periods of use.

IAS 36 (amendment), 'Write-downs', applies to financial years starting 1 January 2010 or later. The amendment makes clear that the largest cash-generating unit (or group of units) on which goodwill shall be distributed with the aim of assessing the need for write-down is an operating segment in accordance with the definition in item 5 in IFRS 8, 'Operating segments' (i.e. before merger of segments with similar economic properties).

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

When preparing the consolidated accounts at 31 December 2010, several standards and interpretations have been published which have not yet come into force. Below follows a preliminary assessment of the impact the introduction of these standards and pronouncements can have on G & L Beijer's financial reports:

IFRS 9, 'Financial instruments' (published in November 2009). This standard is the first step in the process to replace IAS 39, 'Financial instruments: valuation and classification'. IFRS 9 introduces two new requirements for valuation and classification of financial assets and will, probably, influence the Group's reporting of financial assets. The standard is not applicable before financial years starting 1 January 2013 but is available for premature application. However, the standard has not yet been adopted by the EU.

The Group has yet to evaluate the full impact of IFRS 9 on the financial reports. However, initial indications are that it could influence the Group's reporting of financial assets other than shares in the category 'financial assets which can be sold' as IFRS 9 only permits the reporting of actual-value gains or losses in other total results if they are attributable to shareholdings not held for trading. Actual-value gains or losses which, for example, emanate from interest-bearing instruments in the category 'available for sale' will, therefore, be reported directly in the profit and loss account. In the current reporting period, the Group has such gains of SEK 93.6K after tax in other total results.

IAS 24 (revised), 'Information about related parties', issued in November 2009. It replaces IAS 24, 'Information about related parties', issued in 2003. IAS 24 (revised) shall be applied for financial years starting 1 January 2011 or later. Premature application is permitted both for the whole and for specific parts of the standard.

The revised standard clarifies and simplifies the definition of a related party and removes the requirements for a company closely associated with the Government to give information about details for all transactions with the Government and other companies closely associated with the Government. The Group will apply the revised standard from 1 January 2011. When the revised standard is applied, the Group will be required to give information about transactions between the Group's companies and the Group's associated companies. The Group is currently implementing a system for collecting the necessary information. It is, therefore, not possible at the present time to give information about any effect of the revised standard for information about related parties.

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

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

as goodwill. If the acquisition cost is less than the actual value of the acquired subsidiary's net assets, the difference is reported direct in the profit and loss account.

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

Acquisition-related costs are written off when they arise. Identifiable acquired assets and liabilities taken over in a business combination are initially valued at actual values on the date of acquisition. For every acquisition, the Group determines if all holdings with no controlling influence in the acquired company are reported at actual value or at the holding's proportional share of the net assets of the acquired company. The amount by which the purchase price, holding with no controlling influence and actual value on the date of acquisition of previous shareholdings exceeds the actual value of the Group's share of identifiable acquired net assets is reported as goodwill. If the amount is less than the actual value of the acquired subsidiary's net assets, such as in the event of a 'bargain purchase', the difference is reported direct in the profit and loss account.

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

(b) Transactions with holders with no controlling influence

For transactions during the 2009 financial year and earlier, the Group applies the principle to report transactions with minority owners as transactions with a third party. On acquisition of minority shares where the consideration paid exceeds the acquired share of the reported value of the subsidiary's net assets, the difference is reported as goodwill. On divestments to minority owners, where the received consideration differs from the reported value of the share of the net assets divested, a gain or loss arises. This gain or loss is reported in the profit and loss account.

For transactions relating to the 2010 financial year and future-oriented, the Group treats transactions with holders with no controlling influence as transactions with the Group's shareholders. On acquisition from holders with no controlling influence, the difference between paid consideration and actual acquired share of the reported value of the subsidiary's net assets is reported in shareholders' equity. Gains and losses on divestments to holders with no controlling influence are also reported in shareholder's equity.

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

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

(c) 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.

(d) Operations under divestment

Operations under divestment consist of major parts of operations and assets which the Group, wholly or mainly, has decided to divest or has divested through sale or distribution. These assets are reported at the lower of reported value and actual value with deduction for selling expenses. Depreciation is not made on these fixed assets from the date of reclassification.

Reporting for segments

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

Classification, etc

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

Valuation principles, etc

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

Intangible assets

Intangible assets acquired by the company are reported at their acquisition value less accumulated depreciation and write-downs with the exception of what relates to goodwill which is reported at acquisition value less accumulated write-downs. Expenditure for internally generated goodwill and 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 acquisition values less residual values, if any. Depreciation is made in a straight line over the period of use of the asset and is reported as a cost in the profit and loss account. The residual values and period of use is tested on every balance sheet date and adjusted when required.

Research and development

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

(a) it is technically possible to complete the intangible asset so that it can be used,

(b) the Executive Management intends to complete the intangible asset and use or sell it,

(c) there are conditions for using or selling the intangible asset,

(d) it can be shown how the intangible asset will generate probable future financial benefits,

(e) adequate technical, financial or other resources for completing the development and for using or selling the intangible asset are available, and

(f) the expenditure attributable to the intangible asset during its development can be calculated in a reliable way.

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

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

Goodwill is distributed on cash-generating units on an assessment of any need for a write-down.

The following amortisation periods are applied:

	Group	*Parent company*
Acquired intangible assets:		
Computer programs	3-5 years	3 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. Depreciation is based on acquisition values less estimated residual value. Depreciation is made in a straight line over the estimated use of the asset. The assets' residual values and period of use are tested on every balance sheet date and adjusted when required.

The following depreciation periods are applied:

	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

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

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

Write-down of non-financial assets

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

When calculating the value of use, future cash flows are discounted at an interest rate 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 at fair value through profit and loss; loans and receivables; financial instruments held to maturity; and financial assets available for sale. The classification is dependent on the objective for which the instruments were acquired. The Executive Management determines the classification of the instruments at the first reporting. In the 2010 Annual Report there are financial assets of the loans and receivables, and financial assets available for sale categories.

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

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

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

Write-downs of financial assets

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

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

Inventories

Inventories are entered at the lower of acquisition value and net sales value. The acquisition value is calculated in accordance with the 'first-in, first-out' principle or in accordance with weighted average prices. 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 as a component in 'Other total result' or directly against shareholders' equity. In such instances, the tax is also reported in 'Other total result' and shareholders' equity respectively. Current tax is tax calculated on taxable profit for the period. To this also belongs adjustment of current tax attributable to previous periods.

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

Deferred taxes recoverable are reported to the extent it is likely that future fiscal surpluses will be available, against which the temporary differences can be utilised. Deferred tax is calculated on temporary differences which arise on participations in subsidiaries and associated companies, except where the date for reversal of the temporary difference can be controlled by the Group and it is likely that the temporary difference will not be reversed in the foreseeable future.

Provisions (with the exception of deferred tax)
A provision is reported in 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.

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

Remuneration of employees

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

In 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 there is stated the amount for the pension benefit an employee receives after retirement. This is usually based on one or several factors such as age, period of service and salary. The Group carries a risk of ensuring that the payments undertaken are made. The 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 30.

