ANNUAL REPORT 2014

BUFAB

2015 Annual General Meeting

The Annual General Meeting (AGM) of Bufab Holding AB (publ) will be held on Tuesday, 5 May 2015, at 2:00 pm at Gamla Gummifabriken, Jönköpingsvagen 15/Magasingatan, in Värnamo, Sweden. Pursuant to the articles of association, notice of the AGM will posted in the Swedish National Gazette and on the company's website no earlier than six weeks and no later than four weeks prior to the AGM. An announcement that notice has been given will be published in the Swedish daily Svenska Dagbladet. The information provided below about the AGM does not constitute legal notice of the meeting.

REGISTRATION OF PARTICIPATION

Shareholders who intend to attend at the Annual General Meeting must:

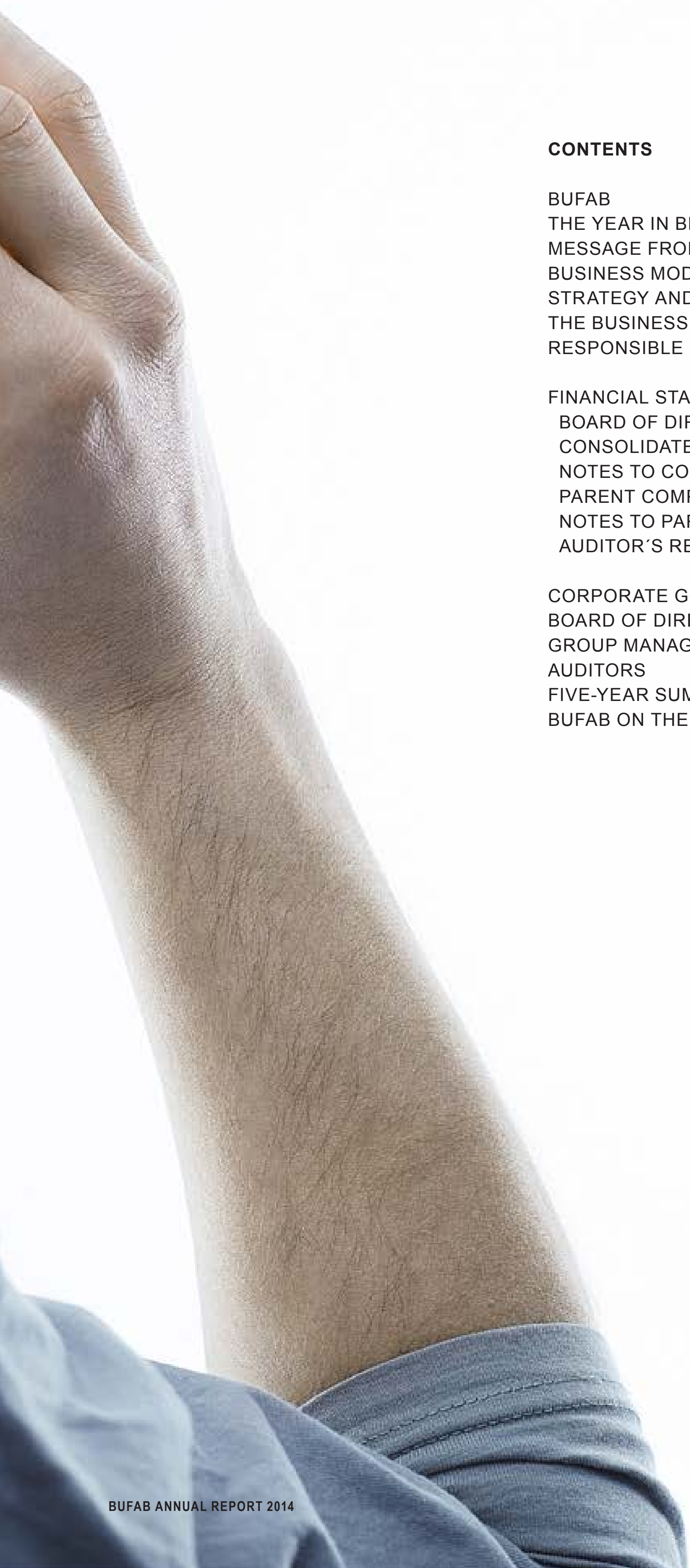
• firstly be registered in the register of shareholders as maintained by Euroclear Sweden AB on 28 April 2015, and

• secondly notify the company of their intention to attend no later than 28 April 2015, by mail to Bufab Holding AB, Box 2266, SE-331 02 Värnamo, or by telephone at +46 370 696900, or via e-mail at arsstamma@bufab.com and must include information of the number of assistants that will be attending.

The notification should include the shareholder's name, personal or company registration number, address and telephone number. The data received will be computerized and used solely for the purpose of the Annual General Meeting 2015.

For shareholders wishing to participate through an authorised representative, the company will provide proxy templates on the company's website, www.bufab.com. Shareholders participating through an authorised representative should submit the proxy to the above address prior to the date of the Annual General Meeting.

Shareholders whose shares are registered in the names of bank or other nominees must temporarily register the shares in their own name in order to be entitled to attend the Annual General Meeting. To ensure that such registration is made by 28 April 2015 shareholders must inform the nominee well in advance of that date.



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Bufab

Bufab is a trading company that offers its customers a full-service solution as Supply Chain Partner for sourcing, quality control and logistics for C-Parts (screws, nuts, washers, etc.). Bufab's customer offering, Global Parts Productivity™, aims to enhance the productivity of the customer's C-Parts value chain, reducing their total costs for C-Parts. Bufab has a diversified customer base in several geographies and sectors within the manufacturing industry.

Bufab was founded in 1977 in Småland, Sweden and has over time developed into an international company with operations in 23 countries. The company, headquartered in Värnamo, has approximately 800 employees who are mainly active within sales, sourcing, quality and logistics.

As a complement to its trading activities, Bufab also manufactures technically demanding C-Parts in-house at two plants in Sweden.

The year in brief

- **Net sales rose by 8 per cent to SEK 2,198 million. This was a 6 per cent increase when adjusted for currency effects.**
- **The adjusted operating profit totalled SEK 192 million, and was positively impacted by higher volumes, but negatively by higher operating costs.**
- **Earnings per share were SEK 2.94.**
- **The Board of Directors proposes a divided of SEK 1.50 per share for 2014.**
- **Bufab ownership expansion and IPO - the company's share was listed on the NASDAQ Stockholm exchange in February 2014.**

SEK millions	2014	2013	Change %
Net sales	2,198	2,031	8
Operating profit	174	201	-14
Operating margin, %	7.9	9.9	
Adjusted operating profit	192	203	-5
Adjusted operating margin, %	8.7	10.0	
Profit after tax	112	131	-14
Earnings per share, SEK	2.94	3.43	
Dividend*, SEK	1.50	n.a.	
Average number of employees	805	771	4

*Proposed by Board of Directors.
See page 43 for definitions.

Good growth and strengthened organisation, but a challenging end to the year

In 2014 our systematic growth efforts bore fruit, in the form of a higher market share and good sales growth.

At the beginning of the year, we saw a rise in underlying demand compared with the preceding year. However the market gradually weakened during the year, especially in Sweden. Given these circumstances, it was gratifying that we succeeded in increasing our market share in most of our markets. Net sales rose by over six per cent adjusted for currency effects.

During the first half of the year we continued to invest in growth. These investments, which are primarily expected to help sales in 2015 and 2016, mean higher costs. At the beginning of the year, the higher costs were compensated by strong growth. Profits therefore also showed satisfactory growth during the first half of the year. In the second half they deteriorated, primarily due to weaker growth, but also due to a sharp rise in the US dollar against the Swedish krona.

A stronger US dollar means higher sourcing costs for Bufab, which makes it necessary for us to raise our prices to our end customers. Accordingly, we began raising prices at the end of the year, while at the same time taking steps to cut costs within our manufacturing units and in administration. We achieved an operating margin of nearly nine per cent for the entire Group for 2014, which was one percentage point lower than the preceding year and not in line with our financial target of 12 per cent during an economic cycle. Earnings per share were slightly less than SEK 3 per share. In accordance with our dividend policy the Board of Directors proposes a dividend of SEK 1.50 per share to the AGM.

PROGRESS THANKS TO SYSTEMATIC WORK WITH OUR GROWTH STRATEGY

As always at Bufab, the foundation for our good growth in 2014 was how all of our team members focused on solving our customers' challenges, directly or indirectly. For us, the quality of our products and services and our customers' needs always come first. We regard ourselves as "solutionists".

We have been employing a simple, targeted growth strategy since 2012. Our strategy is based on three focus areas.

Accelerated organic growth

We have continued to refine and improve the marketing of our customer offering. We endeavour to offer more and more customers a full-service solution for the management of C-Parts. Ordinarily only 20 per cent of the total cost for C-Parts for our customers is made up of the actual component cost. The remaining 80 percent is made up of indirect costs that arise in the management of the parts — within the customer's purchasing or quality organisations, in manufacturing or in the logistics chain. Because Bufab provides an efficient sourcing function, a strong network of proven suppliers and convenient logistics solutions, we can help our customers reduce their indirect costs while improving quality and delivery precision. We call this Global Parts Productivity™.

We also continued to strengthen our sales organisation during the year at most of our subsidiaries, primarily within our International segment. We also strengthened our organisation for key global customers and certain important central functions, for example in the quality area. We believe that through these measures, we have laid the groundwork to continue strengthening our market position and gain market share. Since we have relatively long sales cycles and a new customer ordinarily starts out ordering relatively low volumes, we have not yet received the full benefit of our investments. But thanks to strong customer relationships, an entrepreneurial sales force in our subsidiaries and our customers' strong interest in the solutions we offer, we believe that we will be able to continue gaining market share going forward.

Another area we focused on in 2014 is the training and development of our salespeople and managers through the Bufab Academy. A large share of the Group's managers and key salespeople participated in programmes during the year. One example of a training topic is pricing. It is important for us to be able to demonstrate the benefits of our Global Parts Productivity™ customer offering, enabling us to set prices based on the total value we offer. Therefore, in 2014, we continued to strengthen our ability to always set the right price, for example through improved tools and processes and better follow-up. This is standing us in good stead now that we are being forced to raise prices to our end customers. As an importing company, we must compensate for the strong currency fluctuations that characterized the end of 2014 and have continued in 2015.

Our training programme is also part of our efforts to develop shared procedures and processes for our 30 subsidiaries. This is an important step in making Bufab more efficient. We believe in an organisation with independent subsidiaries but shared procedures and processes — the customer should always encounter the same Bufab, no matter which subsidiary they turn to. We call this "All of Bufab, All the Time".

Efficiency

Bufab supplies solutions intended to improve our customers' productivity. So of course we must continually work on improving our own efficiency.

An important part of our efficiency efforts is to continually improve our purchasing cost without compromising on quality or efficient logistics. We try to achieve this by consolidating the Group's purchase volumes to fewer and better suppliers with whom we can build strong relationships and who can therefore offer us favourable terms. This is a big job because Bufab has an extremely large number of articles from many suppliers, since it is part of our business concept to take over complex product ranges from our customers. Over the past two years, we have also improved processes, systems and our organisation in the purchasing area. For example we have expanded and professionalised our sourcing offices in China, Taiwan and India, as well as investing in new support systems in the areas of supplier and article management and quality. We have begun an initiative to organize our sourcing within global component

groups, so-called “commodities”, and to coordinate sourcing within each geographic region. The results of our efforts can be seen in an improved gross margin during the last two years. In 2015 we will sharpen our focus on efficiency even more.

Value adding acquisitions

The third focus area of our strategy is value adding acquisitions. Bufab has made a large number of acquisitions since it was founded. It’s natural for us, as a leading and successful player in a fragmented market, to acquire companies in order to strengthen our market position. We focus on well-managed companies that can achieve growth synergies with Bufab. We have a structured process for managing acquisition candidates, and since our IPO in 2014, we have returned our focus to this area.

We also completed the acquisition of the Dutch company Flos BV at the beginning of 2015. Flos BV is a well-managed company with strong technical expertise in specialized C-Parts. Specialized C-Parts is an area where we see growth as the manufacturing industry streamlines its manufacturing processes while aiming to produce unique products, so it is critical for Bufab to continue to grow this expertise.

CONTINUING ON THE SAME PATH – INCREASED FOCUS ON EFFICIENCY

Although the last quarter of 2014 was a challenging one, I can state confidently that our strategy is working. We will continue on the same path in 2015, although with an increased focus on efficiency. Underlying demand growth remaining cautious and exchange rates that are unfavourable to Bufab will put pressure on earnings at the beginning of 2015. However we intend to continue Bufab’s long-term favourable development by gaining market share and improving efficiency.

Jörgen Rosengren
President and CEO

Business Model

Bufab is a trading company that offers its customers a full-service solution as Supply Chain Partner for sourcing, quality control and logistics for C-Parts (screws, nuts, washers, etc.). With its broad range and extensive supplier network, Bufab offers its customers efficient sourcing and quality control management – which lowers customers' overall costs.

In the manufacturing industry, the components used in manufacturing are classified as A- and B-Parts and C-Parts. The components that make up the greatest share of a manufactured product's value are classified as A- and B-Parts, and are usually the most essential components in terms of a product's performance and characteristics. C-Parts are the least strategically important components, such as screws, nuts, washers, etc., and other similar simple products, and they make up a relatively small portion of customers' total component costs.

C-PARTS MANAGEMENT A CHALLENGE FOR THE MANUFACTURING INDUSTRY

Due to the relatively low value of C-Parts (both per component and in total) coupled with high volumes and a large number of suppliers, the indirect costs associated with C-Parts management are often high in relation to the cost of materials. The costs of potential deficiencies in C-Part quality and delivery precision can also be significant.

The efficient, practical management of C-Parts purchasing is therefore a challenge for the manufacturing industry. A rule of thumb in the industry is that the direct costs of C-Parts amount to about 20 per cent, while the indirect costs make up about 80 per cent.

BUFAB 'S OFFERING REDUCES CUSTOMERS' TOTAL COSTS

The customer's indirect costs concern costs for issues such as sourcing, design, logistics and management, warehousing and quality control. Bufab offers its customers an integrated full-service solution for these issues, making customers' management more efficient and allowing them to reduce their total cost. We call this business model Supply Chain Partner.

Bufab has a broad range of both standardised and specialized C-Parts from an extensive network of suppliers. This enables customers to cut the number of their C-Parts suppliers to one by partnering with Bufab.

The role of Supply Chain Partner entails a high level of integration with customers and long-term relationships. Bufab's ambition is to reduce its customers' total costs for C-Parts while delivering trustworthy quality control and delivery precision.

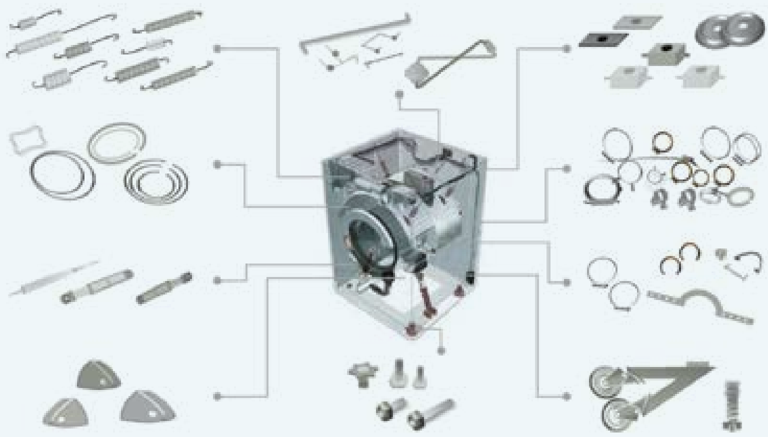
A FLEXIBLE COST STRUCTURE AND LOW INVESTMENT REQUIREMENTS

Bufab's business model involves a large share of variable costs, made up mainly of costs for C-Parts sourcing. Bufab's other costs are mainly attributable to employee and rent expenses that change with operational volume, though at a slower pace. The remaining share of the cost base is comprised of fixed costs.

As a trading company, Bufab's investment requirement is low and is expected to be less than two per cent of net sales in the next few years.

EXAMPLES OF C-PARTS USED IN MANUFACTURED PRODUCTS, WITH ESTIMATED COST ALLOCATION FOR A- AND B-PARTS AS WELL AS C-PARTS

EXAMPLE OF C-PARTS IN A WASHING MACHINE



A- AND B-PARTS

Washing machine motor

~80% direct costs

~20% indirect costs

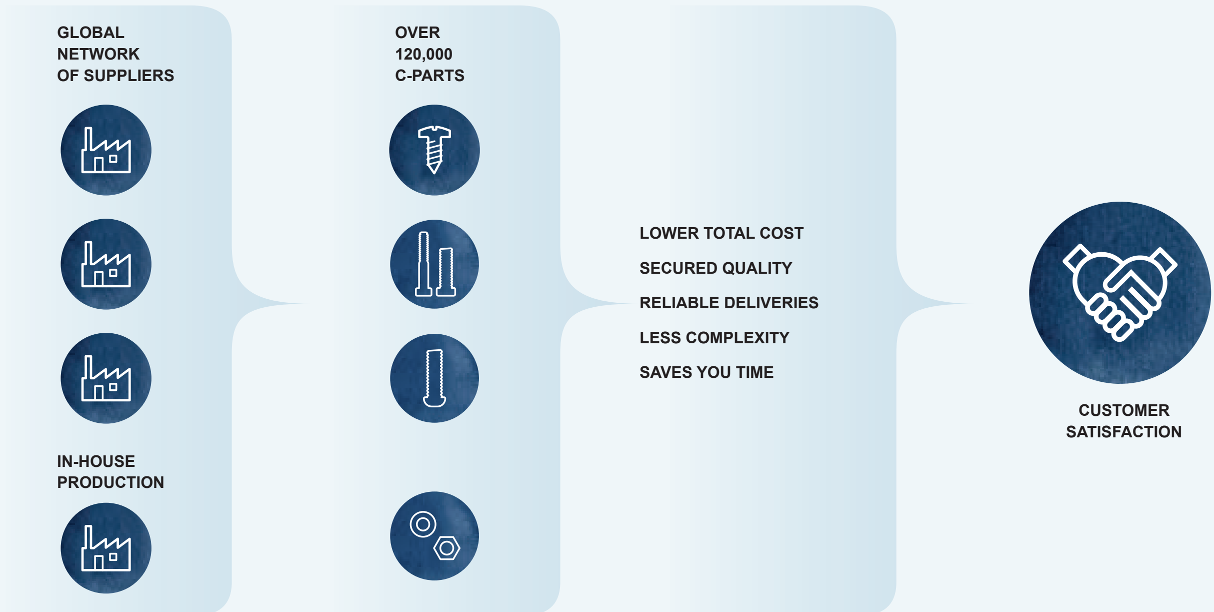
C-PARTS

Nuts, screws and washers

~20% direct costs

~80% indirect costs

BUFAB'S BUSINESS MODEL – SUPPLY CHAIN PARTNER



Strategy and targets

In 2012 Bufab developed and introduced a growth strategy in order to reach its financial targets. The strategy is based on three focus areas: accelerated organic growth, increased efficiency and value adding acquisitions - naturally by always putting customers and quality first.

ACCELERATED ORGANIC GROWTH

Bufab focuses on accelerating organic growth by continuously developing its customer offering and strengthening its sales organisation.

Bufab's customer offering is based on Global Parts Productivity™, which means that the customer is offered a full-service solution where Bufab becomes their Supply Chain Partner for sourcing, quality control and logistics for C-Parts. To be a trustworthy Supply Chain Partner, the geographic aspect and the diversity of articles, knowledge etc., are important. This is embodied in the concept "All of Bufab, All the Time", i.e. that customers have access to Bufab's offering and knowledge in large parts of the world. The company has implemented a number of concurrent initiatives focused on growth within the customer, products and services as well as the geographic dimensions.