When determining the current value of the commitment and the actual value of the managed assets, actuarial profits and losses could arise. These arise either because the actual outcome is different from the previous assumption or because assumptions change. The portion of the accumulated actuarial profits and losses at the previous year's end which exceeds 10 per cent of the commitments' current value and 10 per cent of the managed assets' actual value – whichever is higher – is reported in the result over the anticipated average remaining period of service for the employees covered by the 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 2010 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, there-

fore, reported as a contribution-based scheme. The year's contributions for pension insurance schemes subscribed in Alecta amount to SEK 2.7M (6.4). Alecta's surplus can be distributed to the policy holders and/or the insured. At the 2010 year end, Alecta's surplus in the form of the collective consolidation level amounted to 146 per cent (141). 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. No benefits fall due later than 12 months after the end of the reporting period.

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. No significant financial lease contracts exist.

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, are 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 are translated at the average exchange rate and
c. all exchange rate differences which arise are reported as a separate component in 'Other total result'.

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

Goodwill and adjustments of actual value which arise on the acquisition of a foreign operation are treated as assets and liabilities in this operation and translated at the balance sheet date rate.

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

Related parties transactions
Information about the Board of Directors', the Managing Director's and other senior executives' salaries and other remuneration, costs and obligations relating to pensions and similar benefits, agreements made relating to severance pay is outlined in Note 6. Other transactions with related parties appear in Note 37.

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 Shareholders' 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. Shareholders' 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 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.

Financial instruments by category in the Group

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

31/12 2010	*Loan receivables and trade debtors*	*Financial assets which can be sold*	*Total*
Assets in the balance sheet			
Financial assets which can be sold		514 665[1)]	514 665
Trade debtors and other receivables	1 030 433		1 030 433
Liquid funds	174 307		174 307
Total	1 204 740	514 665	1 719 405

31/12 2010	*Other financial liabilities*	*Total*
Liabilities in the balance sheet		
Liabilities to credit institutions	253 001	253 001
Bank overdraft facilities	291 770	291 770
Trade creditors and other liabilities	920 930	920 930
Total	1 465 701	1 465 701

1) Of which 433,350 is valued at actual value in accordance with level 1. The value is based on the current bid rate for listed shares. See also Note 22.

Market risk

Currency risks

The Group is exposed to transaction risks on acquisitions/sales and financial transactions in foreign currency. The currency exposure relates primarily to the EUR and USD. Quotations and price lists 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 individual large transactions with a fixed price for the customer. In some cases, trade creditors are also hedged. 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 Switzerland, Rumania and Hungary where equity hedge exists. The arisen exchange rate difference compared with the previous year is shown in note 15. On the balance sheet date, the Group had no outstanding forward exchange agreements or other 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 has a large focus on the current 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 AB's Board of Directors.

Credit risk

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

Liquidity risk

The handling of liquidity risks is made with prudence as the starting point. This involves maintaining sufficient liquid funds, available financing and through sufficient agreed bank overdraft facilities. On the balance sheet date, liquid funds including unutilised bank overdraft facilities totalled SEK 478.4M (537.6). In addition, there are limits granted by the Group's banks to cover the working capital requirement which may arise. Further informtion is presented in Note 28.

Capital risk

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

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

Group	*2010*	*2009*
Interest-bearing liabilities	569 659	733 988
Liquid funds	-174 307	-333 775
Net debt	395 352	400 213
Shareholders' equity	2 358 692	2 175 530
Net debt ratio	0.17	0.18

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 See also Note 18.

Assessments are made to determine both actual and deferred tax assets or liabilities. In this connection, the probability that the deferred taxes recoverable will be utilised for settlement against future taxable profits is assessed. See also Note 29.

The value of the pension obligations for benefit-based pension schemes is based on actuarial calculations on the basis of assumptions of discounting interest rates, anticipated return on assets held for investment purposes, future salary increases, inflation and demographic conditions.

With regard to legal disputes and contingent liabilities, the Group uses the services of external legal expertise in these matters. According to assessments made, the Group is not involved in any legal disputes which could have a significant effect on the operations or the financial position.

Calculations of other provisions are based on assumptions and estimates of the date and cost for the obligation. This type of cost is calculated from, for example, the actual position in the negotiations with the parties involved.

Note 5 Reporting for segments

Operations

Up to and including the first quarter of 2010 the Group was 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. On 19 March, the Beijer Tech business area was divested. See also Note 36.

The division into segments is determined by the products and, therefore, the customers they address. Beijer Ref carries out its operation through wholesale operations, sale of air conditioning, and manufacturing, of which the wholesale operation is the largest operation. 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.

	Beijer Ref		*Beijer Tech (Divested operation)*		*Group*	
	2010	*2009*	*2010*	*2009*	*2010*	*2009*
Revenues						
External sales	5 044 303	4 757 746	141 742	505 404	5 186 045	5 263 150
Total revenues	5 044 303	4 757 746	141 742	505 404	5 186 045	5 263 150
Results						
Result by operation	365 848	299 308	6 270	20 550	372 118	319 858
Capital gain, sale of Beijer Tech			140 000	—	140 000	—
Undistributed costs					– 21 876	– 19 189
Operating profit	365 848	299 308	146 270	20 550	490 242	300 669
Result of holdings in associated companies					8 000	7 400
Financial income					9 226	4 182
Financial expenses					– 16 349	– 22 355
Tax on the year's profit					– 87 588	– 83 898
Net profit for the year					403 531	205 998
Other information						
Assets	3 597 925	3 858 569	—	292 569	3 597 925	4 151 138
Undistributed assets					370 661	– 144 264
Total assets					3 968 586	4 006 874
Liabilities	2 785 308	2 994 227	—	247 240	2 785 308	3 241 467
Undistributed liabilities					– 1 175 414	– 1 410 123
Total liabilities					1 609 894	1 831 344
Investments in fixed assets	31 673	55 773	458	945		
Depreciation	40 543	39 871	1 698	5 562		

Geographic regions

The Group's operations are mainly carried out in Europe and South Africa.
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*	
Remaining operations	*2010*	*2009*	*2010*	*2009*	*2010*	*2009*
France	997 266	939 267	663 399	819 969	1 774	4 291
The Netherlands	650 978	622 025	336 990	345 801	3 731	11 800
South Africa	532 837	408 717	436 313	439 728	1 662	2 426
United Kingdom	470 688	402 359	255 210	218 397	6 208	3 041
Switzerland	434 460	448 858	464 223	462 867	2 212	6 091
Sweden	352 274	333 662	423 246	472 109	9 433	14 320
Denmark	344 601	364 772	321 969	362 009	868	2 847
Italy	270 278	231 523	279 070	329 516	592	1 158
Spain	203 167	200 401	129 925	147 697	516	170
Norway	185 546	195 476	112 689	122 026	1 783	7 916
Finland	154 122	157 397	59 268	65 171	248	701
Poland	88 207	81 673	58 866	47 105	421	160
Belgium	86 546	89 320	38 366	49 311	48	11
Hungary	44 792	42 255	40 542	38 148	561	550
Other European countries	174 597	139 922	149 657	150 700	903	291
Rest of the world	53 944	100 119	1 957	—	713	—
Total remaining operations	5 044 303	4 757 746	3 771 690	4 070 554	31 673	55 773
Divested operation	141 742	505 404	—	416 137	458	945
Total	5 186 045	5 263 150	3 771 690	4 486 691	32 131	56 718
Undistributed assets/Eliminations			196 896	– 479 817		
Total assets			3 968 586	4 006 874		

Note 6 Employees and remuneration of employees

Average number of employees

Remaining operations	*2010*	*of whom men*	*2009*	*of whom men*
Parent Company				
Sweden	4	75%	4	75%
Total in Parent Company	4	75%	4	75%
Subsidiaries				
South Africa	306	87%	281	85%
France	275	81%	267	79%
Sweden	185	87%	200	87%
United Kingdom	171	67%	154	71%
The Netherlands	160	81%	157	81%
Switzerland	100	76%	99	76%
Norway	82	87%	83	87%
Spain	70	74%	63	78%
Italy	65	86%	56	84%
Denmark	61	79%	61	79%
Hungary	28	64%	30	67%
Poland	27	85%	26	81%
Finland	25	76%	26	73%
Belgium	23	68%	22	71%
Czech Republic	16	63%	16	63%
Romania	16	81%	12	92%
Slovakia	9	56%	10	30%
Estonia	8	88%	8	88%
Ireland	7	71%	8	75%
Lithuania	6	83%	4	100%
Latvia	5	80%	5	80%
Botswana	4	25%	—	—
Namibia	4	100%	—	—
Total in subsidiaries	1 653	80%	1 587	80%
Total remaining operation	1 657	80%	1 591	80%
Divested operation	175		174	
Total Group	1 832		1 765	

Salaries, other remuneration and social costs (sek k)

	2010			*2009*		
	Salaries & other remuneration	*Social costs*	*Total remuneration to employees*	*Salaries & other remuneration*	*Social costs*	*Total remuneration to employees*
Remaining operation						
Parent company [1]	7 897	4 495	12 392	7 728	4 080	11 808
(of which pension costs) [2]	—	(1 654)	(1 654)	—	(1 531)	(1 531)
Subsidiaries	609 876	161 051	770 927	600 936	151 208	752 144
(of which pension costs)	—	(42 116)	(42 116)	—	(46 991)	(46 991)
Total remaining operation	617 773	165 546	783 319	608 664	155 288	763 952
(of which pension costs) [3]	—	(43 770)	(43 770)	—	(48 522)	(48 522)
Divested operation						
Total remuneration to employees			28 505			105 615
Total Group			811 824			869 567

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 1,076K (1,030) relate to the Board of Directors and the Managing Director.
3) Of the Group's pension costs, SEK 4,767K (4,306) relate to the Board of Directors and the Managing Director.

Salaries, other remuneration and social costs distributed by country

Remaining operations	*2010*	*2009*
Parent company	12 392	11 808
Subsidiaries		
France	142 957	153 150
Sweden	107 141	107 854
The Netherlands	92 713	83 557
Switzerland	83 408	82 427
South Africa	73 421	56 736
United Kingdom	56 529	55 980
Norway	52 623	50 820
Denmark	39 368	43 493
Italy	39 291	33 032
Spain	25 418	24 556
Belgium	15 066	15 252
Finland	14 370	16 017
Poland	7 863	7 319
Hungary	4 427	5 006
Ireland	3 006	4 440
Czech Republic	3 740	3 905
Estonia	3 335	3 244
Romania	2 245	1 669
Lithuania	1 282	1 027
Namibia	662	—
Slovakia	697	1 592
Latvia	1 023	1 068
Botswana	342	—
Total subsidiaries	770 927	752 144
Total remaining operation[1]	783 319	763 952
Divested operation		
Total remuneration to employees	28 505	105 615
Total Group	811 824	869 567
1)		
of which Board and MD incl bonus, etc	66 119	56 733
of which other employees incl bonus, etc	717 200	707 219

Benefits for senior executives

For 2010, a director's fee of SEK 340K was paid to the Chairman and SEK 215K to each of the other Board Members with the exception of Board Members employed in G & L Beijer or in the Carrier group, to whom no remuneration has been paid. The Board consists of six men and one woman. The Managing Director, Joen Magnusson, has received a salary, remuneration and other benefits amounting to SEK 4,214K (4,074) including a bonus payment of SEK 303K (290). 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, all men, consisted of the Chief Financial Officer, the Head of the Beijer Ref business area and, for January-March 2010, the Head of the Beijer Tech business area. They received salary, remuneration and other benefits amounting to SEK 5,180K (6,133) including bonus payments of SEK 333K (438). Pension solutions to other senior executives are contribution-based and average 24 per cent of salary including bonus payment. Where notice of termination is given by the company, these executives will receive 12 months' salary and a 24 per cent contribution to a pension insurance plan. One of the senior executives will, in addition to 12 months' salary on notice of termination, receive 12 months' severance pay. Notice of termination by the Managing Director or other senior executives does not trigger any severance pay. On new employment, there is no deduction of severance pay.

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

Note 7 Other operating income

Group	2010	2009
Exchange gains	5 043	3 589
Rents	4 394	4 156
Capital gain	503	97
Commission	93	60
Other	1 277	2 323
Total	11 310	10 225
Parent company		
Capital gain	–	25
Total	–	25

Note 8 Remuneration of auditors

Group	2010	2009
PwC		
Audit assignment	5 648	5 986
Audit business in addition to audit assignment	232	244
Tax consultancy	468	274
Other services	970	595
Total*	7 318	7 099
Other auditors		
Audit assignment	730	1 096
Audit business in addition to audit assignment	–	–
Tax consultancy	69	42
Other services	796	19
Total	1 595	1 157
Total	8 913	8 256
*) of which divested operation	–	462
Parent company		
PwC		
Audit assignment	868	789
Audit business in addition to audit assignment	232	244
Tax consultancy	147	–
Other services	371	281
Total	1 618	1 314

Note 9 Lease contracts

Group	2010	2009
The year's leasing cost	95 209	99 482
Leasing charge which falls due		
- within 1 year	76 416	79 528
- within 1-5 years	137 141	142 419
- later than 5 years	56 599	85 363

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

Note 10 Results of participations in Group companies and associated companies

Parent company	2010	2009
Dividends received, Group companies	199 780	85 000
Dividends received, associated companies	6 723	–
Capital gain, sale of participations in Beijer Tech	163 457	–
Write-down, Group companies	– 58 788	– 9 197
Total	311 172	75 803

The parent company has received dividends of SEK 90,000K from G & L Beijer Ref AB, SEK 50,992K from GFF SA, SEK 58,788K from Beijer Ref Luxembourg Holding and a dividend of SEK 6,723K from Förvaltnings AB Norra Vallgatan which is an associated company.