Products and services

Bufab continuously develops its customer offering and customises solutions to satisfy customers' various needs, thereby expanding its customer offering to achieve strong organic growth.

This includes the expansion of Bufab's product offering into new C-Parts product categories that the company has not previously supplied or that arise due to changes in customer needs. Bufab also develops various logistics solutions and offers technical guidance.

Customers

To increase growth with current customers, Bufab focuses on gradually expanding its share of current customers' total C-Parts requirements. This is accomplished through Bufab's salespeople, who offer new products to customers on a regular basis and also strive to grow with each customer in new product areas and new geographies. Of course, Bufab works to attract new customers continuously through marketing and sales efforts. As part of its organic growth strategy for the customer dimension, Bufab has developed concrete measures on the customer level and linked these to specific resources and responsible persons throughout the organisation.

We have a centralised sales management team called the Global Account Team (GAT) to coordinate sales and services to our larger global customers.

Geography

Bufab operates in 23 countries and intends to utilise its geographic coverage on a larger scale to attract more international customers. Bufab's strategy is to follow current customers into new markets and in this way grow in new geographies. This may be accomplished through the relocation of a customer's manufacturing to new factories or through Bufab's establishing a presence in a country where the customer is already conducting manufacturing.

To ensure successful international expansion, work is underway to implement a uniform corporate culture throughout the organisation aimed at guaranteeing that the company delivers a uniform product and service offering ("All of Bufab, All the Time"). This is accomplished through increased co-operation, improved communication and information sharing between the company's subsidiaries and through central support functions in areas including sourcing and logistics.

INCREASED EFFICIENCY

Bufab has identified good prospects for additional efficiency improvements, which is also an explicit strategy. The strategy is mainly aimed at maintaining the company's gross margin and improving it over time. This has been achieved for example by strengthening central sourcing functions and thereby concentrating sourcing to fewer suppliers who can offer better terms – which in turn results in lower sourcing costs. Bufab is also working to improve logistics management efficiency to reduce costs, lead times and inventory levels.

Bufab further aims to improve efficiency in managing net working capital through measures including improved inventory refill processes and negotiating better supplier terms. Another key focus area is strengthening and streamlining the company's quality procedures – for example, setting up a central quality function to co-ordinate quality resources on a global level.

VALUE ADDING ACQUISITIONS

In addition to Bufab's strategy for accelerated organic growth, the company evaluates potential acquisition opportunities on an on-going basis. Bufab continuously looks for acquisition candidates in new geographic areas and areas where the company's presence is relatively limited, as well as in new C-Parts product areas. Bufab also looks for acquisition targets with a strong presence in attractive customer segments and with high-quality customers, as well as targets with strong customer relationships and business models similar to Bufab's own.

ACCELERATED ORGANIC GROWTH

INCREASED EFFICIENCY

VALUE ADDING ACQUISITIONS

FINANCIAL TARGETS

SALES GROWTH

Bufab's goal is to achieve average annual organic growth over a business cycle exceeding the growth of the manufacturing industry in countries where Bufab is active by 3 percentage points. In addition, Bufab intends to grow through acquisitions.

+3 PERCENTAGE

PROFITABILITY

Bufab targets an average operating margin of 12 per cent over a business cycle.

12%

CAPITAL STRUCTURE

Bufab's capital structure shall provide a high degree of financial flexibility and make acquisitions possible. The company's debt/equity ratio should not exceed 80 per cent.

<80%

NET WORKING CAPITAL

Bufab's long-germ goal is to achieve a net working capital/net sales ratio of 30 per cent.

30%

DIVIDEND POLICY

Bufab's target is to pay 50 per cent of its net profit in dividends. However, the company's financial condition, cash flow, acquisition opportunities and future prospects will be taken into account in any dividend decision.

50%

The business

Bufab is a trading company that offers its customers a full-service solution as a Supply Chain Partner for sourcing, quality control and logistics for C-Parts (screws, nuts, washers, etc.). Bufab's customer offering, Global Parts Productivity™, aims to enhance the productivity of the customer's C-Parts value chain, reducing their total costs for C-Parts.

CUSTOMER OFFERING

Bufab's customer offering, Global Parts Productivity™, aims to enhance the productivity of the customer's C-Parts value chain, with a particular focus on product range and sourcing. Bufab provides a full-service solution for sourcing, quality control and logistics for C-Parts. The company's objective is to reduce complexity experienced by its customers and reduce their customers' total costs for C-Parts while delivering trustworthy quality control and delivery precision.

Bufab supplies its offering through an extensive supplier network in Europe and Asia as well as its global network of sourcing and logistics facilities connected by the company's sales and support functions in 23 countries. This makes it possible to consolidate the customer's supplier base.

Product range and sourcing productivity

Bufab has established a global supplier network that allows the company to offer customers cost-efficient, high quality solutions. To improve its customers' sourcing productivity, Bufab manages and takes responsibility for product and supplier quality control, negotiations with suppliers, and administration and logistics on behalf of customers. Bufab can also consolidate its customers' purchasing power and achieve economies of scale for its sourcing and logistics functions – which enables the company to negotiate lower prices and better terms from suppliers.

Bufab sources in over 120,000 unique articles from about 2,500 suppliers, primarily in Asia and Europe. About half of the total sourcing comes from suppliers in Asia, about one quarter from suppliers in Sweden and the remainder from suppliers in the rest of Europe.

GLOBAL PARTS PRODUCTIVITY™

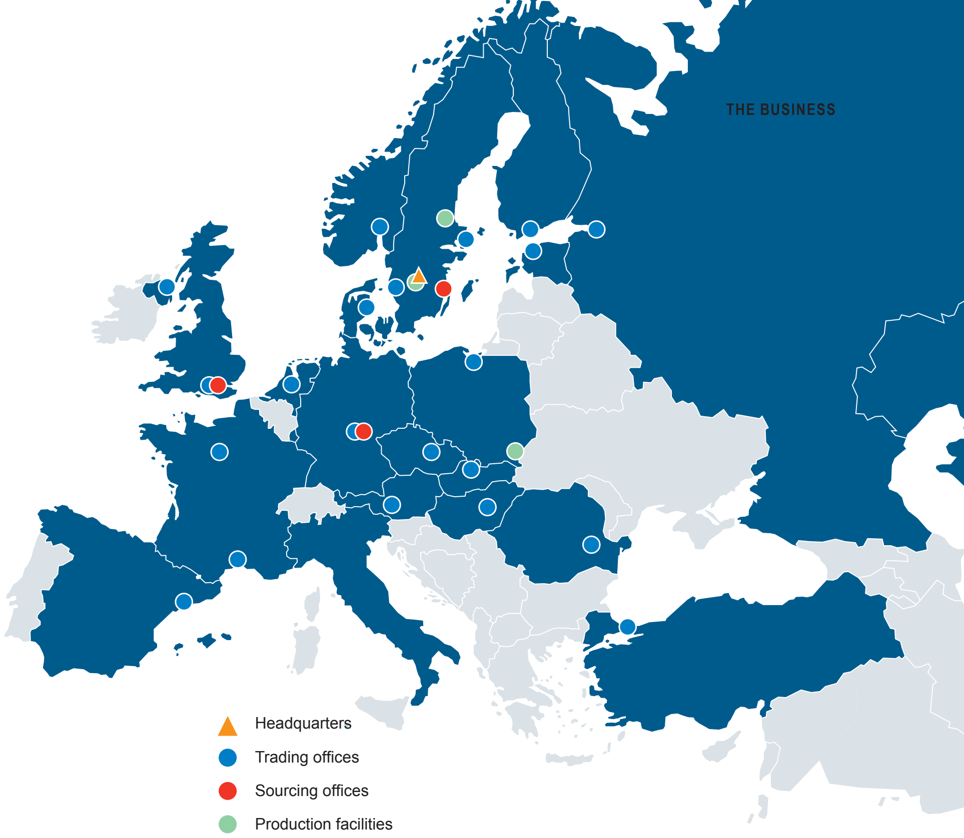
Product range and sourcing productivity

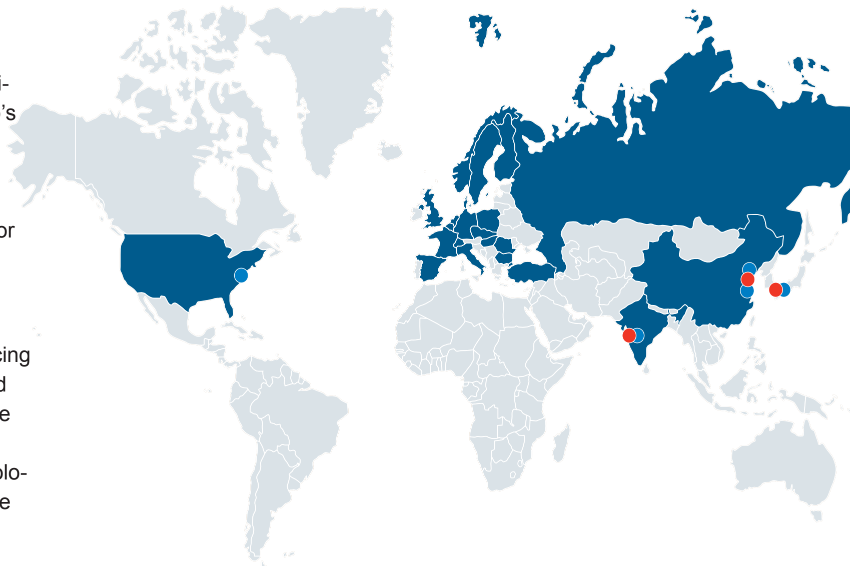
Logistics and manufacturing productivity

Design and technology productivity

Bufab has developed the Global Parts Productivity™ concept to help its customers. In its role as Supply Chain Partner, Bufab can assist its customers with internal logistics, technical guidance, product design and supplier consolidation.

Bufab delivers C-Parts directly to the customer's production line.





Bufab offers a wide product range of C-Parts, including standardised and made-to-order fasteners as well as other C-Parts. Bufab's original focus was on standardised fasteners, but as customers have been demanding more made-to-order fasteners and other C-Parts, Bufab has gradually expanded its product range. Bufab strives to continuously identify changes in its customer's needs for C-Parts and to expand its product range accordingly.

Design and technology productivity

To supplement its C-Parts product range management and sourcing function, Bufab offers guidance in the selection of technology and design as well as review of existing design solutions based on the customer's needs. These services are aimed at improving customers' cost-efficiency and quality in C-Parts management. Technology and design guidance is based on the experience and expertise achieved by Bufab over time, including through the company's in-house manufacture of C-Parts.

Logistics and manufacturing productivity

Bufab offers logistics solutions based on its international network of warehouses and its global sourcing and logistics organisation – which are linked by a group-wide IT system for managing order, goods and invoice flows. All of the company's warehouse and logistics solutions – including the highly-automated central warehouse in Värnamo – are designed to efficiently manage large volumes of many different individual components. About 30 per cent of Bufab's total flows go through its central warehouse. Bufab also delivers certain products directly to the end customer or from local warehouses.

Bufab also offers logistics solutions aimed at improving the productivity of customers' manufacturing and logistics operations. Bufab can, for example, deliver C-Parts directly to the customer's warehouse or production line – lowering the risk of component shortages and potential production disruptions and reducing the customer's handling costs and tied-up inventory. Bufab's full-service logistics solutions are also aimed at minimising customers' C-Parts-related administrative costs.

A LARGE AND DIVERSIFIED CUSTOMER BASE

Bufab has a diversified customer base of approximately 13,000 customers in numerous industries. These customers are also diversified geographically, with locations in the Nordic countries, the rest of Europe, Asia and the US. Bufab's customers vary in size, so their sourcing behaviours and needs vary as well.

Bufab has developed a customer strategy to manage its diversified customer base and meet their diverse needs and purchase behaviours. The company offers wholesale solutions at the local level, offering standardised fasteners through its product catalogues. In addition, Bufab offers logistics solutions to national and international customers, with a Bufab subsidiary independently managing each of a customer's manufacturing units. Customers who use Bufab to source C-Parts in more than two countries and for whom it would be advantageous to Bufab to centralise their services are classified as GAT customers and managed centrally through the Global Account Team.

THE MARKET AND THE EXTERNAL ENVIRONMENT

Bufab has a strong position in a growing and fragmented market. Growth follows the underlying manufacturing industry development and, in large part, also the increasing use of Supply Chain Partners. These two driving forces give Bufab a solid foundation for growth.

MARKET GROWTH

Growth in the European C-Parts market is driven primarily by the development of the manufacturing industry. More and more manufacturing companies are initiating collaborations with Supply Chain Partners in order to streamline supply chains in their own production. Bufab considers the following trends to be important for growth among Supply Chain Partners.

Manufacturers seek to reduce number of suppliers

Manufacturers have traditionally had a broad supplier base for C-Parts. One clear trend is that many suppliers are looking to reduce their number of suppliers to make things less complex and to reduce sourcing costs. This trend favours suppliers with a full-service offering, who can be competitive with regards to pricing, such as wholesalers and Supply Chain Partners.

Increased responsibility in the value chain

The value chain for C-Parts management includes manufacture, sourcing, quality control, inventory management and logistics. Supply Chain Partners are the suppliers able to assume responsibility for the largest part of the value chain, while competitors such as component manufacturers and wholesalers take responsibility for only a limited part of the chain. Many Supply Chain Partners are now expanding their scope of responsibility in the C-Parts value chain to include component construction, inventory management and other logistics activities.

Growing demand for specialized C-Parts

Manufacturers are to a larger extent using specialized C-Parts, which, amongst others is due to the end products increased complexity. This trend is also driven by manufacturers' desire to reduce the number of articles in inventory by replacing several standardised C-Parts with fewer, more advanced specialized C-Parts.

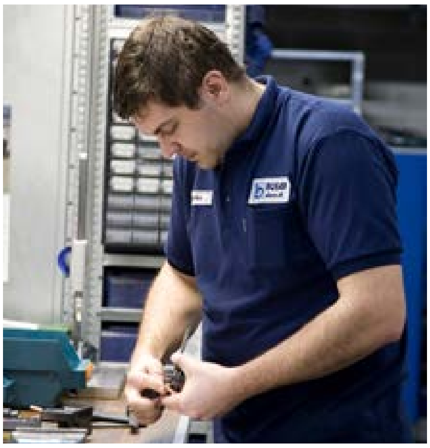
Increased consolidation

Growing demand for increasingly advanced sourcing solutions has sparked a trend towards increased consolidation, with smaller local players being acquired by large groups and international companies.

THE COMPETITIVE SITUATION

The European market for C-Parts is fragmented and mainly comprised of national and regional component manufacturers, traditional wholesalers and Supply Chain Partners. Several large European Supply Chain Partners assume, as Bufab does, greater responsibility for the C-Parts value chain. A consolidation trend for C-Part suppliers is currently underway, with large groups and international players acquiring smaller players.

But due to the relatively high degree of fragmentation on the European C-Parts market, Bufab and other large Supply Chain Partners do not compete primarily with like-sized companies or those with similar business models. Bufab also holds a competitive position due to its size, wide range of suppliers and international platform. These factors allow Bufab to compete efficiently with smaller players that are limited in terms of product range, geography and/or size – and are thus not equally able to help customers consolidate their supplier bases. Bufab competes mainly with smaller players on the Nordic market. Unlike these competitors, Bufab can offer a broader product range, strong sourcing expertise, a competitive logistics chain, in-house manufacturing, customer service and – often a decisive factor in customers' choice of C-Parts supplier – geographic scope.



SEGMENTS

Bufab conducts business in three segments: two operational segments, Segment Sweden and Segment International. Consolidated activities that were not assigned to the geographic segments are reported in Segment Other. The two operational segments manage local customer relationships and offer similar product and service ranges for C-Parts. The two segments' subsidiaries are organised into six geographic regions.

SEGMENT SWEDEN

Segment Sweden comprises Region Sweden, which includes Bufab's subsidiaries in Sweden and its subsidiary in the United States. In addition to its trading activities, Bufab does in-house manufacturing at two facilities in Sweden: Värnamo and Åshammar. The main warehouse for all trading activities in Sweden is located in Värnamo.

Bufab's in-house manufacturing is a strong complement to the company's trading activities and is responsible for 12 per cent of net sales. It also provides significant C-Parts manufacturing know-how, which Bufab deems highly significant in negotiating with customers and suppliers and supportive of the credibility of Bufab's customer offering.

SEK millions	2014	2013	Change, %
Order intake*	968	998	-3
Net sales*	982	970	1
Operating profit	144	145	-1
Operating margin, %	14.6	14.9	
Adjusted operating profit	144	143	0
Adjusted operating margin, %	14.6	14.8	

* Pertains to net sales and order intake from external customers

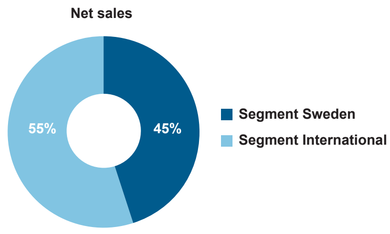
SEGMENT INTERNATIONAL

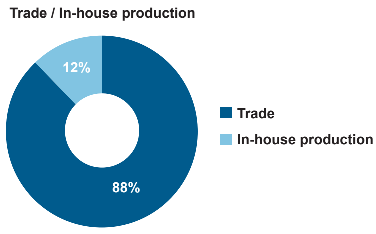
Segment International comprises all businesses Bufab operates outside Sweden and the United States. Businesses within this segment are organised into five regions (North, South, Central, East and Asia & Pacific) in 21 countries and 24 companies.

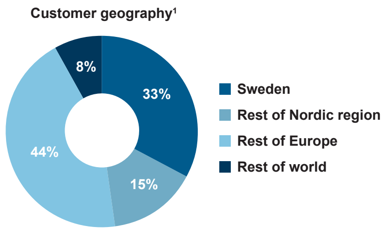
SEK millions	2014	2013	Change, %
Order intake*	1,227	1,074	14
Net sales*	1,217	1,061	15
Operating profit	75	84	-10
Operating margin, %	6.2	7.9	
Adjusted operating profit	75	83	-10
Adjusted operating margin, %	6.2	7.8	

* Pertains to net sales and order intake from external customers

ALLOCATION OF BUFAB'S NET SALES, 2014







[1] Estimates based on end-customers' geographic presence.

Responsible business

Bufab's sustainability work is grounded in the company's role and responsibility in society and based on balancing economic success, environmental management and social development for the benefit of all of our stakeholders. At Bufab, sustainability includes how we define, procure and manufacture products, what we offer to customers, how we retain suppliers, how we assess risks and possibilities and how we behave towards one another and in the societies where we operate. At the same time, we strive to maintain health, safety and security for our employees, contractors and others who are affected by our operations.

Bufab's sustainability strategy is based on the Group's Code of Conduct. Bufab's Code of Conduct is based on fundamental principles and rights at work, the OECD's guidelines for multinational companies and the UN's general declaration on human rights. Bufab has signed the UN Global Compact and bases its work on ISO 26 000 Guidance on Social Responsibility.

CODE OF CONDUCT

The Code of Conduct is an expression of how Bufab does business. Bufab expects and requires all of its employees throughout the Group and its business partners around the world to act in accordance with the Code of Conduct. Supplier, consultants, distributors and other partners must share the principles of the Code of Conduct. They are also encouraged to continually improve their processes in order to ensure that they and their sub-suppliers produce goods and services for Bufab in accordance with Bufab's policies.

Bufab's Code of Conduct covers four principles/areas:

- Business principles
- Principles on human rights and social justice
- Environmental and quality principles
- Responsibility for compliance

Business principles

It is important to operate the business in an ethical, proper and responsible manner. In order to facilitate this for both employees and partners, the Code of Conduct refers to certain areas that are particularly important, where Bufab describes its position on business principles through its policies and guidelines. These areas are accounting and reporting, anti-corruption measures, money laundering, conflicts of interest, the company's assets and resources, taxation, Bufab's customer offering, marketing and sales, good competition practices and remaining politically neutral.