Note 11 Financial income

Group	2010	2009
Interest income	8 147	4 222
Exchange gain/loss	1 021	– 458
Capital loss	–	– 241
Total	9 168	3 723
Parent company		
Interest income, Group companies	2 210	9 262
Interest income, external	9	8
Exchange gain	1 868	137
Total	4 087	9 407

Note 12 Financial expenses

Group	2010	2009
Interest expenses	– 14 176	– 16 780
Exchange loss	– 307	– 2 756
Other	– 1 655	– 1 169
Total	– 16 138	– 20 705
Parent company		
Interest expenses, Group companies	– 1 327	–
Interest expenses, external	– 2 856	– 10 070
Total	– 4 183	– 10 070

Note 13 Appropriations

Parent company	2010	2009
Tax allocation reserve, the year's change	1 185	–
Difference between book depreciation and depreciation according to plan		
– Equipment, tools and installations	– 939	– 74
Total	246	– 74

Note 14 Tax on the year's profit

Group	2010	2009
Current tax	– 95 580	– 82 323
Deferred tax (note 29)	9 295	3 852
Tax on the year's profit	– 86 285	– 78 471
Reconciliation of effective tax		
Profit before taxes	345 002	270 537
Tax expense calculated according to actual tax rate, 26.3%	– 90 736	– 71 151
Effect of different tax rates	– 3 698	– 3 361
Non-deductible costs	– 7 449	– 7 230
Non-taxable income	8 657	3 948
Tax attributable to previous years	1 968	– 527
Utilised loss carry forwards, not previously reported	5 212	454
Other	– 239	– 603
Net effective tax	– 86 285	– 78 470
Effective tax rate	25,0%	29,0%
Parent company		
Current tax	—	4 649
Deferred tax (note 29)	4 623	—
Tax on the year's profit	4 623	4 649
Reconciliation of effective tax		
Profit before taxes	292 681	57 342
Tax expense calculated according to actual tax rate, 26.3%	– 76 975	– 15 081
Non-deductible costs	– 240	– 2 626
Non-taxable income	81 838	22 356
Net effective tax	4 623	4 649
Effective tax rate	– 1,6%	– 8,1%

Deferred tax expense in total result amounts to SEK 33.4M and is attributable to revaluation of financial assets available for sale.

Note 15 Currency effect in result

Group	2010	2009
Currency effect in operating profit	5 043	3 589
Currency effect in financial income and expenses	714	– 3 214
Currency effect in profit after tax	5 757	375
Parent company		
Currency effect in financial income and expenses	1 868	137
Currency effect in profit after tax	1 868	137

Note 16 Profit per share

	2010	2009
Profit attributable to the parent company's shareholders	259 685	192 066
Weighted average number of outstanding shares	21 195 515	20 462 503
Profit per share, sek*	12,25	9,39

*) No dilution exists.

Note 17 Dividend per share

Dividends paid during 2010 and 2009 amounted to SEK 137,771K (SEK 6.50 per share) and SEK 74,396K (SEK 6.00 per share) respectively. A dividend of SEK 8.00 per share for 2010, SEK 169,564K in total, will be proposed at the Annual Meeting of shareholders on 5 May 2011.

Note 18 Intangible fixed assets

Capitalised expenditure for software

Group

Accumulated acquisition values	*2010*	*2009*
On 1 January	83 553	41 997
Acquisitions during the year	4 685	5 730
Acquisition of companies	—	39 309
Divested operation	– 5 174	—
Reclassification	—	– 727
The year's translation differences	– 6 008	– 2 756
Total	77 056	83 553
Accumulated amortisation		
On 1 January	– 70 345	– 36 045
Acquisition of companies	—	– 34 070
Divested operation	4 854	—
The year's amortisation	– 4 863	– 5 870
Reclassification	—	716
The year's translation differences	9 227	4 924
Total	– 61 127	– 70 345
Residual value	15 929	13 208

Capitalised expenditure for research and development, etc

Group

Accumulated acquisition values	*2010*	*2009*
On 1 January	12 461	11 766
Acquisitions during the year	1 154	1 046
Reclassification	—	– 351
The year's translation differences	– 7	—
Total	13 608	12 461
Accumulated amortisation		
On 1 January	– 6 375	– 4 858
The year's amortisation	– 1 910	– 1 761
Reclassification	—	244
The year's translation differences	8	—
Total	– 8 277	– 6 375
Residual value	5 331	6 086

Capitalised expenditure for research and development, etc

Group

Accumulated acquisition values	*2010*	*2009*
On 1 January	77 495	22 128
Acquisition of companies	—	54 500
Adjustment of acquisition calculation	—	2 089
Divested operation	– 14 349	—
Reclassification	—	351
The year's translation differences	– 7 468	– 1 573
Total	55 678	77 495
Accumulated amortisation		
On 1 January	– 7 318	– 3 377
Divested operation	4 403	—
The year's amortisation	– 2 013	– 4 267
Reclassification	—	371
The year's translation differences	– 360	– 45
Total	– 5 288	– 7 318
Residual value	50 390	70 177

Goodwill

Group

Accumulated acquisition values	*2010*	*2009*
On 1 January	821 517	545 068
Acquisition of companies	1 576	290 984
Adjustment of acquisition calculation	– 6 107	—
Divested operation	– 65 724	—
Reclassification	—	– 615
The year's translation differences	– 40 522	– 13 920
Residual value	710 740	821 517

Examination of need for write-down of goodwill

Examination of the need for write-down of goodwill has been based on the segment Beijer Ref as a whole.

Goodwill	*2010*	*2009*
Beijer Ref	710 740	755 794
Beijer Tech	—	65 723
Total	710 740	821 517

The recoverable amount for a cash-generating unit is determined based on calculations of value of use. These calculations are based on estimated future cash flows which, in turn, are based on financial budgets approved by the Executive Management for the immediate year. Thereafter, estimates have been made by the business area's management, which have been approved by the Executive Management, and which cover a five-year period. Cash flows beyond the five-year period are extrapolated with the aid of estimated growth and future profitability development. The most important variables for the calculation of value of use are operating margin and growth. These are estimated based on sector experience and historic experience. A sensitivity analysis shows that an increase in the discount rate by one percentage point reduces the recovery value by 13 per cent. A prudent margin remains to the book value.

The discount rate, which amounts to 7.05 per cent after tax, has been determined with the aid of current tools for the calculation of the yield requirements on capital and the weighted average of the yield 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	*2010*	*2009*
On 1 January	995 026	620 959
Acquisitions during the year	5 839	6 776
Acquisition of companies	1 576	384 793
Adjustment of acquisition calculation	– 6 107	2 089
Divested operation	– 85 247	—
Reclassification	—	– 1 342
The year's translation differences	– 54 005	– 18 249
Total	857 082	995 026
Accumulated amortisation		
On 1 January	– 84 038	– 44 280
Acquisition of companies	—	– 34 070
Divested operation	9 257	—
The year's amortisation	– 8 786	– 11 898
Reclassification	—	1 331
The year's translation differences	8 875	4 879
Total	– 74 692	– 84 038
Residual value	782 390	910 988

Capitalised expenditure for software

Parent company

Accumulated acquisition values	*2010*	*2009*
On 1 January	706	706
Acquisitions during the year	1 314	—
Total	2 020	706
Accumulated amortisation		
On 1 January	– 706	– 706
The year's amortisation	– 219	—
Total	– 925	– 706
Residual value	1 095	—

Note 19 Tangible fixed assets

Buildings and land

Group

Accumulated acquisition values	*2010*	*2009*
On 1 January	194 035	125 764
Acquisitions during the year	54	1 411
Acquisition of companies	—	79 270
Divested operation	– 1 909	—
Divestments and disposals	—	– 8 333
The year's translation differences	– 16 648	– 4 077
Total	175 532	194 035
Accumulated amortisation		
On 1 January	– 78 535	– 46 629
Acquisition of companies	—	– 34 351
Divested operation	1 602	—
The year's depreciation	– 5 009	– 4 379
Divestments and disposals	—	3 326
The year's translation differences	7 500	3 498
Total	– 74 442	– 78 535
Residual value	101 090	115 500
Of which land	5 255	6 087
Book values, Sweden	26 794	28 046
Tax assessment values, buildings, Sweden	21 148	21 469
Tax assessment values, land, Sweden	7 234	7 234

Machinery and other technical plant

Group

Accumulated acquisition values	*2010*	*2009*
On 1 January	121 326	99 968
Acquisitions during the year	3 090	13 946
Acquisition of companies	1 861	8 852
Divestments and disposals	– 2 089	– 4 963
Reclassification	3 998	—
The year's translation differences	– 4 736	3 523
Total	123 450	121 326
Accumulated amortisation		
On 1 January	– 89 392	– 79 903
Acquisition of companies	– 1 536	– 7 392
The year's depreciation	– 5 776	– 5 103
Divestments and disposals	1 761	4 946
Reclassification	– 3 430	—
The year's translation differences	3 506	– 1 940
Total	– 94 867	– 89 392
Residual value	28 583	31 934

Equipment, tools and installations

Group

Accumulated acquisition values	*2010*	*2009*
On 1 January	331 178	257 245
Acquisitions during the year	21 805	33 600
Acquisition of companies	48	70 558
Divested operation	– 38 744	—
Divestments and disposals	– 9 408	– 24 112
Reclassification	459	7
The year's translation differences	– 24 659	– 6 120
Total	280 679	331 178
Accumulated amortisation		
On 1 January	– 232 190	– 177 557
Acquisition of companies	– 19	– 55 087
Divested operation	28 850	—
The year's depreciation	– 21 433	– 24 935
Divestments and disposals	8 106	20 383
Reclassification	– 173	4
The year's translation differences	17 435	5 002
Total	– 199 424	– 232 190
Residual value	81 255	98 988

Construction in progress

Group	*2010*	*2009*
On 1 January	2 216	40
Accrued expenses during the year	2 220	2 205
Translation difference	– 215	– 29
Reclassification	– 854	—
Residual value	3 367	2 216

Total tangible fixed assets

Group

Accumulated acquisition values	*2010*	*2009*
On 1 January	648 755	483 017
Acquisitions during the year	27 169	51 162
Acquisition of companies	1 909	158 680
Divested operation	– 40 653	—
Divestments and disposals	– 11 497	– 37 408
Reclassification	3 603	7
The year's translation differences	– 46 258	– 6 703
Total	583 028	648 755
Accumulated amortisation		
On 1 January	– 400 117	– 304 089
Acquisition of companies	– 1 555	– 96 830
Divested operation	30 452	—
The year's depreciation	– 32 218	– 34 417
Divestments and disposals	9 867	28 655
Reclassification	– 3 603	4
The year's translation differences	28 441	6 560
Total	– 368 733	– 400 117
Residual value	214 295	248 638

Equipment, tools and installations

Parent company

Accumulated acquisition values	*2010*	*2009*
On 1 January	1 826	1 751
Acquisitions during the year	21	959
Divestments and disposals	– 99	– 884
Total	1 748	1 826
Accumulated amortisation		
On 1 January	– 917	– 1 050
The year's depreciation	– 242	– 241
Divestments and disposals	99	374
Total	– 1 060	– 917
Residual value	688	909

Note 20 Participations in Group companies

Parent company

Accumulated acquisition values	*2010*	*2009*
On 1 January	1 175 330	102 469
Write-down	– 58 788	– 9 197
Divestment	– 29 000	—
Acquisitions	—	1 073 058
Shareholders' contribution	—	9 000
Total	1 087 542	1 175 330

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 2010*	*Book value 2009*
G & L Beijer Förvaltning AB	556020-8935	Malmö	20 000	100		703	703
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
Beijer Ref Luxembourg Holding	B 142 574	Luxemburg	127	100		402 627	461 415
GFF SA	552130296	Lyon	282 120	100		611 643	611 643
Delmo SA	49360517	Villeurbaunne	10 800	100			
G & L Beijer A/S	56813616	Ballerup			100		
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		
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		
ECR Poland Sp.z.o.o	299981	Warzaw			100		
Max Cool Sia	344341	Riga			100		
UAB Beijer Ref, Lithuania	1177481	Vilnius			100		
Werner Kuster AG	280.3.001.874-3	Frenkendorf			100		
Charles Hasler AG	020.3.911.192-5	Regensdorf			100		
Paulus AG	280.3.914.612-1	Aesch Basel			100		
Dean & Wood Ltd	467637	Leatherhead			100		
Dean & Wood Ireland	299353	Dublin			100		
Coolmark bv	24151651	Barendrecht			100		
Uniechemie B.V.	8032408	Apeldoorn			100		
ECR Nederland BV	17014719	Nuenen			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 Zámky			100		
Fridanair s.r.o.	16734874	Plzen			100		
ECR Italy SpA	728980152	Milan			100		
Frigoram Commerciale SpA	7202290156	Milan			100		
ECR Belgium BVBA	0807.473.926	Aartselaar			100		
Metraclark South Africa Propriety Ltd	2008/016731/07	Johannesburg			100		
Beijer ECR Iberica S.L.	1883/09	Madrid			100		
Beijer B. Grimm (Thailand) Ltd	105537024313	Bangkok			49		
Divested operation						—	29 000
Total Group						1 087 542	1 175 330

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

Note 21 Holdings in associated companies

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

Group	2010	2009
Balance on 1 January	39 588	33 805
Dividends received	– 6 723	—
Repayment of shareholders' contribution	—	– 1 617
Share of profit after tax	8 000	7 400
Balance on 31 December	40 865	39 588

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

	2010	2009
Assets	96 620	93 735
Liabilities	10 298	10 110
The year's profit	16 899	15 631
Ownership, %	47	47

Parent company	2010	2009
Balance on 1 January	8 133	9 750
Repayment of shareholders' contribution	—	– 1 617
Balance on 31 December	8 133	8 133

Note 22 Financial assets available for sale

During the year, financial assets available for sale have been added via the divestment of Beijer Tech where parts of the consideration consisted of shares in the acquiring company, Beijer Alma.