Human rights and social justice

It is important for Bufab to stand behind and respect international proclamations of human rights, in relation to both its employees and its business. In addition, Bufab does not discriminate, but rather treats all of its employees equally and with respect. Both the UN Convention on the Rights of the Child (1989) and other relevant national and international laws, ordinances and regulations must be followed in countries where Bufab or its partners operate. Naturally the company supports freedom of association and a workplace that is satisfactory for all employees. The company with laws, contracts etc. concerning working hours and compensation.

Environmental and quality principles

Bufab has an environmental policy and a quality policy. Bufab strives to deliver products and processes that have been manufactured and implemented with minimal environmental impact. Energy, natural resources and raw materials are used efficiently, and we work on an ongoing basis to reduce waste and waste products.

In addition, Bufab only uses suppliers that can ensure that their products do not contain "conflict minerals", either directly or indirectly.

Bufab emphasises the importance of understanding and meeting customers' needs, and continually strives to exceed customers' expectations in these connections as well.

Bufab Sweden and most of Bufab's subsidiaries are ISO 9001 and ISO 14001 certified.

Responsibility for compliance

In order to emphasise the importance of having all of its employees follow laws and regulations, this has been incorporated into Bufab's Code of Conduct. Bufab has established a whistle-blower function to be used in the event of any suspicion that business is being conducted in an unethical manner or that the Code of Conduct is not being followed. Employees can report any suspicious incidents to this unit, without the risk of retribution or discrimination. The unit was set up to improve opportunities for bringing to light any problems within the organisation.

ENVIRONMENT

Efficient, environmental friendly offering

The overarching goal of the environmental policy is to promote a sustainable society. In addition to operating in compliance with international standards, laws and regulations, Bufab actively integrates environmental principles from the company's Code of Conduct into the businesses' processes.

Bufab is in continuous dialogue with customers and suppliers in pursuance of this goal. The company also works actively to encourage its suppliers and customers to adopt international environmental principles.

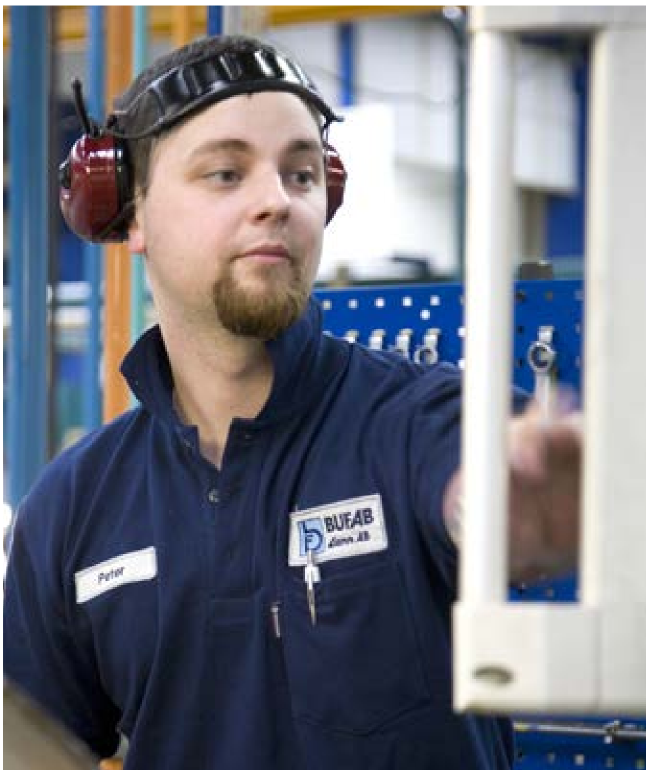
Transports are the single largest environmental concern for Bufab. Therefore the company is in a continual process to streamline its transports and to track freighters' CO_2 emissions/tonnes.

EMPLOYEES

Much of Bufab's success is due to the commitment of its employees. The Group has employees in 23 countries. The average number of employees was 805 (771). Bufab works actively against discrimination and believes that workforce diversity has a positive impact on the development of the business. Bufab considers diverse employee experiences and backgrounds to be prerequisites for creating a growing, sustainable business.

Bufab's managers also play a key role in ensuring that all employees are familiar with and perform their work duties based on strategies established to achieve group-wide targets. All employees have a performance review every year, where clear goals and expectations are set.

At its Bufab Academy, Bufab holds training courses and programmes in the areas of leadership, sales, supply chains and technology. New employees go through a three-day orientation class, and trainee programmes are held for new professional graduates as needed.



Financial statements

Board of directors´ report

OPERATIONS

Bufab Holding AB (publ) (Bufab), Corp. Reg. No. 556685-6240, is a trading company that offers its customers a complete solution as Supply Chain Partner for purchasing, quality assurance and logistics involving C-Parts (screws, nuts, etc.). Bufab's Global Parts Productivity™ customer offering is aimed at improving productivity in its customers' value chains for C-Parts.

Bufab was established in 1977 in Småland, Sweden, and is now an international company with operations in 23 countries, mainly in Europe and Asia. Bufab also exports to a number of other countries.

The company has a diversified customer base located in several geographies and industries in the manufacturing industry. In addition to its trading operations, Bufab also manufactures its own technically demanding C-Parts at two facilities in Sweden. The company's head office is located in Värnamo, Sweden, and in 2014, Bufab had about 800 employees, who primarily work with sales, purchasing, quality, logistics and proprietary manufacturing. Since 21 February 2014, the Bufab share has been listed on NASDAQ Stockholm.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Since 2012, Bufab has been operating in accordance with a new growth strategy aimed at achieving its financial objectives. The strategy is based on three core components: accelerated organic growth, increased efficiency and value-adding acquisitions.

Bufab aims to accelerate its organic growth by continuously improving its customer offering and strengthening its sales organisation. In 2014, the company continued to implement a series of synergetic initiatives within this area. The effort paid off during the year in the form of increased market share.

The primary aim of the efficiency increase strategy is to improve the company's operating margins and net working capital/net sales ratio. In 2014, Bufab continued its work to strengthen its purchasing offices and central purchasing functions with the aim of concentrating purchases to fewer suppliers and thus achieving better purchasing prices and terms and conditions of delivery. No company acquisitions were made in 2014.

ORDER INTAKE AND NET SALES

Order intake amounted to SEK 2,195 million (2,072) MSEK and was in line with net sales.

Net sales increased 8.3 per cent to SEK 2,198 million (2,031). Adjusted for currency effects, the increase was 6.1 per cent. The increase was attributable to both improved underlying demand, primarily in the first half of the year, and increased market share in the International segment.

PROFIT AND PROFITABILITY

Operating profit amounted to SEK 174 million (201), corresponding to an operating margin of 7.9 per cent (9.9). In the first quarter, operating profit was charged with non-recurring costs of SEK 18 million pertaining to Bufab's stock exchange listing. Adjusted for non-recurring items, operating profit amounted to SEK 192 million (203), corresponding to an adjusted operating margin of 8.7 per cent (10.0). Operating profit was positively impacted by higher volumes, but negatively affected by higher operating costs. Operating costs increased due to the strategic initiatives in the sales organisation, mainly in the International segment.

The Group's net financial items amounted to an expense of SEK 23 million (expense: 27) and were negatively affected by currency rate differences in an amount of SEK 2 million (neg: 2).

The Group's profit after financial items was SEK 151 million (174).

The tax expense during the year was SEK 39 million (43), corresponding to a tax rate of 26 per cent (25). Profit after tax was SEK 112 million (131).

CASH FLOW, WORKING CAPITAL AND FINANCIAL POSITION

Operating cash flow amounted to SEK 117 million (199) and was negatively impacted by higher working capital and higher investments. The average working capital as a ratio of net sales amounted to 36.6 per cent (35.5). The increase was attributable to a higher level of inventory and increased accounts receivable.

At 31 December 2014, net indebtedness amounted to SEK 543 million (608) and the debt/equity ratio was 47 per cent (60).

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE GROUP

SEK million	2014	2013	2012	2011	2010
Net sales	2,198	2,031	2,034	2,147	1,957
Adjusted operating profit	192	203	165	209	133
Adjusted operating margin, %	8.7	10.0	8.1	9.7	6.8
Operating profit	174	201	137	184	89
Debt/equity ratio*, %	47	60	82	103	119
Working capital/net sales, %	36.6	35.5	36.7	35.7	35.3
Operating cash flow, %	117	199	204	82	126
Average number of employees	805	771	750	731	716

* The net debt/equity ratio for 2010-2011 defines an interest-bearing shareholder loan as shareholders' equity.
Definitions are presented in note 34 on page 43.

PERFORMANCE AND EARNINGS IN SEGMENT SWEDEN

Order intake amounted to SEK 968 million (998) and was less than net sales.

Net sales increased by 1.2 per cent to SEK 982 million (970). Underlying demand decreased gradually during the year. Market shares were estimated to be unchanged.

Operating profit totalled SEK 144 million (145), corresponding to an operating margin of 14.6 per cent (14.9). Adjusted operating profit totalled SEK 144 million (143), corresponding to an adjusted operating margin of 14.6 per cent (14.8). Operating profit was positively impacted by higher capacity utilisation and savings in purchasing and logistics, but adversely by higher operating expenses and, at the end of the year, a stronger USD.

PERFORMANCE AND EARNINGS IN SEGMENT INTERNATIONAL

Order intake amounted to SEK 1,227 million (1,074) and exceeded net sales.

Net sales increased by 14.7 per cent to SEK 1,217 million (1,061). Adjusted for currency effects, the increase was 10.5 per cent. The strategic sales initiatives have generated effects and resulted in higher market shares. Improved underlying demand, particularly during the first half of the year, also made a positive contribution.

Operating profit for the year totalled SEK 75 million (84), corresponding to an operating margin of 6.2 per cent (7.9). Adjusted operating profit totalled SEK 75 million (83), corresponding to an adjusted operating margin of 6.2 per cent (7.8). Operating profit was positively impacted by higher volumes but negatively impacted by higher operaating costs. Operating expenses increased due to the strategic initiatives in the sales organisation.

RISKS AND UNCERTAINTIES

The exposure to risks is a natural element of business operations, which is reflected in Bufab's risk management approach. The company's approach aims to identify and prevent risks from arising and to limit any damage that may be incurred as a result of these risks. The most significant risks to which the Group is exposed are related to the economy's bearing on customer demand. For further information, please refer to note 3.

EMPLOYEES

At year-end, the company had 816 employees (780 on 31 December 2013). The company had an average of 805 (771) full-time employees in 2014. For further information about employees, please refer to note 7.

ENVIRONMENT

The Group works proactively on environmental issues to reduce its environmental impact.

Bufab conducts operations through 30 companies, two of which do in-house manufacturing. At year-end 2014, both of the manufacturing companies were subject to environmental licensing requirements under the Swedish Environmental Code. Environmentally licensed operations account for 12 per cent (12) of the Group's overall net sales. Environmental licences are required due to the nature of the operations. Both of these companies have been granted licences to conduct environmentally hazardous activities. The Group's other companies' conduct purely trading activities that have limited environmental impact.

See note 32 for additional information.

GUIDELINES FOR THE REMUNERATION OF SENIOR EXECUTIVES

The guidelines for the remuneration of senior executives were adopted by the Annual General Meeting on 5 May 2014.

The guidelines apply for remuneration of the president and other senior executives. Bufab strives to offer total compensation that is such that it contributes to attracting and retaining qualified employees. Total remuneration can comprise of components as outlined below.

Fixed salary is to be in line with market conditions and reflect the responsibility that accompanies the work. Fixed salary is to be reviewed annually.

Variable salary should not normally exceed 50 per cent of fixed salary. By special Board decision, variable salary can amount to a maximum of 70 per cent of fixed salary. Variable salary shall be based on established targets related to Bufab's financial development and will be reviewed annually.

The board is to conduct an annual evaluation regarding whether or not to propose a long-term share-based incentive programme for senior executives and possible other employees at the AGM. Senior executives may be offered tailored pension solutions. Pensions shall, to the extent possible, be defined-contribution plans.

Other benefits may be offered, but shall not comprise a significant share of the overall compensation package.

The maximum period of notice between the company and the president is 18 months. Other senior executives are subject to a shorter period of notice. In individual cases and under mitigating circumstances, the board has the right to deviate from the above remuneration guidelines. In the event of such a deviation, information pertaining thereto and the reason for the deviation must be presented at the next AGM. The guidelines for the remuneration of senior executives to be proposed to the 2015 AGM are identical to those adopted in 2014 and are available on the company's website, www.bufab.com.

PARENT COMPANY

The operations of the Parent Company, Bufab Holding AB, encompass the CEO, the consolidated financial reports and the financial management. Most Group-wide operations pertaining to the remaining members of Group management and administration are managed by the subsidiary, Bult Finnveden AB. Accordingly, the parent company does not report any sales. The parent company reported a loss after financial items of SEK 22 million (loss: 6).

SHARE CAPITAL, OWNERSHIP STRUCTURE AND IPO

On 31 December 2013, the parent company's share capital amounted to SEK 218,000. On said date, there were a total of 335,299 ordinary shares and 100,000 preferential shares. At year-end 2013, Nordic Capital Fond V owned 93 per cent of the share capital in Bufab Holding AB through Bufab S.à.r.l. Of the remaining 7 per cent, most shares were owned by board members, Group management and other senior executives of Bufab.

The extraordinary shareholders' meeting on 17 January 2014 resolved on an 80:1 split of the company's shares. The meeting also resolved on a bonus issue.

On 22 January 2014, the board decided to distribute ownership of the company and to apply for an IPO of the company's shares on NASDAQ Stockholm, which was also completed effective 21 February 2014. Ahead of the IPO, the company's preferential shares were converted to ordinary shares. The conversion was implemented by redeeming the preferential shares, thus creating a debt to the holder of the preferential shares.

This debt was subsequently offset against newly issued ordinary shares in a set-off issue. The price per share in the set-off issue was SEK 46, which corresponded to the price offered in the distribution of ownership.

Following these transactions, the company's share capital amounts to SEK 547,189.10 and the overall number of ordinary shares in the company is 38,110,533. The company no longer has any preferential shares. For a presentation of the number of shares in the parent company, please refer to note 7 for the parent company.

The largest owner on 31 December 2014 was Lannebo Fonder, with slightly more than 9 per cent of shares and votes.

In 2014, the costs of preparing and implementing the broadening of ownership and the IPO totalled SEK 18 million.

2015 ANNUAL GENERAL MEETING

The AGM for Bufab Holding AB (publ) will be held on 5 May 2015 in Värnamo, Sweden. Notice of the 2015 AGM and other material will be available on Bufab's website, www.bufab.com, by no later than 7 April 2015.

DIVIDEND

The Board of Directors proposes a dividend for 2014 of SEK 1.50 per share, corresponding to a total dividend of SEK 57 million. The proposed record date is 7 May 2015. It is proposed that the share be traded without dividend entitlement as of 6 May 2015.

EVENTS AFTER THE END OF THE FISCAL YEAR

In February 2015, 100 per cent of the shares in Flos B.V., in the Netherlands, were acquired. The acquisition is not deemed to have an impact on the share price. More information about the acquisition will be available in the report for the first quarter of 2015.

PROPOSED APPROPRIATION OF PROFITS

The following earnings are at the disposal of the AGM	(SEK)
Retained earnings	449,729,907
	449,729,907

The board of directors and CEO propose that earnings be appropriated as follows:

A dividend of SEK 1.50 to be paid shareholders	57,165,800
To be carried forward	392,564,107
Total	**449,729,907**

Consolidated income statement

SEK million	Note(s)	2014	2013
Net sales	2, 5	2,198	2,031
Cost of goods sold	8	-1,557	-1,435
Gross profit		**641**	**596**
Distribution costs	8, 23	-325	-277
Administrative expenses	8	-144	-119
Other operating income	9	22	23
Other operating expenses	10	-20	-22
Operating profit	2, 3, 4, 5, 6, 7, 11, 12, 15	**174**	**201**
Profit/loss from financial items			
Interest and similar income	13	2	1
Interest and similar expenses	14	-25	-28
Profit after financial items	15	**151**	**174**
Tax on profit for the year	16	-39	-43
PROFIT FOR THE YEAR		**112**	**131**

Statement of comprehensive income

SEK million	2014	2013
Profit after tax	**112**	**131**
Other comprehensive income		
Items that will not be reclassified in profit or loss		
Actuarial gains and losses, net after tax	-3	1
Items that may be reclassified in profit or loss		
Translation differences	25	4
Other comprehensive income after tax	**22**	**5**
Total comprehensive income	**134**	**136**
Total comprehensive income attributable to:		
Parent company shareholders	134	136

EARNINGS PER SHARE

SEK		2014	2013
Earnings per share, SEK	17	2.94	3.44
Weighted number of shares outstanding, thousands *		38,110.5	38,022.5
Diluted earnings per share, SEK	17	2.94	3.43
Weighted number of shares outstanding after dilution, thousands *		38,110.5	38,110.5

Consolidated balance sheet

SEK million	Note	31 Dec 2014	31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	18	739	739
Other intangible assets	18	5	0
Advance on intangible assets	20	8	0
Total intangible assets		**752**	**739**
Property, plant and equipment			
Land and buildings	19	12	14
Plant and machinery	19	52	51
Equipment, tools and fixtures & fittings	19	73	71
Work in progress and advances for property, plant and equipment	20	3	9
Total property, plant and equipment	**21**	**140**	**145**
Financial assets			
Deferred tax assets	27	25	22
Other non-current receivables	22	3	3
Total financial assets		**28**	**25**
Total non-current assets		**920**	**909**
Current assets			
Inventories	2		
Raw materials and consumables		13	16
Products in progress		23	19
Finished goods and merchandise		662	591
Total inventories		**698**	**626**
Current receivables			
Trade receivables	23	414	385
Tax assets		18	21
Other receivables		22	18
Prepaid expenses and accrued income	24	20	16
Total current receivables		**474**	**440**
Cash and bank balances		128	98
Total current assets		**1,300**	**1,164**
TOTAL ASSETS		**2,220**	**2,073**

Consolidated balance sheet

SEK million	Note	31 Dec 2014	31 Dec 2013
EQUITY AND LIABILITIES			
Equity	25		
Share capital		1	0
Other paid-in capital		488	488
Other reserves		22	-3
Retained earnings		636	527
Total equity		**1,147**	**1,012**
Non-current liabilities			
Pension obligations, interest-bearing	26	30	25
Deferred tax, non-interest-bearing	27	34	28
Other interest-bearing liabilities	28	569	454
Other non-interest-bearing liabilities		2	1
Total non-current liabilities		**635**	**508**
Current interest-bearing liabilities			
Liabilities to credit institutions		64	85
Overdraft facilities	30	8	142
Total current interest-bearing liabilities		**72**	**227**
Current non-interest-bearing liabilities			
Trade payables		246	202
Current tax liabilities		10	11
Other liabilities		22	24
Accruals and deferred income	31	88	89
Total current non-interest-bearing liabilities		**366**	**326**
TOTAL EQUITY AND LIABILITIES		**2,220**	**2,073**
Pledged assets	29	1,206	1,195
Contingent liabilities	32	57	53

Consolidated statement of changes in equity

SEK million	Share capital	Other paid-in capital	Other reserves	Retained earnings	Total equity
Equity on 1 January 2013	**0**	**486**	**-7**	**397**	**876**
Comprehensive income					
Profit after tax	-	-	-	131	131
Other comprehensive income					
Items that will not be reclassified in profit or loss					
Actuarial gain on pension obligations, net after tax	-	-	-	1	1
Items that may be reclassified in profit or loss					
Exchange-rate differences	-	-	4	-	4
Total comprehensive income	**0**	**0**	**4**	**132**	**136**
Transactions with shareholders					
Dividend to Parent Company shareholders	-	-	-	-2	-2
Capital paid in through shareholder contributions	-	2	-	-	2
Total transactions with shareholders	**0**	**2**	**0**	**-2**	**0**
EQUITY ON 31 DECEMBER 2013	**0**	**488**	**-3**	**527**	**1,012**
Comprehensive income					
Profit after tax	-	-	-	112	112
Other comprehensive income					
Items that will not be reclassified in profit or loss					
Actuarial gain on pension obligations, net after tax	-	-	-	-3	-3
Items that may be reclassified in profit or loss					
Exchange-rate differences	-	-	25	-	25
Total comprehensive income	**0**	**0**	**25**	**109**	**134**
Transactions with shareholders					
Capital paid in	1	-	-	-	1
Total transactions with shareholders	**1**	**0**	**0**	**0**	**1**
EQUITY ON 31 DECEMBER 2014	**1**	**488**	**22**	**636**	**1,147**

The Group’s restricted equity comprises share capital and SEK 32 million in other paid-in capital.