	2010	2009
Balance on 1 January	93 529	-
Acquisitions	-	93 529
Increase via divestment of operation	306 450	-
Gains posted against shareholders' equity	126 900	-
Exchange rate differences	-12 214	-
Balance on 31 December	514 665	93 529

Financial assets available for sale are included in listed securities with a book value amounting to SEK 433M (0). This holding is valued at actual value. In addition, there are holdings in unlisted securities with a book value amounting to SEK 81M (94). It has not been possible to calculate the actual value of these securities at 31 December 2010 in a reliable way and a valuation has, therefore, been made at the Group's acquisition value. There is no observable market data and G & L Beijer has not been given access to information which can form the basis for an estimation relating to anticipated cash flows. The holding in the unlisted securities exceeds a share of votes of 20 per cent. This holding is not classified as an associated company as no significant influence can be deemed to exist. An opportunity to exercise significant influence is not deemed to exist as the Group has no representation on the board of directors or any form of opportunity to influence the company's financial and operational strategies. None of the financial assets are deemed to be in need of a write-down.

Financial assets available for sale are expressed in the following currencies:

	2010	2009
EUR	81 315	93 529
SEK	433 350	-
	514 665	93 529

Note 23 Trade debtors and other receivables

Group	2010	2009
Trade debtors	851 016	950 192
Prepaid expenses and accrued income	64 418	65 867
Other receivables	114 999	113 003
On 31 December	1 030 433	1 129 062
Minus long-term portion	– 51 563	– 41 733
Short-term portion	978 870	1 087 329

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	2010	2009
Balance on 1 January	47 054	17 640
Costs for bad debt losses	– 20 899	– 16 078
Acquisition of companies	—	32 870
Divested operation	– 436	—
Allocated during the period	29 058	12 622
Balance on 31 December	54 777	47 054

Note 24 Inventories

Group	2010	2009
Raw materials and supplies	58 854	51 997
Work-in-progress	19 741	12 497
Finished products and goods for resale[1]	1 095 465	1 139 050
Advances to suppliers	1 327	666
Total inventories	1 175 387	1 204 210
1) Of which reported to net sales value	53 907	44 396

Note 25 Liquid funds

Liquid funds in the Group consist of cash and bank and amounted to SEK 174,307K (333,775).

Note 26 Share capital

Number of shares	2010	2009
A shares with number of votes 10	1 653 120	1 653 120
B shares with number of votes 1	19 585 995	19 585 995
Total	21 239 115	21 239 115
Shares in own custody	– 43 600	– 43 600
Number of outstanding shares	21 195 515	21 195 515

Each share has a nominal value of SEK 17.50.

Note 27 Untaxed reserves

Parent company	2010	2009
Tax allocation reserves	—	1 185
Accumulated accelerated depreciation	1 171	232
Total*	1 171	1 417

*) The tax portion amounts to 26.3 per cent

Note 28 Borrowing

Group

Long-term	*2010*	*2009*
Bank loans	211 421	369 241
Total long-term	211 421	369 241
Current		
Bank overdraft facilities	291 770	147 494
Bank loans	41 580	188 920
Total current	333 350	336 414
Total borrowing	544 771	705 655
Due dates for long-term borrowing are as follows:		
Between 1 and 5 years	211 421	369 241
	211 421	369 241

Parent company

Long-term	*2010*	*2009*
Bank loans	—	95 500
Total long-term	—	95 500
Current		
Bank overdraft facilities	27 665	98 414
Bank loans	—	148 386
Total current	27 665	246 800
Total borrowing	27 665	342 300
Due dates for long-term borrowing are as follows:		
Between 1 and 5 years	—	95 500
	—	95 500

The Group's borrowing by currency is as follows:

SEK	245 874	319 346
CHF	145 164	189 689
GBP	64 775	38 510
EUR	38 336	108 354
DKK	27 665	34 260
NOK	9 550	10 570
Other currencies	13 407	4 926
	544 771	705 655

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

Note 29 Deferred tax

Group	*Amount on 2008 12-31*	*Acquisitions/ Divestments*	*Reported over the profit and loss account*	*Translation differences*	*Amount on 2009 12-31*	*Acquisitions/ Divestments*	*Reported over the profit and loss account*	*Reported over total result*	*Translation differences*	*Amount on 2010 12-31*
Deferred tax recoverable:										
Fixed assets	1 648	150	– 125	5	1 678	—	4 611	—	– 398	5 891
Trade debtors	2 982	4 376	– 1 271	223	6 310	– 182	385	—	– 458	6 055
Inventories	845	1 310	– 404	287	2 038	– 1	79	—	– 58	2 058
Provision for pensions	4 298	—	– 268	—	4 030	– 72	37	—	– 172	3 823
Other provisions	4 694	1 473	– 1 011	605	5 761	– 34	– 11	—	– 140	5 576
Other liabilities	—	2 137	7 371	– 47	9 461	—	1 104	—	– 1 055	9 510
Loss carry forwards	544	—	2 076	–375	2 245	– 158	3 233[1]	– 251[1]	– 64	5 005
Set-off	– 7 449	—	7 429	—	–20	—	– 6 618	—	—	– 6 638
Total deferred tax recoverable	7 562	9 446	13 797	698	31 503	– 447	2 820	– 251	– 2 345	31 280
Deferred tax liabilities:										
Fixed assets	– 13 947	– 19 441	– 3 254	967	– 35 675	1 310	– 799	– 33 375	2 598	– 65 941
Inventories	– 2 592	– 5 938	– 793	– 132	– 9 455	701	511	—	447	– 7 796
Untaxed reserves	– 13 922	—	2 038	– 274	– 12 158	11 598	145	—	—	– 415
Set-off	7 449	—	– 7 429	—	20	—	6 618	—	—	6 638
Total deferred tax liabilities	– 23 012	– 25 379	– 9 438	561	– 57 268	13 609	6 475	– 33 375[2]	3 045	– 67 514
Deferred tax	– 15 450	– 15 933	4 359[3]	1 259	– 25 765	13 162	9 295	– 33 626	700	– 36 234

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

1) Of the parent company's deferred tax recoverable of SEK 4,372K, SEK 4,623K (0) is reported via the profit and loss account and SEK -251K (0) over the total result.

2) Deferred tax expense in the total result amounts to SEK 33,375K and is attributable to revaluation of financial assets available for sale.

3) Of the Group's deferred tax of SEK 4,359K, SEK 3,852K relates to remaining operations and SEK 507K to divested operations.