Consolidated cash-flow statement

SEK million	31 Dec 2014	31 Dec 2013
Operating activities		
Profit before financial items	174	201
Depreciation/amortisation and impairment	32	31
Interest and other financial income	2	1
Interest and other financial expenses	-22	-26
Other non-cash items	3	-2
Income tax paid	-32	-55
Cash flow from operating activities before changes in working capital	**157**	**150**
Cash flow from changes in working capital		
Increase (-)/decrease (+) in inventories	-52	-38
Increase (-)/decrease (+) in operating receivables	-23	7
Increase (+)/decrease (-) in operating liabilities	24	18
Cash flow from operating activities	**106**	**137**
Investing activities		
Acquisition of property, plant and equipment	-29	-22
Divestment of property, plant and equipment	0	4
Acquisition of intangible assets	-12	-
Cash flow from investing activities	**-41**	**-18**
Financing activities		
Capital paid in through shareholder contributions	1	-
Increase (+)/decrease (-) in non-current financial liabilities	115	-78
Increase (+)/decrease (-) in current financial liabilities	-155	-33
Cash flow from financing activities	**-39**	**-111**
Cash flow for the year	**26**	**8**
Cash and cash equivalents at beginning of year	98	88
Exchange-rate differences	4	2
CASH AND CASH EQUIVALENTS AT YEAR-END	**128**	**98**

Notes to consolidated financial statements

All amounts are in SEK million unless otherwise specified.
The figures in brackets indicate the preceding year's values.

NOTE 1 GENERAL INFORMATION

The company, Bufab Holding AB (publ), corporate registration number 556685-6240, operates as a limited liability company, with its registered office in Stockholm, Sweden. The address of the head office is Box 2266, SE-331 02, Värnamo, Sweden.

NOTE 2 SUMMARY OF KEY ACCOUNTING POLICIES

This Annual Report has been prepared in accordance with IFRS as adopted by the EU, as well as the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The consolidated annual financial statements have been prepared in accordance with the cost method. The parent company's accounting policies are consistent with those applied for the Group, unless otherwise specified.

In addition to these standards, both the Swedish Companies Act and the Swedish Annual Accounts Act contain regulations requiring the disclosure of certain additional information. Preparing financial reports in accordance with IFRS requires the use of a number of important accounting estimates. Management is also required to make certain judgements when applying its accounting policies. Information about areas that are complex or involve a high proportion of assumptions and estimates, or about areas where accounting estimates are of key significance to the consolidated financial statements, can be found in note 4. The estimates and assumptions are reviewed regularly and the effect on the recognised amounts is recognised in profit or loss.

New accounting policies for 2014

IFRS 10 – CONSOLIDATED FINANCIAL STATEMENTS

IFRS 10 Consolidated financial statements is based on existing policies as it identifies control as the decisive factor for determining whether to include a company in the consolidated financial statements. The standard provides additional guidance in determining control when this is difficult to assess. This standard has no impact on the consolidated financial statements.

IFRS 12 – DISCLOSURE OF INTERESTS IN OTHER ENTITIES

IFRS 12 "Disclosure of interests in other entities" covers disclosure requirements for subsidiaries, joint arrangements, associated companies and non-consolidated structured companies. This standard has no impact on the consolidated financial statements.

NEW AND AMENDED STANDARDS THAT COME INTO EFFECT IN 2015 AND ONWARD

The following new standards will be applied for the financial year that commenced on 1 January 2015 or later. None of these are expected to have any significant impact on the Group's financial reports.

IFRS 9 "Financial instruments" addresses classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was published in July 2014. It replaces parts of IAS 39, which pertains to classification and measurement of financial instruments. IFRS 9 retains a mixed measurement model, but this model is simplified in certain respects. There will be three measurement categories for financial assets' amortized cost, fair value through other comprehensive income and fair value through profit and loss.

IFRS 9 also reduces the requirement for application of hedge accounting, with the 80-125 criterion being replaced by the requirement that an economic relationship exists between hedging instruments and hedged objects and that the hedging quota is the same as applied in risk management. The hedging documentation is also amended slightly compared with that developed under IAS 39. The standard will be applied to fiscal years commencing 1 January 2018. Earlier application is permitted. IFRS 15 "Revenue from contracts with customers" regulates how revenue is to be recognised. The policies on which IFRS 15 is based will provide the user of financial statements more useful information about the company's revenue. The extended disclosure obligation entails that information must be disclosed regarding revenue types, timing of regulation, uncertainty of revenue accounting and cash flow attributable to the company's customer contracts. According to IFRS 15, revenue must be disclosed when the customer takes control over the product or service sold and has the possibility to use and receive benefit from the product or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and the accompanying SIC and IFRIC. IFRS 15 takes effect on 1 January 2017. Earlier application is permitted.

Consolidated financial statements

SUBSIDIARIES

Subsidiaries are all the entities in which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50 per cent of the voting rights. The existence and effect of potential voting rights which may be used or converted is taken into account when assessing whether control exists. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which control ceases. The Group's acquisition of subsidiaries is accounted for in accordance with the acquisition method. The cost of an acquisition comprises the fair value of assets transferred, equity instruments issued and liabilities incurred or assumed at the transfer date. Transaction expenses attributable to the acquisition are recognised as incurred. Identifiable acquired assets and assumed liabilities and contingent liabilities in a business combination are measured initially at their acquisition-date fair value, irrespective of any minority interest. If the cost of acquisition exceeds the fair value of the Group's share of the acquired net identifiable assets, the difference is recognised as goodwill. If the cost of acquisition is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in profit or loss.

ELIMINATION OF INTRA-GROUP TRANSACTIONS

Intra-group transactions and balances and unrealised gains on intra-group transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The accounting policies for subsidiaries have been amended, where necessary, in order to ensure consistent application of the Group's policies.

FOREIGN CURRENCY TRANSLATION

Items in the individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements are presented in Swedish kronor (SEK), which is the parent company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency according to the exchange rates prevailing at the date of the transaction. Exchange gains and losses arising from the settlement of such transactions and during translation of foreign currency monetary assets and liabilities at the closing rate are recognised in profit or loss.

The results and financial position of all Group entities are translated into the Group's presentation currency. Assets and liabilities are translated at the closing rate, while income and expenses are translated at the average rate, with all resulting exchange-rate differences recognised as a separate component of equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are reported as assets and liabilities in the entity and are translated at the closing rate. The following exchange rates were used for the translation of foreign operations:

CURRENCY	Average rate		Closing rate	
	2014	2013	2014	2013
DKK	1.220332	1.15985	1.278087	1.198625
EUR	9.0968	8.6494	9.5155	8.943
GBP	11.2917	10.1863	12.1388	10.7329
CZK	0.330417	0.333326	0.34352	0.325954
HUF	0.02947	0.029142	0.030209	0.030116
NOK	1.089421	1.109461	1.051617	1.057985
PLN	2.1746	2.0615	2.2124	2.1548
RMB	1.1135	1.0596	1.2595	1.0732
INR	0.112469	0.111675	0.122989	0.104896
NTD	0.2274	0.2195	0.2502	0.2155
RUB	0.180937	0.204583	0.137483	0.198536
USD	6.8577	6.514	7.8117	6.5084
RON	2.0573	1.9581	2.1365	1.9945
TRY	3.1328	3.4292	3.369	3.051

Classification

Non-current assets, liabilities and provisions are amounts expected to be recovered or settled more than 12 months after the balance-sheet date. Current assets and liabilities are amounts expected to be recovered or settled no more than 12 months after the balance-sheet date.

Intangible assets

GOODWILL

The amount by which the cost exceeds the acquisition-date fair value of the Group's share of the acquired subsidiary's net identifiable assets is recognised as goodwill. Goodwill on acquisitions of subsidiaries is reported under intangible assets. Goodwill is tested for impairment annually and is carried at cost less accumulated impairment.

Goodwill is allocated to cash-generating units for impairment testing.

Property, plant and equipment

Property, plant and equipment is recognised as an asset in the balance sheet when, based on available information, it is probable that future economic benefits associated with the ownership will flow to the Group/company and the cost of the asset can be measured reliably.

Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from its use. The gain or loss arising from the disposal of an item of property, plant and equipment is the difference between the selling price and the asset's carrying amount less direct selling expenses. The gain or loss is reported under other operating income/expenses.

Leases – Group as lessee

The Group applies IAS 17, Leases. Leases are classified in the consolidated financial statements as financial leases or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Otherwise, it is classified as an operating lease. Assets held under financial leases are recognised as assets in the consolidated statement of financial position. Future lease payment obligations are reported as current and non-current liabilities. An asset leased under a finance lease is subject to depreciation, while the lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each accounting period during the lease term so as to produce a constant periodic rate of interest on the balance of the liability reported during the period. Contingent rents are recognised as an expense in the period in which they are incurred. Operating lease payments are recognised as an expense over the lease term, based on the use of the asset, which may differ from actual lease payments during the year. If significant changes are made to the provisions of the lease during the term of the lease, an assessment is made as to whether these new provisions would have resulted in a different lease classification had they been in effect at the inception of the lease. If this is the case, the lease is treated as a new lease, to be assessed using the updated parameters at its inception.

Depreciation policies for property, plant and equipment

Depreciation according to plan is based on original cost less estimated residual value. Depreciation is applied on a straight-line basis over the useful life of the asset.

The following depreciation periods are applied:

Other intangible assets	3-5 years
Buildings *	12 years
Plant and machinery	5-10 years
Equipment, tools, fixtures & fittings	3-10 years

* Pertains to the financial leasing of buildings, which is why the period of depreciation equals the length of the lease. Also refer to note 21.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

Impairment

Assets with an indefinite useful life are not subject to depreciation or amortisation; instead, these assets are tested annually for impairment. Assets that are subject to depreciation or amortisation are also tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. For impairment testing, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units).

Receivables

Receivables are recognised at cost less any impairment.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. An obsolescence risk is also taken into account. At the end of the financial year, the obsolescence reserve totalled SEK 50 million (58).

The cost of the Group's merchandise is calculated as a weighted average purchase price and includes expenses arising from the acquisition of inventories and bringing them to their existing location and condition.

The cost of finished goods and work in progress includes a reasonable proportion of indirect costs. Measurement takes into account normal capacity utilisation.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances and other short-term investments with an original maturity of three months or less, and overdraft facilities. Utilised overdraft facilities are reported as borrowings under current liabilities in the statement of financial position.

Borrowings

Borrowings are recognised initially at fair value and are subsequently measured at amortised cost. Any difference between the amount received and the repayment amount is recognised in profit or loss over the borrowing period using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance-sheet date.

Employee benefits

Group companies have various pension schemes in accordance with local conditions and practices in the countries in which they operate. The most common pension arrangements are defined-contribution pension plans. Under these plans, the company settles its obligations on an ongoing basis through payments to insurance companies or pension funds.

However, the company has a more extensive responsibility in the case of defined-benefit pension plans, which are based on an agreed future pension entitlement. With these plans, the company's reported cost is affected by factors such as assumptions about the future. The Group's net obligation is calculated separately for each plan by estimating the future benefit that employees have earned through their service in the current and prior periods. The present value of this benefit is determined by discounting the estimated future cash flows. The Group has safeguarded a portion of its obligation through transfers to pension funds, and the fair value of plan assets is offset against the provision in the statement of financial position. The discount rate is obtained by reference to market yields on high quality corporate bonds of a term consistent with the term of the Group's pension obligation. The calculation is performed by a qualified actuary using the projected unit credit method. Actuarial gains and losses are presented in other comprehensive income when they arise.

For salaried professionals in Sweden, the ITP 2 plan's defined-benefit pension obligations for retirement and survivors' pensions are backed by an Alecta insurance policy. According to a statement from the Swedish Financial Reporting Board (UFR3 Classification of ITP plans financed by an Alecta insurance policy), this is a defined-benefit plan that encompasses several employers. For the 2014 financial year, the company has not had access to enough information to report its proportional share of the plan's obligations, plan assets and costs, and the company was therefore unable to recognise it as a defined-benefit plan. Accordingly, the ITP 2 pension plan, which is backed by an Alecta insurance policy, was recognised as a defined-contribution plan. The premium for the defined-benefit retirement and survivors' pension is calculated on a case-by-case basis and is determined by such factors as salary, previously vested pension benefits and the expected remaining professional life of the beneficiary.

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligations calculated using Alecta's actuarial methods and assumptions, which do not comport with IAS 19. The collective consolidation level is generally permitted to range from 125 to 155 per cent. If Alecta's collective consolidation level falls below 125 per cent or exceeds 155 per cent, actions must be taken to enable the consolidation level to return to the standard interval. In the event of a low consolidation level, the company may raise the contractual cost of signing up for a policy and expand the current benefits. In the event of a high consolidation level, the company may introduce premium deductions. At the end of the financial year, Alecta's surplus in the form of the collective consolidation level was 144 per cent (148).

Revenues

Net sales comprise revenues from the sale of goods and services. Revenue is recognised in profit or loss when it is probable that future economic benefits will flow to the company and when these benefits can be measured reliably. Revenue includes only the gross inflow of economic benefits received and receivable for the company's own account. Revenue from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership of the goods and the company does not exercise any effective control over the goods sold. Revenue is recognised at the fair value of the consideration received or receivable, net of discounts. Settlement is made in cash, with revenue comprising the amount of cash received or receivable. Amounts collected on behalf of third parties are not included in the company's revenue. Revenue from the rendering of services is recognised when the economic outcome of the services can be estimated reliably and the economic benefits flow to the company. The item ”other operating income” includes other revenues in the operation that do not stem from the day-to-day business operations, such as capital gains from the sale of non-current assets and exchange-rate gains from operating receivables/liabilities.

Dividends are recognised when the right to receive payment is established.

Intra-group sales are eliminated in the consolidated financial statements.

Costs

The income statement is classified using the function of expense method. The functions are as follows:

- Cost of goods sold comprises material handling and manufacturing costs, including payroll and material costs, purchased services, costs of premises, and depreciation/ amortisation and impairment of property, plant and equipment.
- Administrative expenses comprise costs of the companies' own administrative functions and costs relating to boards, management and staff functions.
- Distribution costs comprise costs associated with the sales organisation and inventory obsolescence.
- Other operating income/expenses relates to secondary activities, exchange-rate differences on operating items and capital gains/ losses on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income on bank deposits and receivables, interest expense on borrowings, dividend income, exchange-rate differences and other financial income and expenses. The interest component of finance lease payments is recognised in profit or loss using the effective interest method, which means that the interest is allocated to each accounting period during the lease term so as to produce a constant periodic rate of interest on the balance of the liability reported during the period.

Tax

Income tax consists of current tax and deferred tax. Taxes are recognised in profit or loss except when the underlying transaction is recognised directly in equity, in which case the related tax effect is also recognised in equity.

Current tax is the amount of income taxes payable or recoverable in respect of the current year. This includes adjustments of current tax attributable to prior periods. Deferred tax is accounted for using the balance-sheet liability method. A deferred tax liability is recognised for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Amounts are calculated based on how the temporary differences are expected to be settled and by applying the tax rates enacted or substantively enacted by the balance-sheet date. Deferred tax is not recognised on temporary differences arising from goodwill on consolidation, and is not normally recognised on temporary differences arising from participations in subsidiaries that are not expected to be taxed in the foreseeable future. Untaxed reserves are recognised including deferred tax liabilities in the legal entity. However, in the consolidated financial statements, untaxed reserves are divided into deferred tax liability and equity. Deferred tax assets related to deductible temporary differences and loss carry-forwards are only recognised insofar as it is probable that they will result in lower tax payments in the future.

Cash flow statement

The cash flow statement is prepared using the indirect method. Reported cash flows only concern transactions that involve cash inflows and outflows.

Cash and bank balances are classified as cash and cash equivalents.

Related-party transactions

None of the parent company's total purchases charged to operating profit relate to transactions with other companies within the corporate group to which the company belongs. Within the Group, there are some internal sales between its different markets. Related-party transactions are also reported in note 7 (employees, personnel expenses and fees paid to directors and auditors) and note 33 (related-party transactions). Related-party transactions are made on terms equivalent to those that prevail in arm's length transactions.

Financial instruments

The Group classifies its financial instruments into the following categories: loans and receivables, and other financial liabilities. Management makes a classification decision on initial recognition, and reviews this decision on each balance-sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These instruments arise when the Group provides money, goods or services directly to a customer without intending to trade the receivable. They are included in current assets unless the settlement date is more than 12 months after the balance-sheet date, in which case they are classified as non-current assets. Loans and receivables are reported under trade receivables and other receivables, as appropriate, in the balance sheet.

NOTE 3 RISKS AND RISK MANAGEMENT

Operational risks

MARKET AND BUSINESS RISKS

Customer demand for products and services from Bufab depends on general economic conditions and the level of activity in the manufacturing industry in the countries in which Bufab and its customers operate.

Bufab operates in Sweden, Denmark, Finland, Norway, Germany, France, the Netherlands, Austria, the Czech Republic, Poland, Great Britain, Estonia, Hungary, Spain, Slovakia, India, the United States, Taiwan, China, Russia, Turkey, Romania, Italy and Northern Ireland. Bufab's customers are found in a wide spectrum of manufacturing industries, including the technology sector, electronics/telecommunications, consumer goods, the offshore and refining industry, the transportation and construction sectors, furniture and the automotive sector. Geographical diversification combined with a vast number of customers spread across many sectors reduces the effects of isolated changes in customer demand.

The company's broad product range, which includes everything from conventional fasteners to special parts in metal, plastic, rubber, etc., provides a healthy risk spread and a stronger relationship with customers, such as logistics partners, than that of conventional wholesale operation. However, despite this risk diversification, the company was nonetheless substantially impacted by reduced customer demand during the sharp global economic downturn in 2009.

There is a risk that major customers will choose to bypass the wholesale stage and deal directly with manufacturers. However, Bufab adds value to its customers by providing efficient logistics and a broad base of suppliers, as well as a reliable level of quality. The company believes that this broad range as a logistics partner remains competitive.

Bufab can be negatively impacted when its suppliers experience economic, legal or operational problems, higher prices or when they are unable to deliver on time or at the agreed level of quality. Bufab sources most of its goods from suppliers that are mainly located in Asia, but also from some European suppliers. Bufab works with a large number of suppliers from different countries. The company aims to avoid making itself dependent on specific suppliers. If a supplier is unable to deliver on time or at the agreed level of quality, alternative sourcing channels are available, albeit at less profit for Bufab.

Inventories constitute a significant share of Bufab's assets and are costly to relocate, store and manage. Accordingly, efficient inventory management is a key element in Bufab's operation. Inefficient inventory management can lead to inventory surpluses or deficits. Inventory surpluses expose Bufab to the risk of having to incur impairment losses on or to dispose of the inventory. Conversely, inventory deficits expose Bufab to the risk of having to source products at higher prices in order to deliver on time, or to incur expensive express delivery costs.

Bufab has a substantial goodwill item in its consolidated balance sheet, which is regularly tested for impairment requirements; see also note 18.

COMPETITION

Bufab acts as a subcontractor to the engineering industry and faces competition in all types of customer segments. Customer requirements concerning price, quality, delivery reliability, etc. are constantly increasing. Since the entry barriers for smaller companies and the investments required to start a competing business are low, Bufab can also lose sales to new companies.

The company's continued success is dependent on its ability to respond to these increasing requirements and be more competitive than its competitors in the areas of attractive pricing, delivery reliability, quality, high internal efficiency and broad, secure logistics solutions from all of the countries in which Bufab operates.

LEGAL RISKS

Legal risks primarily include legislation and regulation, government decisions, disputes, etc. The fastener industry within the EU has been subject to heavy duties on imports of standard parts from China over the past three years. Bufab has been forced to find alternative purchasing channels, primarily in Asia, which has worked well considering the volume size.

In 2011, the EU also imposed heavy duties on imports of standard parts from Malaysia. Great uncertainty remains as to whether more countries will be subject to increased duties, and how long the current duty hikes on goods from China and Malaysia will remain in place. Bufab's operations face risks related to taxes and the environment. See also note 32.

INSURANCE

Bufab insures its assets against property damage and business interruption losses. In addition, there are insurance policies for product liability, product recall, transportation, legal protection, crime against property and business travel. There have been no significant claims for damages with regard to product liability or product recall during the last decade.

FINANCIAL RISKS

Bufab is exposed to various types of financial risk in the course of its operations. Examples of these are currency, financing, interest rate and counterparty risks. The board is responsible for adopting risk-management policies. Financial activities such as risk management, liquidity management and borrowing are managed at the Group level by the subsidiary Bult Finnveden AB.

CURRENCY RISKS

Changes in exchange rates affect the Group's earnings and equity in different ways. Currency risk arises from:

- Flow exposures in the form of receipts and payments in different currencies
- Recognised assets and liabilities of subsidiaries
- Translation of the earnings of foreign subsidiaries to SEK
- Translation of the net assets of foreign subsidiaries to SEK

Exchange-rate fluctuations may also affect the Group's competitiveness or that of its customers, thereby indirectly affecting the Group's sales and earnings. The Group's overall currency exposure has increased over time as operations have become more global, with increased trade from Asia as well as a higher proportion of sales outside Sweden – largely from foreign subsidiaries but also from Swedish subsidiaries.

The Group's currency risk management policy primarily focuses on transaction-related currency risks. Currency risks are mainly managed by working to change the business's operating terms by aligning revenues and costs in other currencies with the SEK.

Some 65 per cent (62) of the Group's total invoicing and 71 per cent (70) of its costs are in foreign currencies. Flow exposure, during 2014, was not hedged at fixed exchange rates, except to a marginal degree in a subsidiary in the segment International.

During the financial year, the Group's currency flows (excluding the reporting currency, SEK) were distributed as follows (amounts in SEK million):

CURRENCY	Costs	Sales
EUR	1,000	1,160
USD	392	137
NOK	49	110
GBP	91	87
DKK	12	29
CZK	14	28
PLN	58	52
HUF	4	0
RMB	68	69
RON	16	42
NTD	56	0
Other	13	11

Expressed in SEK million. Currency flows represent gross flows, including intra-group transactions

The company's largest exposure is to the USD, as trade from Asia is largely conducted in this currency, and to the EUR, as a large proportion of its European sales are in this currency.

CREDIT RISK

Credit risk related to cash and cash equivalents, balances and credit exposures are managed at the Group level. Credit risk related to receivables outstanding are managed by the company in which the receivable was created. The company conducts individual assessments of its customers' credit ratings and credit risks, including customers' financial position, previous experiences and other factors. Management does not expect any losses due to missing payments from counterparties other than the amount reserved as "doubtful debts." Refer to note 23.

FINANCING, LIQUIDITY AND CAPITAL

Financing risk is defined as the risk of being unable to meet payment obligations as a result of insufficient liquidity or difficulties in obtaining financing. Liquidity risk is managed by ensuring that the Group holds sufficient levels of cash and cash equivalents and access to financing under credit facility agreements. Executive management regularly monitors the need to refinance external loans in the aim of renegotiating the Group's credit facilities at least 12 months before the maturity date.

The Group receives its primary financing from a bank under an SEK 875 million credit facility with a maturity in February 2017. This credit is linked to certain borrowing terms (known as covenants), which are detailed in note 28.

At year-end 2014, the Group had a liquidity reserve in the amount of SEK 382 million (285). The Group's finance policy stipulates that the available funds, meaning cash and cash equivalents and available but unutilised credits, must be greater than the Group's standard expenses for one month. On 31 December 2014, the liquidity reserve totalled 2.2 months' standard expenses for the Group.

The Group has an adjusted equity/assets ratio of 51.7 per cent (48.8), whereby the equity/assets ratio is defined as recognised equity divided by total assets.

EQUITY/ASSETS RATIO	2014	2013
Group		
Equity	1,147	1,012
Total assets	2,220	2,073
Equity/assets ratio	**51.7%**	**48.8%**

The net debt/equity ratio as at 31 December 2014 and 2013 was as follows:

DEBT/EQUITY RATIO	2014	2013
Group		
Interest-bearing liabilities	671	706
Less: Cash and cash equivalents	-128	-98
Net indebtedness	543	608
Equity	1,147	1,012
Debt/equity ratio	**47%**	**60%**

The maturity structure for existing borrowings is shown in note 28. The amounts do not include the current portion, which will mature within one year. The overdraft facility normally matures within one year, but is usually extended on the due date. In terms of its capital structure, the company's goal is to have a debt/equity ratio of less than 80 per cent.

The table below illustrates the Group's financial liabilities categorised by time left to maturity as per balance-sheet date. The amounts shown in the table are the contractual undiscounted cash flows.

The interest rate at the end of each financial year was applied to the liabilities.

On 31 December 2014	Less than 1 year	1-5 years	More than 5 years
Bank loans and overdrafts	73	613	3
Trade and other payables	246	-	-
Total	**319**	**613**	**3**

On 31 December 2013	Less than 1 year	1-5 years	More than 5 years
Bank loans and overdrafts	233	479	-
Trade and other payables	202	-	-
Total	**435**	**479**	**0**

CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table shows the classification of financial instruments in the statement of financial position for the years 2014 and 2013 (for definitions, see note 2).

ASSETS, 2014	Loans and receivables	Non-financial assets	Total
Intangible assets	**-**	**752**	**752**
Property, plant and equipment	**-**	**140**	**140**
Financial assets	**-**	**28**	**28**
Current assets			
Inventories	-	698	698
Trade receivables	414	-	414
Current tax assets	-	18	18
Other receivables	22	-	22
Prepaid expenses and accrued income	-	20	20
Cash and cash equivalents	128	-	128
Total current assets	**564**	**736**	**1,300**
TOTAL ASSETS	**564**	**1,656**	**2,220**

LIABILITIES, 2014	Loans and receivables	Non-financial liabilities	Total
Non-current liabilities and provisions	**599**	**36**	**635**
Current liabilities and provisions			
Interest-bearing liabilities	72	-	72
Trade payables	246	-	246
Current tax liabilities	-	10	10
Other liabilities	-	22	22
Accrued expenses and deferred income	-	88	88
Total current liabilities	**318**	**120**	**438**
TOTAL LIABILITIES	**917**	**156**	**1,073**

ASSETS, 2013	Loans and receivables	Non-financial assets	Total
Intangible assets	**-**	**739**	**739**
Property, plant and equipment	**-**	**145**	**145**
Financial assets	**-**	**25**	**25**
Current assets			
Inventories	-	626	626
Trade receivables	385	-	385
Current tax assets	-	21	21
Other receivables	18	-	18
Prepaid expenses and accrued income	-	16	16
Cash and cash equivalents	98	-	98
Total current assets	**501**	**663**	**1,164**
TOTAL ASSETS	**501**	**1,572**	**2,073**

LIABILITIES, 2013	Loans and receivables	Non-financial liabilities	Total
Non-current liabilities and provisions	**479**	**29**	**508**
Current liabilities and provisions			
Interest-bearing liabilities	227	-	227
Trade payables	202	-	202
Current tax liabilities	-	11	11
Other liabilities	-	24	24
Accrued expenses and deferred income	-	89	89
Total current liabilities	**429**	**124**	**553**
TOTAL LIABILITIES	**908**	**153**	**1,061**

FINANCIAL INSTRUMENTS

IFRS 13 Fair Value Measurement is applied. The standard has not had any impact on the Group's earnings or financial position, but has brought increased disclosure requirements for financial instruments. The same applies to the amendment to IFRS 7 Financial Instruments: Disclosures, which introduces enhanced disclosure requirements for netting of financial assets and liabilities. The Group's borrowings mainly take the form of credit facilities with long-term credit but short fixed-rate periods. Consequently, it is the assessment that the fair value is essentially consistent with the carrying amount.

INTEREST-RATE RISK

Changes in interest rates have a direct impact on the Group's earnings, while their impact on the overall economy also produces an indirect effect. The Group's finance policy stipulates that the fixed-rate period on external borrowing must provide a long-term balance between variable interest rates to reduce interest expenses and fixed rates to create stability. The Group's bank loans at the end of the year had an average remaining fixed-rate period of two months.

SENSITIVITY ANALYSIS

Significant factors affecting the Group's earnings are described below. The assessment is based on year-end values, assuming all other factors remain constant.

Fluctuations in sales prices are the variable that has the greatest impact on earnings, with a change of +/-1 per cent on resale prices affecting operating profit by about SEK 22 million (20).

Volume changes and sourcing prices affect Bufab's earnings. A 1-per cent change in volume has an effect on earnings of about SEK 8 million (7), while a 1 per cent change in merchandise sourcing prices has an effect of about SEK 13 million (12) on operating profit.

Payroll costs represent a large proportion of the Group's cost base. A 1-per cent increase affects operating profit by about SEK 4 million (4).

The Group's net debt was SEK 543 million on the balance-sheet date. A one percentage point change in the market rate for the closing net debt has an effect on profit after financial items of SEK 5 million (6).

The Group has considerable exposure to the USD, which is related to the company's trade with Asia, particularly China and Taiwan. Local prices in Asia are largely set on the basis of the USD level. Consequently, a one percentage point change in the USD does not have a particularly large effect on the company's operating profit, due to local price adjustments, amounting to about SEK 3 million (2).

The Group's exposure to the EUR is also considerable. Exposure to the EUR is primarily due to the fact that the Group's invoicing in Europe is largely in this currency. A one percentage point change in the EUR, with all other variables held constant, has an impact on operating profit of SEK 2 million (1).

NOTE 4 SIGNIFICANT ESTIMATES AND ASSESSMENTS

Accounting estimates and assessments are evaluated regularly. They are largely based on historical experience and other factors, including expectations about future events that are considered reasonable in the present circumstances. The Group makes judgements and assumptions concerning the future. These result in accounting estimates, which, by definition, rarely correspond with the actual outcome. Estimates and assumptions which involve considerable risk of material adjustments to the carrying amounts of assets and liabilities during the next financial year are described below. The assumptions made in connection with goodwill impairment testing can be found in note 18.

In 2006, the Group sold four properties located in Värnamo, Svartå and Åshammar. The properties were built and equipped for industrial use. In connection with the sale, leases were signed for a term of 15 years. In the management's overall assessment pursuant to IAS 17, since the future economic benefits and risks after the sale largely flow to the buyer of three of the properties (located in Värnamo and Svartå), the leases for these properties are recognised as operational leases. The leases were subject to minor changes without impacting their classification as operational leases under IAS 17. For the fourth property, located in Åshammar, a new lease was signed in 2013, entailing its classification as a financial lease. Also refer to notes, 12, 19 and 21.

Bufab has been ordered to carry out surveys of environmental pollutants at an industrial property. Also refer to note 32.

NOTE 5 INFORMATION ON OPERATING SEGMENTS

Segment reporting is prepared in accordance with IFRS 8. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function that makes decisions about resources to be allocated to the operating segments and assesses their performance. For the Group, this function has been identified as Group management. Two segments, Sweden and International, have been identified in the Group, consistent with the internal reporting. Segment Sweden includes Bufab's five subsidiaries in Sweden and its subsidiary in the United States, which work closely with other subsidiaries in the segment. Segment International encompasses all activities Bufab engages in outside Sweden and the United States, which includes operations in 21 countries. Net sales in the segments relate to net sales to external customers. No individual customer accounts for more than 10 per cent of net sales in any of the segments. Common overhead costs are distributed between the segments and are allocated on an arm's length basis. The category "Other" consists of other unallocated costs for the Parent Company and Group eliminations.

	Sweden		International		Other		Group	
GROUP	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Income items								
Total revenue	982	970	1,217	1,061	0	0	2,198	2,031
Operating profit	**144**	**145**	**75**	**84**	**-45**	**-28**	**174**	**201**
Financial items	-	-	-	-	-	-	-23	-27
Profit after financial items	**-**	**-**	**-**	**-**	**-**	**-**	**151**	**174**
Taxes	-	-	-	-	-	-	-39	-43
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**112**	**131**
Assets	1,202	1,204	969	850	49	19	2,220	2,073
Liabilities	301	294	239	190	533	577	1,073	1,061
Other disclosures								
Investments*	20	26	14	9	7	2	41	37
Depreciation	22	24	7	6	3	1	32	31
Impairment	-	-	-	-	-	-	-	-

* Under Segment Sweden 2013, the figures for "Investments" include the value of a reclassified lease for a building at a value of SEK 14 million. Also refer to notes 4 and 19.

NOTE 6 NON-RECURRING ITEMS

NON-RECURRING ITEMS CLASSIFIED BY SEGMENT	2014	2013
Sweden	-	-2
International	-	-1
Other	18	5
Total	**18**	**2**

NON-RECURRING ITEMS CLASSIFIED BY FUNCTION	2014	2013
Cost of goods sold	-	-1
Distribution costs	-	-1
Administrative expenses	18	4
Total	**18**	**2**

Non-recurring items for 2014 pertain in full to expenses attributable to the IPO on NASDAQ Stockholm.

Non-recurring items for 2013 pertain to expenses of SEK 4 million that were attributable to the IPO on the NASDAQ Stockholm. Other non-recurring items primarily relate to reclassified provisions from past years for presumed costs for anti-dumping duties for goods from Thailand, which were never charged by the authorities concerned.

NOTE 7 EMPLOYEES, PERSONNEL EXPENSES AND FEES PAID TO DIRECTORS AND AUDITORS

AVERAGE NUMBER OF EMPLOYEES	2014	% Male	2013	% Male
Parent Company				
Sweden	1	100	1	100
Total	**1**	**100**	**1**	**100**
Subsidiaries				
Sweden	324	76	317	73
Norway	20	90	21	95
Finland	52	90	49	90
Germany	22	77	24	63
Poland	34	76	24	67
Austria	32	81	31	81
Czech Republic	18	67	16	75
Spain	10	60	10	60
France	75	60	86	62
Netherlands	15	80	13	77
Slovakia	12	67	13	62
Estonia	12	83	13	85
China	56	52	46	59
India	22	82	16	88
Taiwan	13	54	14	57
Romania	35	69	33	79
Russia	8	63	8	50
Hungary	10	80	10	80
Other	34	91	26	88
Total, subsidiaries	**804**	**74**	**770**	**73**
GROUP TOTAL	**805**	**74**	**771**	**73**

BOARD AND SENIOR EXECUTIVES	2014	% Female	2013	% Female
Board	7	0	7	0
Other senior executives	3	33	2	0

	2014		2013	
SALARIES, EMPLOYEE BENEFITS AND SOCIAL SECURITY FEES	**Social security fees**	**Salaries and benefits**	**Social security fees**	**Salaries and benefits**
SEK million				
Parent Company	4.0	1.9	3.0	1.6
(of which pension cost, defined-contribution plans)		0.6		0.6
Subsidiaries	295.0	107.2	265.7	94.2
(of which pension cost, defined-contribution plans)		31.7		25.3
(of which pension cost, defined-benefit plans)				1.1
GROUP TOTAL	**299.0**	**109.1**	**268.7**	**95.8**
(of which pension cost)		32.5		27.0

	2014		2013	
SALARIES AND OTHER REMUNERATION CATEGORISED BY COUNTRY AND AMONG BOARD MEMBERS, CEO AND OTHER EMPLOYEES	**Management ***	**Other employees**	**Management ***	**Other employees**
MSEK				
Parent Company	4.0	-	3.0	-
(of which bonuses, etc.)	0.2	-	0.1	-
Total, Parent Company	**4.0**	**-**	**3.0**	**-**
(of which bonuses, etc.)	0.2	-	0.1	-
Subsidiaries				
Subsidiaries, Sweden	8.7	136.8	5.5	127.6
(of which bonuses, etc.)	0.5		0.2	
Foreign subsidiaries	20.1	129.4	18.7	113.9
(of which bonuses, etc.)	2.6		1.9	
Total, subsidiaries	**28.8**	**266.2**	**24.2**	**241.5**
(of which bonuses, etc.)	3.1		2.1	
GROUP TOTAL	**32.8**	**266.2**	**27.2**	**241.5**
(of which bonuses, etc.)	3.3		2.2	

* Includes current and former board members, as well as current and former CEO of the Parent Company and subsidiaries, as well as other senior executives in Group management.

GROUP	2014 Fee/Basic salary	2014 Variable remuneration	2014 Other benefits	2014 Pension	2013 Fee/Basic salary	2013 Variable remuneration	2013 Other benefits	2013 Pension
Board of directors								
Sven-Olof Kulldorff	0.4	-	-	-	0.2	-	-	-
Gunnar Tindberg	0.2	-	-	-	0.1	-	-	-
Adam Samuelsson	0.2	-	-	-	0.1	-	-	-
Hans Björstrand *	0.2	-	-	-	0.1	-	-	-
Joakim Andreasson	-	-	-	-	0.1	-	-	-
Joakim Lundvall	-	-	-	-	0.1	-	-	-
Ulf Rosberg	0.2	-	-	-	-	-	-	-
Johan Sjö	0.2	-	-	-	-	-	-	-
CEO								
Jörgen Rosengren	2.4	0.2	0.1	0.6	2.2	0.1	0.1	0.6
Other senior executives	3.5	0.2	0.2	1.0	1.7	0.1	0.2	0.6

* Under an agreement valid through January 2015, board member and former CEO Hans Björstrand serves as a senior advisor for the company. The cost of this assignment was charged to the 2012 financial year.

The chairman is paid fees as resolved by the AGM. The AGM set the chairman's fees at SEK 0.4 million (0.2). Other board members receive a total of SEK 1.0 million (0.5). Remuneration for the CEO and other senior executives comprises basic salary, variable remuneration, other benefits and a pension. The term ”senior executives” refers to the members of Group management.

The variable remuneration received by the CEO and other senior executives is based on the achievement of financial targets. The CEO received a basic salary of SEK 2.4 million (2.2), variable remuneration of SEK 0.2 million (0.1) and pension benefits of SEK 0.6 million (0.6) during the year. Other senior executives received a basic salary of SEK 3.5 million and variable remuneration of SEK 0.2 million.

One board member holds warrants in the company. Refer to note 25 for further details.

The CEO's retirement age is 65. Pension costs are premium based and correspond to 25 per cent of basic salary paid. The company and the CEO have a mutual period of notice of six months. The CEO is also entitled to severance pay of 12 months' basic salary if notice is initiated by the company. The retirement age for other senior executives is 65, and their pension costs are also premium-based. The company and other senior executives have a maximum period of notice of 12 months when notice is initiated by the company and six months when initiated by the employee.