Note 30 Pension commitments

Group	2010	2009
Benefit-based commitments and value of managed assets		
Wholly or partly invested commitments:		
Current value of benefit-based commitments	75 605	74 716
Actual value of managed assets	– 59 296	– 51 731
Total wholly or partly invested commitments	16 309	22 985
Net value of floating benefit-based commitments	18 045	21 493
Net commitments before adjustments	34 354	44 478
Adjustments:		
Accumulated unreported actuarial profits (+)	225	998
and losses (-)	– 9 691	– 17 143
Net amount in the balance sheet (commitment +, asset -)	24 888	28 333
The net amount is reported in the following item in the balance sheet:		
Pension commitments	24 888	28 333
Net amount in the balance sheet (commitment +, asset -)	24 888	28 333
The net amount is distributed on schemes in the following countries:		
Sweden	3 420	4 197
Norway	6 077	5 854
The Netherlands	2 194	3 235
France	3 714	4 129
Italy	9 482	10 919
Pension cost		
Benefit-based schemes		
Cost for pensions earned during the year	4 573	3 402
Interest expense	3 361	3 664
Anticipated yield on managed assets	– 2 840	– 2 991
Actuarial profits(-) and losses(+)reported during the year	50	– 35
Profits(-) or losses(+) on reductions and regulations	—	36
Cost, benefit-based schemes	5 144	4 076
Cost, contribution-based schemes	38 626	52 118
Payroll tax	2 179	3 847
Total cost for payments after ended employment	45 949	60 041
Of which divested operation	1 918	7 673
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 2010	28 333	14 670
Cost for benefit-based schemes	5 144	4 033
Payments	– 615	– 4 759
Employer's contribution	– 2 938	—
Effects of acquired operations	—	15 005
Changed commitments in pension schemes	—	1 998
Exchange rate differences	– 5 036	– 2 614
Net amount on 31 December 2010	24 888	28 333
Yield on managed assets		
Actual yield on managed assets	2 855	4 877
Anticipated yield on managed assets	2 840	2 991
Actuarial result for managed assets during the period	14	1 886
Actuarial assumptions		
The following significant actuarial assumptions have been applied on calculation of the commitments:		
Discount rate, %	3.5-5.5	3.5-5.5
Anticipated yield on managed assets, %	4.5-5.4	4.5-5.7
Future increases in salaries, %	1.4-4.3	1.5-4.5
Future increases in pensions, %	1.3-4.0	1.4-4.0

The Dutch benefit-based pension schemes cover, in principle, all employees and are based on the average salary during the period of employment. The pension schemes in France and Italy are reported as benefit-based pension schemes. One of three plans contains assets held for investment purposes.

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

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

Note 31 Other provisions

Group	2010	2009
Guarantee commitments	6 493	5 650
Restructuring reserves	—	29 077
Other	19 402	14 001
Total	25 895	48 728
Long-term portion	7 325	8 635
Current portion	18 570	40 093
Total	25 895	48 728
Guarantee commitments		
Net value at the start of the period	5 650	7 905
Provisions made during the period	3 394	304
Amounts utilised during the period	– 1 048	– 1 222
Restored unutilised amount	– 904	– 1 157
Divested operation	– 124	—
Translation difference	– 475	– 180
Net value at the period end	6 493	5 650
Restructuring reserve		
Net value at the start of the period	29 077	—
Acquisitions of companies	—	53 429
Amounts utilised during the period	– 25 283	– 22 663
Translation difference	– 3 794	– 1 689
Net value at the period end	—	29 077
Other information		
Net value at the start of the period	14 001	408
Acquisitions of companies	—	11 016
Provisions made during the period	17 153	2 585
Amounts utilised during the period	– 9 755	—
Divested operation	– 662	—
Translation difference	– 1 335	– 8
Net value at the period end	19 402	14 001

Guarantee reserve

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

Restructuring reserve

In February 2009, Carrier ARW's distribution operation was acquired. In the acquired units, a number of restructuring programmes were ongoing. These programmes were completed in 2010.

Parent company	2010	2009
Other current provisions	10 446	—
Total	10 446	—
Other provisions		
Net value at the start of the period	—	—
Provisions made during the period	10 446	—
Net value at the period end	10 446	—

Note 32 Trade creditors and other liabilities

Group	2010	2009
Trade creditors	615 573	625 987
Advances from customers	3 201	4 106
Accrued expenses and prepaid income	207 933	210 785
Other current liabilities	94 223	105 654
Total	920 930	946 532

Note 33 Pledged assets

Group *For own liabilities and provisions*	2010	2009
Shares	586 408	669 371
Floating charges	13 540	44 140
Property mortgages	—	3 875
Total	599 948	717 386
Parent company		
For own liabilities and provisions		
Shares in subsidiaries	72 569	72 569
Total	72 569	72 569

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

Note 34 Contingent commitments/ Contingent liabilities

Group	2010	2009
Undertakings towards pension institutions	6 129	4 182
Total	6 129	4 182
Parent company		
Guarantees in favour of Group companies	528 284	420 676
Total	528 284	420 676

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

Note 35 Acquisition of companies

2010
No significant acquisitions were carried out during the year.
A small acquisition was made during the year when G & L Beijer together with B.Grimm Ltd acquired the assets in Carrier Corporation's refrigeration wholesale operation in Thailand. The operation is expected to report sales of SEK 130M and has around 50 employees. It was indirectly owned in equal parts by Carrier and B.Grimm Ltd. The owner of B.Grimm Ltd is Harald Link, who is a Board Member of G & L Beijer AB. Beijer's share of the purchase price amounts to SEK 28M and refers to the net assets in the company. G & L Beijer has controlling interest over the company. The acquisition has not had any influence on G & L Beijer's sales or results during 2010 and, therefore, no further information has been given.

2009
During the year, 13 new companies were acquired, of which the majority were included in the acquisition of Carrier ARW. The acquired ownership has been 100 per cent in all cases. The total consideration for the year's acquisitions amounts to SEK 1,100M. 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 2,300M. Total annual sales in the acquired units amount to approximately SEK 2,550M. The acquisitions are also described in the Directors' Report.
Of the total consideration of SEK 1,100M, SEK 164M 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.

Carrier ARW

	Reported value in the acquired companies before the acquisition	*Actual value adjust-ment*	*Actual value in the Group*
Goodwill	165 743	108 799	274 542
Other intangible assets	5 239	52 000	57 239
Tangible fixed assets	60 852	0	60 852
Financial fixed assets	139 460	0	139 460
Inventories	609 437	0	609 437
Other current assets	595 816	0	595 816
Liquid funds	31 742	0	31 742
Deferred tax liability	–173	–15 760	–15 933
Interest-bearing loans	–51 013	0	–51 013
Other operating liabilities	–629 084	0	–629 084
	928 019	145 039	1 073 058

Effect on the cash flow	
Purchase price	1 073 058
Not paid purchase price	–1 055 537
Liquid funds in acquired companies	–31 742
	–14 221

Other

	Reported value in the acquired companies before the acquisition	*Actual value adjust-ment*	*Actual value in the Group*
Goodwill	0	16 442	16 442
Other intangible assets	0	2 500	2 500
Tangible fixed assets	1 000	0	1 000
Inventories	7 192	0	7 192
Other current assets	6 051	0	6 051
Liquid funds	4 723	0	4 723
Other operating liabilities	–8 309	0	–8 309
	10 657	18 942	29 599