AUDITORS' FEES AND REMUNERATION	2014	2013
PwC		
Audit services	4	3
Other services	5*	1
Other auditors		
Audit services	0	0

*Refers to costs related to the IPO process

NOTE 8 TYPES OF COSTS

	2014	2013
Materials purchased, including costs of delivery	1,334	1,227
Salaries, including social secretary fees	412	364
Depreciation	32	31
Other	248	209
Total	**2,026**	**1,831**

NOTE 9 OTHER OPERATING INCOME

	2014	2013
Capital gain on sale of property, plant and equipment	1	1
Exchange-rate gains on operating receivables/liabilities	15	15
Rental income	1	1
Other	5	6
Total other operating income	**22**	**23**

NOTE 10 OTHER OPERATING EXPENSES

	2014	2013
Exchange-rate losses on operating receivables/liabilities	-17	-20
Other	-3	-2
Total other operating expenses	**-20**	**-22**

NOTE 11 DEPRECIATION/AMORTISATION OF NON-CURRENT ASSETS

	2014	2013
Depreciation/amortisation according to plan, by class of asset		
Other intangible assets	0	-1
Byggnader	-2	-
Plant and machinery	-13	-14
Equipment, tools and fixtures & fittings	-17	-16
Total depreciation/amortisation	**-32**	**-31**
Depreciation/amortisation according to plan, by function		
Cost of goods sold	-18	-17
Distribution costs	-12	-12
Administrative expenses	-2	-2
Total depreciation/amortisation	**-32**	**-31**

NOTE 12 OPERATIONAL LEASE PAYMENTS

	2014	2013
Assets held under operational leases		
Minimum lease payments	47	51
Total lease payments for the year	**47**	**51**

Agreed future minimum lease payments on non-cancellable leases are due as follows:		
Within one year	48	43
Between one and five years	106	96
After five years	49	50
Total payments	**203**	**189**

The Group's operational leases primarily comprise business premises. These leases are indexed against the Swedish Consumer Price Index and include extension options. For more, refer to note 4.

NOTE 13 INTEREST AND SIMILAR INCOME

	2014	2013
Interest income, other	2	1
Total	**2**	**1**

NOTE 14 INTEREST AND SIMILAR EXPENSES

	2014	2013
Interest expenses, other	-20	-25
Exchange-rate differences	-2	-2
Other	-3	-1
Total	**-25**	**-28**

NOTE 15 EXCHANGE-RATE DIFFERENCES AFFECTING INCOME STATEMENT ITEMS

	2014	2013
Exchange-rate differences affecting operating profit	-2	-5
Exchange-rate differences on financial items	-2	-2
Total	**-4**	**-7**

NOTE 16 TAX ON PROFIT/LOSS FOR THE YEAR

	2014	2013
Current tax		
Current tax for the year	-35	-37
Total	**-35**	**-37**
Deferred tax expense (-)/income (+)		
Deferred tax income on temporary differences	-4	-6
Total	**-4**	**-6**
Recognised tax expense	**-39**	**-43**

Reconciliation of effective tax	**2014**	**2013**
Profit before tax	151	174
Tax under parent company's applicable tax rate	-33	-38
Effect of foreign subsidiaries' tax rates	-2	-4
Revaluation of tax losses/temp. differences	-4	-1
Tax on profit for the year in income statement	**-39**	**-43**
Effective tax rate	26%	25%

NOTE 17 EARNINGS PER SHARE, SEK

	2014	2013
Profit for the year attributable to shareholders	112	131
Weighted number of shares outstanding before dilution*	38,110,533	38,022,533
Earnings per share, SEK	**2.94**	**3.44**
Weighted number of shares outstanding after dilution*	38,110,533	38,110,533
Earnings per share after dilution, SEK	**2.94**	**3.43**
Profit for the year attributable to shareholders	112	131
Non-recurring items	18	2
Tax effect of non-recurring items	-4	0
Profit for the year excluding non-recurring items	126	133
Weighted number of shares outstanding before dilution*	38,110,533	38,022,533
Earnings per share excluding non-recurring items, SEK	**3.32**	**3.49**
Weighted of shares outstanding after dilution*	38,110,533	38,110,533
Earnings per share excluding non-recurring items after dilution, SEK	**3.32**	**3.48**

NOTE 18 INTANGIBLE ASSETS

	Goodwill		Other intangible assets	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Accumulated cost				
At beginning of year	779	779	5	5
Exchange-rate differences for the year	-	-	5	-
At year-end	2	0	-	-
Vid årets slut	**781**	**779**	**10**	**5**
Accumulated amortisation according to plan and impairments				
At beginning of year	-40	-40	-5	-4
Amortisation according to plan for the year	-	-	0	-1
Exchange-rate differences for the year	-2	0	0	-
At year-end	**-42**	**-40**	**-5**	**-5**
Carrying amount at beginning of period	**739**	**739**	**1**	**1**
Carrying amount at end of period	**739**	**739**	**5**	**0**

Bufab tests goodwill for impairment requirements on an annual basis.

The Group's goodwill has been allocated to its lowest cash-generating unit. Accordingly, SEK 542 million (542) was attributable to Segment Sweden and SEK 197 million (197) to Segment International. In Segment Sweden, the goodwill item encompasses the entire segment as a single cash-generating unit, whereas in Segment International, goodwill is divided among 12 (13) cash-generating units.

Since acquired units are integrated into Bufab's business model, the same assumptions apply to all cash-generating units.

The recovery value for the cash-generating units was determined by calculating the useful value by way of discounting future cash flows.

The calculations were based on the company's budget and financial plans for 2015-2017, as approved by executive management and the board. The plans for these years are detailed. The growth presented in the budget and financial plans during the forecast period is based on the Group's past organic growth and performance in the market segments in which Bufab is active.

For the periods beyond those forecast, a 2 per cent rate of growth and inflation was assumed. Expected future cash flows according to these assessments form the basis for the estimates. Changes in working capital and investment needs were also taken into account. The present value of the forecast cash flow was calculated using a discount rate of 8 per cent (8) after tax, corresponding to 8.5 per cent (8.5) before tax.

Impairment testing was conducted in conjunction with the annual accounts on 31 December 2013 and was addressed by the company's board. No impairment requirement was indicated.

Executive management conducted a number of calculations based on reasonable potential changes in significant assumptions concerning the discount rate and growth assumptions. A change in the discount rate to 10 per cent after tax would not result in any impairment requirement of the Group's recognised goodwill. The Group's budget and business plans during the forecast period include increases in sales, earnings and cash flow. Nor would an assumption of a halved rate of growth result in any need for impairment of goodwill.

NOTE 19 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings		Plant and machinery		Equipment, tools and fixtures & fittings	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Accumulated cost						
At beginning of year	14	4	123	130	135	133
Additions*	-	14	8	1	16	13
Disposals	-	-4	-2	-8	-20	-13
Reclassifications	-	-	7	-	2	-
Exchange-rate differences for the year	-	-	-	-	4	2
At year-end	**14**	**14**	**136**	**123**	**137**	**135**
Accumulated depreciation						
At beginning of year	-	-	-72	-65	-64	-58
Disposals	-	-	1	7	20	12
Depreciation for the year	-2	-	-13	-14	-17	-16
Exchange-rate differences for the year	-	-	-	-	-3	-2
At year-end	**-2**	**0**	**-84**	**-72**	**-64**	**-64**
Carrying amount at beginning of period	**14**	**4**	**51**	**65**	**71**	**75**
Carrying amount at end of period	**12**	**14**	**52**	**51**	**73**	**71**

* * The figure for "Additions" in 2013 includes the value of a reclassified lease for a building at a value of SEK 14 million. Also refer to notes 4 and 5.

NOTE 20 WORK IN PROGRESS AND ADVANCES FOR PROPERTY, PLANT AND EQUIPMENT

	Immateriella anläggningstillgångar		Materiella anläggningstillgångar	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
At beginning of year	-	-	9	0
Reclassifications	-	-	-9	-
Investments	8	-	3	9
Carrying amount at end of period	**8**	**0**	**3**	**9**

NOTE 21 FINANCIAL LEASES

	Cost		Accumulated depreciation	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Plant and machinery	12	12	-7	-5
Buildings	14	14	-1	-
Total financial leases	**26**	**26**	**-8**	**-5**

The lease on a property was renegotiated during 2013, resulting in the reclassification of the lease from an operational to a financial lease.

Future minimum lease payments fall due as follows:

	Nominal value		Present value	
	2014	2013	2014	2013
Within one year	3	3	3	3
Between one and five years	9	13	8	10
After five years	8	13	6	9
Total future lease payments	**20**	**29**	**17**	**22**

The present value of future minimum lease payments is recognised as an interest-bearing liability.
The consolidated earnings do not include any variable fees concerning financial leases.

NOTE 22 OTHER NON-CURRENT RECEIVABLES

	31 Dec 2014	31 Dec 2013
Accumulated cost		
At beginning of year	3	3
Repaid during the year	0	0
Carrying amount at year-end	**3**	**3**

NOTE 23 PAST-DUE RECEIVABLES

	31 Dec 2014	31 Dec 2013
Number of days past due:		
30-90 days	22	17
91-180 days	7	3
181-360 days	1	2
More than 360 days	7	5
Carrying amount at year-end	**37**	**27**
Provision in balance sheet for doubtful debts	8	10

Bad debt loss	**2014**	**2013**
Cost of bad debt loss affecting profit for the year	2	2
Total	**2**	**2**

NOTE 24 PREPAID EXPENSES AND ACCRUED INCOME

	31 Dec 2014	31 Dec 2013
Rent	6	5
Insurance	2	2
Finansiella poster	2	-
Licences	1	1
Other items	9	8
Carrying amount at year-end	**20**	**16**

NOTE 25 EQUITY

	31 Dec 2014	31 Dec 2013
Specification of exchange-rate differences for the year in equity:		
Exchange-rate differences for the year, foreign subsidiaries	25	4
Total exchange-rate differences for the period	**25**	**4**
Specification of cumulative exchange-rate differences in equity:		
Cumulative exchange-rate differences at beginning of year	-3	-7
Exchange-rate differences for the year, foreign subsidiaries	25	4
Cumulative exchange-rate differences at year-end	**22**	**-3**

WARRANTS

One Board member exercised his warrants in February 2014, resulting in the issuance of 88,000 ordinary shares, for which a total of SEK 510,000 was paid. For a specification of the number of shares outstanding, refer to note 7 for the parent company.

NOTE 26 PENSION OBLIGATIONS, INTEREST-BEARING

	31 Dec 2014	31 Dec 2013
FPG/PRI	25	23
Retirement pension, foreign companies	5	2
Total	**30**	**25**

The assumptions in the table below are used to measure the pension obligation under defined-benefit pension plans.

	Sweden		Other countries	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Discount rate	3.0%	4.0%	2.8%	3.5%
Rate of salary increase	3.0%	3.0%	2.0%	2.0%
Inflation	1.5%	2.0%	2.0%	2.0%

Specification of total post-employment benefits recognised in income statement (SEK million)	2014	2013
Costs relating to defined-benefit plans		
Service costs for current year	0	0
Interest on obligations	1	1
Costs relating to defined-benefit plans	**1**	**1**
Costs relating to defined-contribution plans	31	26
Total costs recognised in profit or loss	**32**	**27**

Post-employment benefits are settled mainly by payments to insurance companies or agencies which then assume the obligations to the employees (defined-contribution pensions). The remainder are settled under defined-benefit plans, meaning that the obligations remain in the Bufab Group. The largest defined-benefit plan is in Sweden (FPG/PRI). The company's costs and the value of the outstanding obligations under defined-benefit plans are measured using actuarial calculations designed to determine the present value of the obligations. Interest and the expected return are classified as finance costs. Other expense items are recognised in operating profit under cost of goods sold, distribution costs or administrative expenses, depending on the employee's function.

NOTE 27 PROVISIONS FOR DEFERRED TAX

	31 Dec 2014		31 Dec 2013	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Machinery and equipment	-	13	-	14
Tax allocation reserve	-	18	-	13
Other	5	3	6	1
Tax-loss carry-forwards	20	-	16	-
Total	**25**	**34**	**22**	**28**

Tax-loss carry-forwards are recognised as deferred tax assets insofar as it is probable that they can be credited against future taxable profits. According to current plans, all companies' earnings in the coming years will enable the Group to utilise the recognised tax asset that exists. The Group has no significant loss carry-forwards that were not taken into account in its financial statements.

NOTE 28 NON-CURRENT INTEREST-BEARING LIABILITIES

	31 Dec 2014	31 Dec 2013
Amount of liability items expected to be settled 1-5 years after balance-sheet date	566	447
Amount of liability items expected to be settled more than 5 years after balance-sheet date	3	7
Total	**569**	**454**

Of the Group's non-current interest-bearing liabilities, SEK 550 million (434) stem from credit from Svenska Handelsbanken. The remainder of the non-current interest-bearing liabilities derive primarily from financial leases. The Group must fulfil specific borrowing terms (covenants) required by external creditors, including equity/assets ratios and the ratio between operating profit before depreciation/amortisation and impairment, and net debt.

On the balance-sheet date, the average interest rate on the Group's non-current liabilities was 2.4 per cent (2.7).

NOTE 29 PLEDGED ASSETS

	31 Dec 2014	31 Dec 2013
Floating charges	214	267
Shares in subsidiaries	992	928
Total	**1,206**	**1,195**

NOTE 30 OVERDRAFT FACILITIES

	31 Dec 2014	31 Dec 2013
Credit limit	119	272
Unutilised portion	-112	-130
Credit amount utilised	**7**	**142**

NOTE 31 ACCRUED EXPENSES AND DEFERRED INCOME

	31 Dec 2014	31 Dec 2013
Accrued salaries incl. holiday pay	44	43
Accrued social security fees	17	13
Other items	27	33
Total	**88**	**89**

NOTE 32 CONTINGENT LIABILITIES

	31 Dec 2014	31 Dec 2013
Taxes	24	20
Environment	30	30
Other contingent liabilities	3	3
Total	**57**	**53**

Environment

In accordance with an injunctive order, the company conducted environmental investigations at a property where a subsidiary had been engaged in manufacturing until 1989. The investigations revealed traces of environmental pollution. It is Bufab's assessment that the pollution was not caused by its own activities. On the termination of a lease agreement in 2013, Bufab also conducted an environmental investigation at another property. In order to obtain an overview of environmental issues relevant to the Group, Bufab also conducted an environmental audit in 2013, and where necessary an environmental engineering survey, of all properties where Bufab has previously engaged in manufacturing. The investigations have shown traces of pollution in two additional cases. If any link were established between this pollution and Bufab's operations, it would be the result of working and production methods that ceased to be used in the 1980s or earlier. Based on the investigations, it is Bufab's assessment that the identified pollution may have been caused by activities conducted by parties other than Bufab. However, the legal liability issue is difficult to assess and it is not inconceivable that Bufab could be required to implement remediation measures. Further investigations may be conducted in the next few years at the initiative of Bufab or other parties.

Having consulted technical and legal experts based on the information available when the financial report was issued, it is Bufab's assessment that the total cost of potential remediation measures arising from the identified environmental pollution will not exceed SEK 30 million during the next decade. However, since legal experts consulted by the company do not deem it likely that Bufab will be held accountable for any remediation measures, no provisions have been made.

Tax, income years 2010-2012

The Swedish Tax Agency denied Bufab certain deductions for interest charges for financial years 2010- 2012. The background to disallowing the deductions is a change to the rules for deducting interest on loans in a community of interests. Bufab, supported by leading tax experts, does not share the Swedish Tax Agency's opinion and appealed its decision to the Administrative Court in February 2014. Should Bufab ultimately be refused these deductions, this would mean an additional tax expense of SEK 24 million. No associated provision has been made.

NOTE 33 RELATED-PARTY TRANSACTIONS

On the balance-sheet date, Bufab S.à.r.l owned 0 per cent (93) of the shares in Bufab Holding AB.
Remuneration to senior executives is presented in Note 7.

NOTE 34 KPI DEFINITIONS

ORDER INTAKE
Net of received and cancelled orders in the period.

GROSS MARGIN, %
Gross profit as a percentage of net sales during the period.

ADJUSTED GROSS PROFIT
Gross profit or loss adjusted for non-recurring items.

ADJUSTED GROSS MARGIN, %
Adjusted gross profit as a percentage of net sales during the period.

OPERATING MARGIN, %
Operating profit as a percentage of net sales during the period.

ADJUSTED OPERATING PROFIT
Operating profit adjusted for non-recurring items.

ADJUSTED OPERATING MARGIN, %
Adjusted operating profit as a percentage of net sales during the period.

NET DEBT
Interest-bearing liabilities less interest-bearing assets, all calculated at year-end.

DEBT/EQUITY RATIO, %
Net debt divided by equity, all calculated at year-end.

WORKING CAPITAL
Total current assets less cash equivalents less current non-interest-bearing liabilities, all calculated at year-end.

WORKING CAPITAL/NET SALES, %
Net working capital at the end of the period as a percentage of net sales during the past 12 months.

AVERAGE WORKING CAPITAL
Average working capital calculated as an average of the past four quarters.

AVERAGE WORKING CAPITAL IN RELATION TO NET SALES, %
Average working capital expressed as a percentage of net sales in the past twelve months.

EQUITY/ASSETS RATIO, %
Equity as a percentage of total assets, all calculated at year-end.

OPERATING CASH FLOW
Operating profit adjusted for depreciation/amortisation, impairments and other non-cash items less changes in working capital and investments.

EARNINGS PER SHARE
Profit for the year divided by the average number of ordinary shares, adjusted for the set-off issue and 80:1 split conducted during the first quarter of 2014.

Parent company income statement

SEK million	Note	2014	2013
Administrative expenses	2	-26	-9
Other operating income		4	3
Operating loss	3	**-22**	**-6**
Profit/loss from financial items			
Interest and similar expenses	4	0	0
Loss after financial items		**-22**	**-6**
Appropriations	5	91	88
Tax on loss for the year	6	-16	-19
Loss for the year		**53**	**63**

Statement of comprehensive income

SEK million	2014	2013
Loss after tax	**53**	**63**
Other comprehensive income	-	-
Total comprehensive income	**53**	**63**

Parent company balance sheet

SEK million	Note	31 Dec 2014	31 Dec 2013
ASSETS			
Non-current assets			
Financial assets			
Participations in Group companies	7	845	845
Total financial assets		**845**	**845**
Total non-current assets		**845**	**845**
Current assets			
Current receivables			
Receivables from Group companies		159	341
Other receivables		11	7
Total current receivables		**170**	**348**
Cash and bank balances		6	3
Total current assets		**176**	**351**
TOTAL ASSETS		**1,021**	**1,196**
EQUITY AND LIABILITIES			
Equity	8		
Share capital		1	0
Other paid-in capital		488	488
Retained earnings		449	396
Total equity		**938**	**884**
Untaxed reserves	9	**80**	**58**
Current non-interest-bearing liabilities			
Trade payables		-	2
Liabilities to Group companies		-	250
Current tax liabilities	10	2	2
Accrued expenses and deferred income		1	-
Total current non-interest-bearing liabilities		**3**	**254**
TOTAL EQUITY AND LIABILITIES		**1,021**	**1,196**
Pledged assets	11	845	845
Contingent liabilities	12	24	20

Parent company statement of changes in equity

SEK million	Share capital	Other paid-in capital	Retained earnings	Total equity
Opening balance on 1 January 2013	**0**	**486**	**335**	**821**
Comprehensive income				
Loss for the financial year	-	-	63	63
Total comprehensive income			**63**	**63**
Transactions with shareholders				
Dividend to Parent Company shareholderd			-2	-2
Paid-in capital		2		2
Total transactions with shareholders	**0**	**2**	**-2**	**0**
EQUITY ON 31 DECEMBER 2013	**0**	**488**	**396**	**884**
Comprehensive income				
Group contributions received	-	-	53	53
Total comprehensive income	**0**	**0**	**53**	**53**
Transactions with shareholders				
Paid-in capital	1	-	-	1
Total transactions with shareholders	**0**	**0**	**0**	**1**
EQUITY ON 31 DECEMBER 2013	**1**	**488**	**449**	**938**

The Group's restricted equity comprises share capital and SEK 32 million in other paid-in capital.

Parent company cash flow statement

SEK million	2014	2013
Operating activities		
Loss before financial items	-22	-6
Income tax paid	-19	-31
Cash flow from operating activities before changes in working capital	**-41**	**-37**
Cash flow from changes in working capital		
Increase (-)/decrease (+) in operating receivables	182	-115
Increase (+)/decrease (-) in operating liabilities	-251	40
Cash flow from operating activities	**-110**	**-112**
Financing activities		
Group contributions received	113	115
Cash flow from financing activities	**113**	**115**
Cash flow for the year	**3**	**3**
Cash and cash equivalents at beginning of year	3	0
CASH AND CASH EQUIVALENTS AT YEAR-END	**6**	**3**

Notes to parent company financial statements

All amounts are in SEK million unless otherwise specified. The figures in brackets indicate the previous year's values.

NOTE 1 SUMMARY OF KEY ACCOUNTING POLICIES

The parent company applies the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Under the recommendation, the parent of a group which has voluntarily elected to apply IFRS/IAS in its consolidated accounts shall, as a general rule, apply the IFRS/IAS that are applied in the group.

The parent company's participations in Group companies are recognised using the cost model. Distributions received are only recognised as revenue if they are derived from post-acquisition earnings. Distributions received in excess of such earnings are regarded as a recovery of investment and are recognised as a reduction of the carrying amount of the investment.

Shareholder contributions are recognised directly in the recipient's equity and are capitalised in the issuer's shares and participating interests, to the extent that impairment is not required. Group contributions are recognised in profit and loss.

Group contributions were earlier recognised in shareholders' equity, but as of this financial year, Group contributions are recognised as an appropriation in the income statement. Amounts for comparative periods have been corrected.

The change of accounting policy had no effect on equity. The change of accounting policy had these effects on the income statement:

Profit/loss for the period	2013
Stated income statement	-26
Adjustments	
Appropriations	115
Tax on profit/loss for the year	-26
Profit for the year adjusted in accordance with the new policy	**63**

NOTE 2 NON-RECURRING ITEMS

Non-recurring items by function 2014	2014	2013
Administrative expenses	18	-
Total	**18**	**-**

NOTE 3 EMPLOYEES, PERSONNEL EXPENSES AND FEES PAID TO BOARD MEMBERS AND AUDITORS

AVERAGE NUMBER OF EMPLOYEES	2014	2013
Female	-	-
Male	1	1
Total	**1**	**1**

	2014		2013	
SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY FEES	**Salaries and benefits**	**Social security fees**	**Salaries and benefitsr**	**Social security fees**
Salaries and benefits to board and CEO	4.0	1.9	3.0	1.6
(of which bonuses, etc.)	0.2		0.1	
(of which pension cost, defined-contribution plans)		0.6		0.5
Total	**4.0**	**1.9**	**3.0**	**1.6**

Sickness absence information is not disclosed as the parent company has fewer than ten employees.

Auditors' fees and remuneration	2014	2013
PwC		
Audit services	1	0
Other services	5	1

Cost for other services in 2014 refers to the IPO process.

NOTE 4 INTEREST AND SIMILAR EXPENSES

	2014	2013
Interest expenses, other	-	-
Total	**0**	**0**

NOTE 5 APPROPRIATIONS

	2014	2013
Transfers to tax allocation reserve, 2014 tax year	-	-27
Transfers to tax allocation reserve, 2013 tax year	-22	-
Group contributions received	113	115
Total	**91**	**88**

NOTE 6 TAX ON PROFIT/LOSS FOR THE YEAR

	2014	2013
Current tax		
Current tax for the year	-16	-19
Total	**-16**	**-19**

Reconciliation of effective tax	2014	2013
Profit before tax	69	82
Tax according to parent company's applicable tax rate	-16	-19
Recognised effective tax	**-16**	**-19**

NOTE 7 PARTICIPATIONS IN GROUP COMPANIES

	31 Dec 2014	31 Dec 2013
Accumulated cost		
At beginning of year	845	845
Total cost	**845**	**845**
Carrying amount at end of period	**845**	**845**

SPECIFICATION OF PARENT COMPANY'S AND GROUP'S HOLDINGS OF SHARES IN GROUP COMPANIES	Holding*, %	31 Dec 2014 Carrying amount	31 Dec 2013 Carrying amount
Subsidiary/corp.reg.no/registered office			
Bult Finnveden AB, 556194-4884, Värnamo	100	845	845
Bufab Sweden AB, 556082-7973, Värnamo	100		
Bufab Bix Stickler AB, 556089-6911, Täby	100		
Bufab Kit AB ,556250-8506, Värnamo	100		
Bufab Lann AB, 556180-8675, Värnamo	100		
Swedfast Trading AB, 556914-0733	100		
Bufab Benelux BV, 3117232260, Eindhoven, NL	100		
Bufab Danmark A/S, 157848, Albertslund, DK	100		
Bufab Deutschland GmbH, 22 294 22370, Hamburg, DE	100		
Bufab Norge AS, 876612062, Oslo, NO	100		
Bufab (UK) Limited, 02611234, Reading, UK	100		
Bufab France SAS, B 112 721, Gennevilliers, FR	100		
Bufab Hungary Kft, 13-09-143460, HU	100		
Bufab Germany GmbH, 07229 / 21283, Mörfelden-Walldorf, DE	100		
Bufab Bulten Stainless AB, 556176-1957, Degerfors	100		
Bufab Poland Sp.z.o.o., KRS 0000036164, Gdansk, PL	100		
Bufab Austria GmbH, FN 266844 v, Wien, AT	100		
Bufab CZ s.r.o., (IC) 25561260, Brno, CZ	100		
Bufab Baltic OÜ, EE101042585, Keila, EST	100		
Bufab Asia Ltd, Zhejiang/Ningbo/No 009312, Ningbo, CH	100		
Bufab Spain SLU, ESB08464430, Terrassa Barcelona, ES	100		
Bufab Industries SAS, FR12353237431, Corbas Lyon, FR	100		
Bufab Fasteners Trading (Shanghai) Co Ltd , 310000400448552, Shanghai, CH	100		
Bufab Finland Oy, Vantaa , 2042801-2, FI	100		
Bufab India, U29299PN2008PTC131481, Pune, IN	100		
Bufab USA Inc, 26-2606492, New York, US	100		
Bufab Taiwan Co Ltd, 29002549, Kaohsiung City, TW	100		
Bufab Slovakia s.r.o., Banska Bystrica, 31 639 291, SK	100		
Bufab Russia, INN7840408623, St Petersburg, RU	100		
Bufab Turkey, 1890607929, Istanbul, TR	100		
Bufab Romania SRL, RO25446590, Apahida Cluj, RO	100		
Bufab Ireland LTD, NI061428, Dundalk, NI	100		
Bufab Italy S.r.l., 97605340153, Corsico (Milan), IT	100		
		845	**845**

* Ownership of capital, which also corresponds to the percentage of votes for the total number of shares.

NOTE 8 EQUITY

	Ordinary shares	Preference shares	Total no. of shares
Number of shares outstanding on 31 December 2013	**335,299**	**100,000**	**435,299**
Share split	26,488,621	7,900,000	34,388,621
Exercise of warrants	88,000		88,000
Redemption of preferential shares		-8,000,000	-8,000,000
Set-off issue	11,198,613		11,198,613
Number of shares outstanding on 28 February 2014	**38,110,533**	**0**	**38,110,533**
Number of shares outstanding on 31 December 20144	**38,110,533**	**0**	**38,110,533**

On the balance-sheet date, the shares had a quotient value of SEK 0.01436.
All issued shares have been paid for in full.

Refer to note 24 in the consolidated financial notes for a description of warrants.

NOTE 9 UNTAXED RESERVES

	31 Dec 2014	31 Dec 2013
Tax allocation reserve, 2012 tax year	22	22
Tax allocation reserve, 2013 tax year	9	9
Tax allocation reserve, 2014 tax year	27	27
Tax allocation reserve, 2015 tax year	22	-
Total	**80**	**58**

NOTE 10 ACCRUED EXPENSES AND DEFERRED INCOME

	31 Dec 2014	31 Dec 2013
Accrued salaries incl. holiday pay	1	1
Accrued social security fees	-	-
Other	1	1
Total	**2**	**2**

NOTE 11 PLEDGED ASSETS

	31 Dec 2014	31 Dec 2013
Shares in subsidiaries	845	845
Total	**845**	**845**

NOTE 12 CONTINGENT LIABILITIES

	31 Dec 2014	31 Dec 2013
Taxes	24	20
Total	**24**	**20**

For further information about contingent liabilities, please refer to note 32 of the consolidated financial statements.

THE INCOME STATEMENTS AND BALANCE SHEETS WILL BE PRESENTED FOR ADOPTION BY THE ANNUAL GENERAL MEETING ON 5 MAY 2015.

The undersigned certify that the annual report for the Group and the parent company has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting principles, and gives a true and fair view of the financial positions and results of the Group and the parent company, and that the directors' report gives a fair overview of the performance of the operations, financial positions and results of the Group and the parent company, and describes substantial risks and uncertainties faced by the Group's companies.

Värnamo, 24 March 2015

Sven-Olof Kulldorff
Chairman

Jörgen Rosengren
CEO

Gunnar Tindberg

Hans Björstrand

Adam Samuelsson

Ulf Rosberg

Johan Sjö

Our audit report was submitted on 24 March 2015
Öhrlings PricewaterhouseCoopers AB

Bror Frid
Authorised public accountant
Chief auditor

Christer Johansson
Authorised public accountant

Auditors' report

TO THE ANNUAL GENERAL MEETING OF BUFAB HOLDING AB (PUBL), CORPORATE REGISTRATION NUMBER 556685-6240

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Bufab Holding AB (publ) for the year 2014. The company's annual accounts and consolidated accounts are included in the printed version of this document on pages 18–51.

Responsibilities of the board of directors and the CEO for the annual accounts and consolidated accounts

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2014 and of its financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The directors' report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the AGM adopt the income statement and balance sheet for the parent company and the Group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the board of directors and the CEO of Bufab Holding AB (publ) for the year 2014.

Responsibilities of the board of directors and the CEO

The board of directors is responsible for the proposal for appropriations of the company's profit or loss, and the board of directors and the CEO are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the board of directors' proposed appropriations of the company's profit or loss, we examined whether the proposal comports with the Companies Act.

As a basis for our opinion concerning discharge from liability, we examined - in addition to our audit of the annual accounts and consolidated accounts - significant decisions, actions taken and circumstances of the company in order to determine whether any member of the board of directors or the CEO is liable to the company.

We also examined whether any member of the board of directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the articles of association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

We recommend to the AGM that the profit be appropriated in accordance with the proposal in the statutory directors' report and that the members of the board of directors and the CEO be discharged from liability for the financial year.

Värnamo, 24 March 2015
Öhrlings PricewaterhouseCoopers AB

Bror Frid
Authorised public accountant
Chief auditor

Christer Johansson
Authorised public accountant

Corporate governance report

Bufab Holding AB (publ) is a Swedish public limited liability company. Bufab has been listed on the NASDAQ Stockholm since 21 February 2014. In addition to applicable legal rules and regulations or other ordinances, since its listing, Bufab also complies with the NASDAQ OMX Stockholm's Rule Book for Issuers and applies the Swedish Corporate Governance Code (the ”Code”). The Code is a step in self-regulation in Swedish industry and commerce and is based on the “comply or explain principle.” This means that a company that applies the Code may deviate from individual rules, provided that explanations and reasons for any such deviations are reported. Deviations from the Code and alternative solutions, with reasons, are explained continuously in the text.

During 2014, Bufab deviated from one item pertaining to Nomination Committee; refer further under the heading Nomination Committee.

Bufab hereby presents its corporate governance report for the 2014 financial year, which was prepared by the Board of Directors. The corporate governance report has been examined by the company's auditor.

DELEGATION OF RESPONSIBILITY

Responsibility for the management and control of the Group is delegated among the shareholders at the general shareholders' meeting, the board of directors with appointed committees, the CEO and the auditor, pursuant to the Swedish Companies Act, other laws and regulations, the prevailing rules for publicly listed companies, the articles of association and the board's internal documents.

SHARE CAPITAL AND SHAREHOLDERS

At year-end, the company's share capital totalled SEK 547,189, represented by a total of 38,110,533 ordinary shares. All shares carry equal voting rights. At year-end 2014, Bufab had 2,109 shareholders. Of the total number of shares, 48 per cent were held by foreign shareholders. The ten largest shareholders owned a combined total of 46 per cent of the shares. No single shareholder held above 10 percent of the shares at year-end 2014.

GENERAL SHAREHOLDERS' MEETING

The general shareholders' meeting is the company's highest decision-making body. At the shareholders' meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the company's results, discharge from liability of board members and the CEO, election of the chairman, board members and auditors and remuneration to the board of directors and the auditors. The AGM must be held within six months of the end of the financial year. In addition to the AGM, extraordinary shareholders' meetings may be convened. According to the articles of association, AGMs are convened by publication of the convening notice in the Swedish National Gazette and on the company's website. At the time of the notice convening the meeting, information regarding the notice shall be published in Svenska Dagbladet.

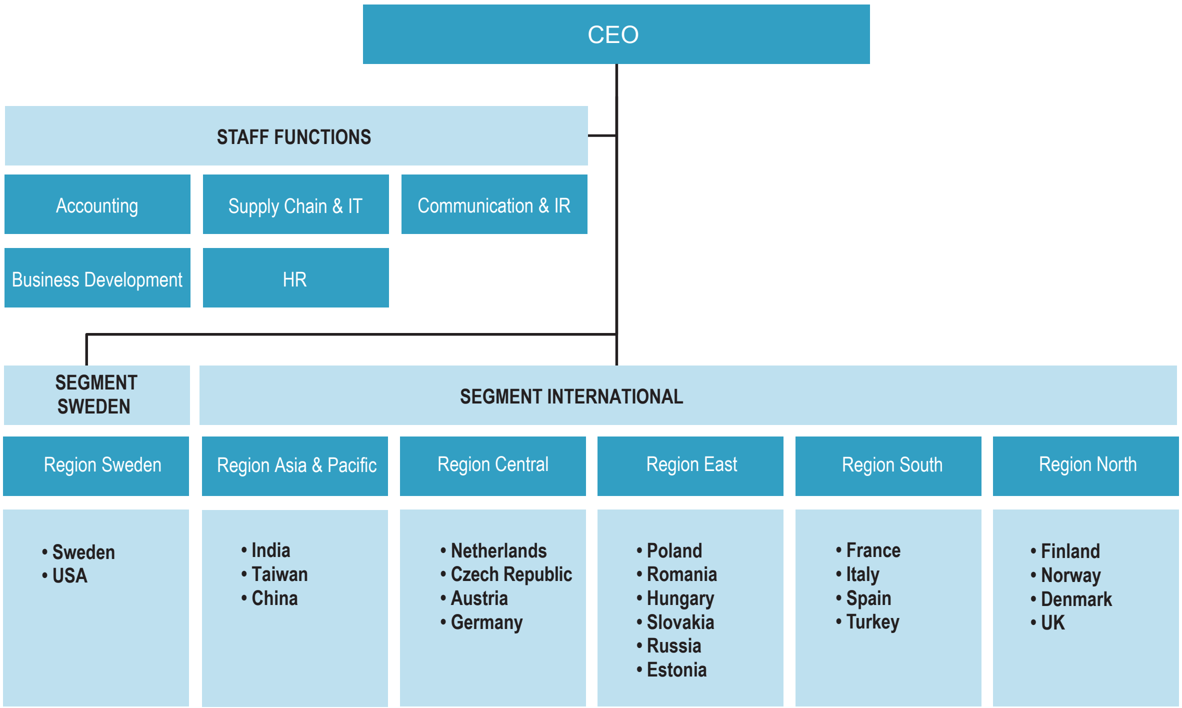
On 17 January 2014, three extraordinary shareholders' meetings were held to make decisions prior to the preparation for the listing, including amending the articles of association for the change in company category and the introduction of the record-day provision, as well as decisions about changes in the share capital including the repayment of shareholders' contribution.

The AGM was held in Värnamo on 5 May 2014. Some 59 shareholders attended the meeting, in person or by proxy, representing 43.29 per cent of the company's voting rights. The Meeting was also attended by the board of directors, group management and the auditor.

The following resolutions were made:

- Adoption of the income statement and balance sheets for 2013, appropriation of the company's results, as well as discharge

BUFAB'S ORGANISATION AND GEOGRAPHIC PRESENCE



from liability of boad members and the CEO.
- The re-election of Sven-Olof Kulldorff, Hans Björstrand, Ulf Rosberg, Jörgen Rosengren, Adam Samuelsson, Johan Sjö, as well as Gunnar Tindberg. Sven-Olof Kulldorff was elected Chairman of the Board.
- Fees totaling SEK 1,300,000 will be paid, of which SEK 350,000 to the Chairman of the Board and SEK 175,000 each to other board members elected by the AGM and who are not employed by the company. The three members of the audit committee will receive SEK 25,000 each.
- Öhrlings PricewaterhouseCoopers AB was elected auditor and it was noted that Bror Frid will be the auditor in charge of the audit.
- Fees to the auditors will be paid according to approved invoicing.
- Guidelines for remuneration of senior executives.
- Regulations governing the appointment of the nomination committee and its work.

Further information about the Annual General Meeting, as well as minutes are available on the company's website. The 2015 Annual General Meeting will be held on 5 May 2015 in Värnamo. The notice convening the meeting is scheduled to be published no later than 7 April 2015. More information is available at www.bufab.com

RIGHT TO PARTICIPATE IN SHAREHOLDERS' MEETINGS

Shareholders who wish to participate in a shareholders' meeting must be included in the shareholders' register maintained by Euroclear Sweden on the day falling five workdays prior to the meeting, and must notify the company of their participation no later than on the date stipulated in the notice convening the meeting. Shareholders may attend the shareholders' meetings in person or by proxy and may be accompanied by a maximum of two advisors. Typically, it is possible for a shareholder to register for the general shareholders' meeting in several different ways as indicated in the notice of the meeting. A shareholder may vote for all shares owned by the shareholder.

SHAREHOLDER INITIATIVES

Shareholders who wish to have a matter brought before the general shareholders' meeting must submit a written request to the board of directors. Such requests must normally be received by the board of directors no later than seven weeks prior to the shareholders' meeting.

NOMINATION COMMITTEE

The company deviated from the Code regarding the Nomination Committee for the 2014 AGM. Since the company was listed on 21 February 2014, the requirements were not in place to comply with the Code in terms of appointing a Nomination Committee. Accordingly, there was no Nomination Committee appointed that could present proposals at the 2014 AGM. Instead a group of shareholders put forward a motion at the 2014 AGM regarding the election of a chairman of the Meeting, number of Board members and auditors, fees for the Board and auditors, the election of Board members and Chairman, election of auditor and a decision to appoint a Nomination Committee in accordance with the regulations of the Code.

The process to nominate Board members proposed for election at the 2015 AGM has been conducted in accordance with the nomination process established by the 2014 AGM. Bufab shall have a Nomination Committee comprising one representative for each of the four largest shareholders in terms of number of votes, who on being asked expressed a wish to participate in the nomination work, as well as the Chairman of the company. The names of the four owner representatives and the shareholders they represent must be published not later than six months prior to the AGM. The Nomination Committee's mandate is valid until a new Nomination Committee is appointed. If the group of the largest shareholders changes during the nomination process, the composition of the Nomination Committee may change.