Effect on the cash flow	
Purchase price	29 599
Liquid funds in acquired companies	–4 723
	24 876

Note 36 Divested operations

During the first quarter of 2010, G & L Beijer divested its Beijer Tech business area to Beijer Alma. G & L Beijer received a consideration of 2.7 million newly-issued B shares in Beijer Alma and SEK 38.7M in cash. In total, the transaction is valued at approximately SEK 345M and G & L Beijer's capital gain amounted to SEK 140M. The divestment of Beijer Tech was a move forward in the consolidation of G & L Beijer towards the strongly growing refrigeration wholesale operation. As a result of the transaction, G & L Beijer became a significant shareholder in Beijer Alma. Beijer Tech's sales amounted to SEK 141.8M (140.1) for the first quarter of 2010 and the average number of employees was 175. Operating profit amounted to SEK 6.3M (6.5). See the consolidated profit and loss account for further information where the divestment and its consequences are shown separately. The divestment is similarly disclosed in the cash flow reporting and in the total results.

Note 37 Transactions with related parties

The purchase of goods is made on normal commercial terms and conditions from Carrier which is an owner company. During the year, purchases to the value of SEK 55.5M were made. Sales to Carrier are similarly made on commercial terms. During the year, sales to a value of SEK 88.4M were made.

Remuneration of senior executives is reported in Note 6.

G & L Beijer AB has acquired the assets in Carrier Corporation's refrigeration wholesale operation in Thailand through Beijer Ref. The operation is estimated to report sales of SEK 130M and has around 50 employees. It was indirectly owned by Carrier and B.Grimm Ltd. The owner of B.Grimm Ltd is Harald Link who is a Board Member of G & L Beijer. Carrier owns 41.3 per cent of the capital in G & L Beijer and has two representatives on the Board of Directors who do not participate in the decision-making process in matters relating to acquisitions from Carrier.

The acquisition was carried out through the formation of a jointly-owned company, Beijer B.Grimm (Thailand) Ltd. Beijer's share amounts to 49 per cent of the shares and more than 50 per cent of the votes. The remaining portion is owned by B.Grimm Ltd. See also Note 35 Acquisition of companies.

Note 38 Events after the balance sheet date

G & L Beijer AB has made a small acquisition by acquiring the Italian SCM Frigo group, which reports annual sales of approximately SEK 220M. SCM Frigo, designs, develops and builds chillers. The operation has 70 employees. The company is at the forefront of technical development of refrigeration units for new environment-friendly solutions. The vendors are the current management. G & L Beijer has initially acquired 51 per cent of the shares in SCM Frigo with an option to acquire the remaining 49 per cent. SCM Frigo is included in G & L Beijer's accounts from 1 January 2011. The acquisition has not had any influence on G & L Beijer's sales or results during 2010 and, therefore, no further information has been given.

On 24 March 2010, G & L Beijer AB divested its entire holding of 2.7 million shares in Beijer Alma, equivalent to 9.0 per cent of capital and 4.5 per cent of votes. After the transaction, G & L Beijer holds no shares in Beijer Alma.

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

We have audited 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 (publ) for the year 2010. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 29-65. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs 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. Those standards require that we plan and perform the audit to obtain reasonable 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 used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated 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 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 give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statement 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 statutory administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Malmö, 30 March 2011
PricewaterhouseCoopers AB

Mikael Eriksson
Authorised Public Accountant
Auditor in charge

Cecilia Dorselius
Authorised Public Accountant

sek m	*2010*	*2009*	*2008*	*2007*	*2006*
Sales and results [1]					
Net sales	5 044.3	4 757.8	2 714.1	2 520.6	2 018.2
Other operating income, etc	12.7	9.7	36.1	4.6	10.7
Operating expenses excluding amortisation and depreciation	–4 672.1	–4 447.3	–2 469.9	–2 252.9	–1 867.8
Amortisation and depreciation	–41.0	–40.1	–29.6	–29.1	–29.0
Operating profit	344.0	280.1	250.7	243.2	132.1
Net interest income and expenses	–7.0	–17.0	–20.3	–22.8	–19.2
Other financial income and expenses	8.0	7.4	9.4	10.3	6.4
Profit before taxes and non-controlling interests	345.0	270.5	239.8	230.7	119.3
Taxes	–86.3	–78.4	–51.9	–55.2	–33.8
Profit for the year	258.7	192.1	187.9	175.5	85.5
Attributable to:					
Parent company's shareholders	259.7	192.1	187.9	175.1	85.3
Non-controlling interests	–1.0	—	—	0.3	0.2
Capital structure					
Cash and bank including unutilised bank overdraft facilities	478.4	537.6	192.7	199.4	184.7
Shareholders' equity	2 358.7	2 175.5	990.0	726.9	536.4
Capital employed [2]	2 931.3	2 910.3	1 712.0	1 429.1	1 105.2
Capital employed in operations [3]	2 201.5	2 443.4	1 573.8	1 322.2	1 027.2
Interest-bearing liabilities	569.7	734.0	722.0	698.8	565.4
Total assets	3 968.6	4 006.9	2 218.8	1 985.1	1 542.1
Key figures [4]					
Equity ratio, % [5]	59.4	54.3	44.6	36.6	34.8
Return on equity after full tax, % [6]	17.6	12.1	21.9	27.8	16.8
Return on capital employed, % [7]	17.2	12.6	17.2	20.3	12.8
Return on capital employed in operations, % [8]	20.8	13.9	17.3	20.7	12.8
Interest coverage ratio [9]	22.4	14.1	8.8	9.5	6.8
Debt ratio [10]	0.2	0.3	0.7	1.0	1.1
Profit margin, % [11]	9.6	5.7	8.8	9.2	5.9
Other information [1]					
Average number of employees	1 657	1 591	852	780	714
of whom outside Sweden	1 468	1 387	630	550	503
Payroll excluding social security contributions	617.8	608.7	338.7	295.0	253.3
of whom outside Sweden	534.0	526.2	255.9	210.0	176.6
Investments intangible and intangible fixed assets including acquisitions	36.3	1 132.5	64.2	262.9	28.2

Definitions

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

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ANNUAL MEETING

The Annual Meeting of shareholders will be held at 3 pm on Thursday 5 May 2011 in Hilton Malmö City, Triangeln 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 29 April 2011. 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 29 April 2011 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 8.00 per share for the 2010 financial year and 10 May 2011 as the record day. Payment is expected to be remitted by Euroclear on 13 May 2011.

Financial information 2011

- The Interim Report for the first quarter will be published on 4 May 2011.
- The Interim Report for the second quarter will be published on 18 July 2011.
- The Interim Report for the third quarter will be published on 21 October 2011.
- The Year-End Report for 2011 will be published in February 2012.
- The Annual Report for 2011 will be published in April 2012.

- *Graphic Production:* G & L Beijer AB
- *Graphic symbols:* ID kommunikation ab
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