The Nomination Commmittee was appointed by Bufab S.à.r.l, Lannebo Fonder, Car¬negie Fonder and Fondita Nordic Micro Cap SR and was announced on the website. On 4 December 2014, Bufab S.à.r.l. announced that it had sold its entire shareholding in Bufab. Didner & Gerge Fonder was thus asked if they wanted to participate in the Nomination Committee. Subsequently, the Nomination Committee for the 2015 AGM comprises:
Johan Ståhl (Chairman) – Lannebo Fonder
Hans Hedström – Carnegie Fonder
Magnus von Knorring – Fondita
Johan Wallin – Didner & Gerge Fonder, and
Sven-Olof Kulldorff – Chairman Bufab Holding AB (publ).
The Nomination Committee is tasked to preparing proposals on the following issues:

- chairman of the Annual General Meeting,
- board members,
- chairman of the board,
- remuneration of the board,
- auditor,
- auditor's fee
- and, any changes to the Nomination Committee's instructions.

The Nomination Committee's proposals will be published no later than in conjunction with the notice convening the 2015 Annual General Meeting.

RESPONSIBILITY AND COMPOSITION OF THE BOARD

The board of directors is the second-highest decision-making body after the general shareholders' meeting. According to the Swedish Companies Act, the board of directors is responsible for the organisation of the company and the management of the company's affairs, which means that the board of directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing financial condition and profits as well as evaluating operational management.

The board of directors is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. The board of directors also appoints the CEO. Board members are normally appointed by the AGM for the period until the end of the next AGM. According to Bufab's articles of association, the board of directors shall be comprised of not less than three and not more than ten AGM-elected members, with not more than three deputy members. According to the Code, the chairman of the board of directors is to be elected by the AGM and have specific responsibility for leading the work of the board and for ensuring that the work of the board is efficiently organised.

In 2014, Bufab's board comprised seven members. Refer to page 58 for a presentation of board members.

INDEPENDENCE OF THE BOARD

With the exception of Jörgen Rosengren and Hans Björstrand, all board members are independent in relation to Bufab. The board is deemed to have fulfilled the Code's independence requirements for all of its members in relation to Bufab's largest owners, except Ulf Rosberg.

RULES OF PROCEDURE FOR THE BOARD

The board of directors applies written rules of procedure, which are revised annually and adopted by the statutory board meeting every year. Among other things, the rules of procedure govern the practice of the board of directors, functions and the division of work between board members and the CEO. At the statutory board meeting, the board of directors also adopts instructions for the CEO, including instructions for financial reporting. The board of directors meets according to an annual predetermined schedule. In addition to these

ATTENDANCE AND REMUNERATION DURING THE FINANCIAL YEAR 2014

The table lists attendance at board and committee meetings, as well as remuneration received by board members and senior executives during the financial year 2014.

	Attendance			Remuneration			
KONCERNEN	**Board meetings**	**Audit committee**	**Remuneration committee**	**Board fee/ Basic salary**	**Variable remuneration**	**Other benefitsr**	**Pension**
Board of directors							
Sven-Olof Kulldorff	13/14		5/5	0.4	-	-	-
Gunnar Tindberg	13/14		5/5	0.2	-	-	-
Adam Samuelsson	13/14	8/8		0.2	-	-	-
Hans Björstrand [1)]	12/14			0.2	-	-	-
Ulf Rosberg	13/14	7/8	5/5	0.2	-	-	-
Johan Sjö	12/14	8/8		0.2	-	-	-
CEO							
Jörgen Rosengren[2)]	14/14			2.4	0.2	0.1	0.6
Other senior executives				3.5	0.2	0.2	1.0

1) Under an agreement valid through January 2015, board member and former CEO Hans Björstrand serves as a senior advisor for the company. The cost of this assignment was charged to the 2012 financial year.

2) Remuneration only includes basic salary since no board fees were paid.

meetings, additional board meetings can be convened to handle issues which cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the chairman of the board of directors and the CEO continuously discuss the management of the company.

WORK OF THE BOARD IN 2014

The board regularly addresses strategic matters that affect Bufab's operations and orientation, potential divestments and acquisitions, as well as major investments. The company's financial statements and annual report are addressed at the beginning of the year, as are matters to be presented at the AGM. At the end of the year, the board deals with the budget for the forthcoming year as well as the Group's long-term strategic plan, in addition to which it also reviews the quarterly results after each quarter. The work of the board's two committees is also presented at each scheduled board meeting.

The agenda is approved by the chairman and sent to each board member, along with the relevant material, approximately one week before each meeting. At each meeting, the CEO presents the Group's sales and earnings, the current business situation and important external factors that may have bearing on the Group's earnings. Each board meeting ends with a discussion that is not attended by the CEO. When appropriate, other senior executives may attend and present plans and proposals. The company's auditor participates in meetings when necessary, and participates once a year without the presence of management. In addition to the information presented in connection with board meetings, the CEO issues a monthly report to board members and maintains continuous contact with the chairman of the board.

In 2014, a total of 14 board meetings were held, of which four pertained to the listing. Refer to the table on page 55.

EVALUATION OF BOARD WORK

The Chairman of the board is responsible for evaluating the board's work, including assessing the performance of each board member. This is performed on an annual basis according to an established process. The assessment focuses on such factors as availability of and requirement for specific expertise in the board, commitment, the quality of the board material and time for required for reading. The evaluation is reported to the Nomination Committee and comprises the basis of the Nomination Committee's proposal for board members and fees to be paid to the board.

AUDIT COMMITTEE

In 2014, the audit committee consisted of Adam Samuelsson, Ulf Rosberg and Johan Sjö. The audit committee shall, without it affecting the responsibilities and tasks of the board of directors, monitor the company's financial reporting, monitor the efficiency of the company's internal control, internal auditing and risk management, keep informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other non-audit services for the company, and assist in the preparation of proposals for the general shareholders' meeting's decision on election of auditors. The audit committee convened eight times in 2014.

REMUNERATION COMMITTEE

In 2014, the remuneration committee consisted of Sven-Olof Kulldorff, Ulf Rosberg and Gunnar Tindberg. The remuneration committee shall prepare matters concerning remuneration principles, remuneration and other employment terms for the CEO and senior executives. The remuneration committee convened five times in 2014.

CEO

The CEO is subordinate to the board of directors and is responsible for the everyday management and operations of the company. The division of work between the board of directors and the CEO is set out in the rules of procedure for the board of directors and the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information from management prior to the board meetings and for presenting such material at the board meetings. According to the instructions for financial reporting, the CEO is responsible for the financial reporting in the company and consequently must ensure that the board of directors receives information adequate to enable evaluation of the company's financial position.

REMUNERATION TO BOARD MEMBERS

Fees and other remuneration to board members, including the chairman, are resolved on by the AGM. At the AGM held on 5 May 2014, it was resolved that the chairman be paid SEK 350,000 and that the other members be paid SEK 175,000. The three members of the audit committee are to be paid a fee of SEK 25,000 each.

Board members are not entitled to any benefits following their dismissal from the board. Under an agreement valid through January 2015, board member and former CEO Hans Björstrand serves as a senior advisor for the company. Since the cost of this assignment was charged to the preceding financial year, only a board fee is stated in the table on the previous page.

REMUNERATION GUIDELINES FOR THE CEO AND OTHER SENIOR EXECUTIVES

Bufab strives to offer a total remuneration that will attract and retain qualified employees. The total remuneration may comprise the components stated below.

Fixed salary will ba market-based and must reflect the responsibility that the work involves. The fixed salary will be revised annually. Normally, variable salary is not to exceed 50 per cent of the fixed salary. The variable salary will be based on established goals connected to Bufab's financial development and shall be revised annually.

The board shall annually evaluate whether or not a long-term share-based incentive programme for senior executives and any other employees is to be proposed to the Annual General Meeting.

Senior executives can be offered individual pension solutions. The pensions shall, to the extent possible, be defined contribution.

Other benefits may be provided but shall not constitute a significant portion of the total remuneration.

The notice of termination between the company and the CEO is a maximum of 18 months. Other senior executives shall have a shorter notice of termination period.

The board is entitled, in individual cases and if there are specific reasons, to deviate from the above guidelines for remuneration. Should such deviation occur, information about this and the reason must be reported at the next Annual General Meeting.

CURRENT EMPLOYMENT AGREEMENTS FOR THE CEO AND OTHER SENIOR EXECUTIVES

Decisions as to the current remuneration levels and other conditions for employment for the CEO and other senior executives have been resolved on in accordance with guidelines adopted by the AGM. All decisions on individual remuneration to senior executives have been made within the framework of the guidelines. Agreements concerning pensions shall, wherever possible, be based on fixed premiums and must comport with the levels, practices and collective bargaining agreements applicable in the country where said senior executive is employed.

For senior executives, six months' notice applies when resigning and a maximum of 12 months' notice when dismissed by the company. The CEO is to receive severance pay of up to 12 months' salary during the notice period, in addition to the salary stated above, when dismissed by the company. Also refer to note 7

AUDITING

The auditor shall review the company's annual reports and accounting, as well as the management of the board of directors and the CEO. Following each financial year, the auditor shall submit an audit report and a consolidated audit report to the AGM. Pursuant to Bufab's articles of association, the company shall have no less than one and no more than two auditors and no more than two deputy auditors. The company's auditor is Öhrlings PricewaterhouseCoopers AB, with Bror Frid as chief auditor. The company's auditor is presented in more detail in "Group management and auditors". In 2014, the company's auditor was paid a total of SEK 9 million. Also refer to note 7.

INTERNAL CONTROL

The objective of the internal financial control in Bufab is to create an efficient decision process in which requirements, targets and frameworks are clearly defined. The company and management use internal control systems to monitor the operation and the Group's financial position.

CONTROL ENVIRONMENT

The basis for the internal control pertaining to the financial reporting is the overall control environment. Bufab's control environment consists of a sound fundamental value, expertise, management phylosophy, organisational structure, responsibility and authority. Bufab's internal instructions, policies, guidelines and manuals serve as guides for employees. The control environment also includes laws and external rules and regulations.

At Bufab, there is a distinct division between role and responsibility to efficiently handle the risks of the operation, including through work procedures for the board and committees, as well as instructions for the CEO. In the operating activities, the CEO is also responsible for the system of internal controls required to generate a control environment for significant risks. At Bufab, there are also guidelines and policies for financial control and monitoring, communication issues and business ethics. In all material respects, all companies within the Group have the same financial system with the same accounting systems.

The board has appointed an audit committee tasked to ensure compliance with established policies for financial reporting and internal control.

RISK ASSESSMENT AND CONTROL ACTIVITIES

Risks of material misstatement in the annual accounts may occur in connection with accounting and the evaluation of assets, liabilities, income and expenses or deviation from information requirements. Bufab's economy function performs a risk analysis every year items in the consolidated balance sheets and income statements based on qualitative and quantitative risks.

Normal control activities include reconciliation of accounts and support controls. The purpose of all control activities is to prevent, detect and correct any errors or deviations in the financial reporting. In the Group's work with internal control, the material risks identified in the financial reporting are handled through control structures, which in all material respects, are based on deviation reporting from established goals or norms.

FOLLOW UP

The board continuously evaluates the information submitted by management and ensures that measures are taken pertaining to any proposals for measures that may have resulted from an external audit.

INFORMATION

Accurate internal and external information entails that all sections of the operation will be able to efficiently exchange and report relevant material information. In addition to the managers' information responsibility, Bufab has a well-functioning intranet for exchanging information. Bufab has established a polcy document to inform employees and others concerned in Bufab about the applicable regulations and instructions for issuing company information and the special requirements that apply for price-sensitive information. In this connection, Bufab has also prepared procedures for handling the dissemination of information that has not been published (normally called a logbook).

For communication with external parties, there is a policy that states the guidelines for how such communication shall occur. The ultimate aim of this is to ensure compliance with information obligation and that investors receive the right information in time.

Värnamo, 24 March 2015

Sven-Olof Kulldorff
Chairman of the Board

Jörgen Rosengren

Hans Björstrand

Ulf Rosberg

Adam Samuelsson

Johan Sjö

Gunnar Tindberg

AUDITOR'S STATEMENT ABOUT THE CORPORATE GOVERNANCE REPORT

The board is responsible for the corporate governance report for 2014 on pages 53-57 and that it is prepared in accordance with the Swedish Annual Accounts Act.

We have read the corporate governance report, and based on this reading and our knowledge of the company and the Group, we believe that we have sufficient foundation for our opinion. This means that our statutory review of the corporate governance report has another focus and a significantly lesser extent that an audit in accordance with the International Standards on Audi¬ting and standard accounting practice in Sweden. We believe that a corporate governance report has been prepared and that its statutory information is consistent with the annual report and the consolidated report.

Värnamo, 24 March 2015
Öhrlings PricewaterhouseCoopers AB

Bror Frid
Authorised auditor

Board of directors

From left to right: Ulf Rosberg, Sven-Olof Kulldorff, Jörgen Rosengren, Hans Björstrand, Gunnar Tindberg, Johan Sjö, Adam Samuelsson

SVEN-OLOF KULLDORFF

Chairman of the board since 2006.

Born: 1954.

Education: MSc in Industrial Engineering and Management from Institute of Technology at Linköping University.

Previous assignments: Executive positions at IKEA (1978-2004, during which he served as purchasing manager for the IKEA Group in 1995-2004), and executive vice president of ICA.

Other assignments: Chairman of Mestro AB, Pierce Ab. Board member of Coop Sverige AB, Nille AS, Tokmanni OY, K Hautwall OY, In River AB and Sonat AB.

Shareholding: 1,000 shares, and 228,200 shares through an endowment policy.

JÖRGEN ROSENGREN

Board member and CEO since 2012.

Born: 1967.

Education: MSc in Electrical Engineering from Lund University, Faculty of Engineering, LTH.

Previous assignments: Positions at Husqvarna, Electrolux, McKinsey and Philips.

Shareholding: 279,000 shares

HANS BJÖRSTRAND

Board member since 2006.

Born: 1950.

Education: Upper secondary school economics programme.

Previous assignments: President and CEO of Bufab.

Other assignments: Board member of Värnamo Energi Aktiebolag, Stacke Hydraulik Aktiebolag, Värnamo Elnät Aktiebolag, Entreprenörinvest Sverige AB, LMT Machintool AB, Nyblomgruppen AB and Värnamo Näringsliv AB.

Shareholding: 536,000 shares.

ULF ROSBERG

Board member since 2013 (also between 2006 and 2012).

Born: 1965.

Education: MSc in Economics and Business Administration from Stockholm School of Economics and a major in finance from NYU, Stern School of Business in New York.

Previous assignments: Senior Advisor Nordic Capital Advisory AB.

Other assignments: Board member of Reynolds Holding AB, Ottawa Invest AB and Siaro Investment Holding AB.

Shareholding: 0 shares.

ADAM SAMUELSSON

Board member since 2006.

Born: 1972.

Education: MSc in accounting and financial management from Stockholm School of Economics and an MBA from Harvard Business School.

Previous assignments: CEO of Idun Handel & Industri AB.

Other assignments: Board member of Bulten AB. Chairman of the Board of Pamaco Totalservice AB and Täby Airmaintenance AB.

Shareholding: 400,000 shares.

JOHAN SJÖ

Board member since 2013.

Born: 1967.

Education: Master in Business Administration from Växjö University.

Previous assignments: Alfred Berg/ABN Amro, B&B Tools.

Other assignments: President and CEO Addtech AB, Board member of Addtech AB.

Shareholding: 4,000 shares.

GUNNAR TINDBERG

Board member since 2007.

Born: 1938.

Education: Qualified engineer.

Previous assignments: President and CEO of Indutrade AB from 1978 to 2004 and board member from 1980 to 2007.

Other assignments: Chairman of Idun Handel & Industri AB.

Shareholding: 100,000 shares.

Shareholdings as of March 17, 2015

Group management

JÖRGEN ROSENGREN

Board member and CEO since 2012.

Born: 1967.

Education: MSc in Electrical Engineering from Lund University, Faculty of Engineering, LTH.

Previous assignments: Positions at Husqvarna, Electrolux, McKinsey and Philips.

Shareholding: 279,000 shares.

THOMAS EKSTRÖM

CFO since 2005 (employed since 1999).

Born: 1968.

Education: MSc in Business Administration from Växjö University.

Previous assignments: Ernst & Young, Swedish Tax Agency.

Shareholding: 104,000 shares.

JESPER BLOMQUIST

COO since 2013.

Born: 1968.

Education: Master of Mechanical Engineering at the Institute of Technology at Linköping University.

Previous assignments: Swisslog-Accalon AB, VSM Group AB, Sanmina-SCI Enclosure Systems AB.

Shareholding: 43,200 shares.

BOEL SUNDVALL

Communication and IR director since 2014.

Born: 1959.

Education: MSc in Economics and Business Administration from Stockholm School of Economics.

Previous assignments: Husqvarna, Mekonomen, Eniro and Swedish Match.

Shareholding: 7,000 shares.

Auditors

Since 2005, Öhrlings PricewaterhouseCoopers AB has been the company's auditor and was re-elected at the 2010 AGM until the end of the 2015 AGM. Bror Frid (born 1957) is the chief auditor. Bror Frid is an authorised public accountant and a member of FAR (professional institute for authorised public accountants). Öhrlings PricewaterhouseCoopers AB's office address is Lilla Bommen 2, SE-405 32 Gothenburg, Sweden. Öhrlings PricewaterhouseCoopers AB has been the company's auditor through the entire period covered by the historic financial information in this annual report.

Five-year summary

SEK million	2014	2013	2012	2011	2010
EARNINGS					
Orders received	**2,195**	**2,072**	**2,012**	**2,095**	**2,038**
Net sales	**2,198**	**2,031**	**2,034**	**2,147**	**1,957**
Sweden	982	970	1,011	1,061	961
International	1,217	1,061	1,023	1,085	995
Gross earnings	**641**	**596**	**562**	**594**	**557**
Operating profit	**174**	**201**	**137**	**184**	**89**
Sweden	144	145	113	155	117
International	75	84	59	62	23
Adjusted operating profit	**192**	**203**	**165**	**209**	**133**
Sweden	144	143	134	163	117
International	75	83	63	66	32
Net financial items	**-23**	**-27**	**-86**	**-89**	**-45**
Profit after financial items	**151**	**174**	**50**	**95**	**44**
Income tax	**-39**	**-43**	**-21**	**-37**	**-25**
Profit for the year	**112**	**131**	**29**	**58**	**19**
MARGINS					
Gross margin, %	**29.9**	**29.3**	**27.6**	**27.6**	**28.4**
Operating margin, %	**7.9**	**9.9**	**6.7**	**8.6**	**4.5**
Sweden	14.6	14.9	11.2	14.6	12.2
International	6.2	7.9	5.8	5.7	2.3
Adjusted operating margin, %	**8.7**	**10.0**	**8.1**	**9.7**	**6.8**
Sweden	14.6	14.8	13.2	15.4	12.2
International	6.2	7.8	6.2	6.1	3.3
CAPITAL STRUCTURE					
Net indebtedness	**543**	**608**	**707**	**1,241**	**1,204**
Adjusted net indebtedness	**543**	**608**	**707**	**836**	**843**
Equity	**1,147**	**1,012**	**882**	**404**	**347**
Adjusted equity	**1,147**	**1,012**	**882**	**809**	**709**
Debt/equity ratio,%	**47**	**60**	**80**	**307**	**348**
Adjusted debt/equity ratio,%	**47**	**60**	**80**	**103**	**119**
Equity/assets ratio,%	**52**	**49**	**44**	**19**	**17**
Average working capital in relationship to net sales.	**36.6**	**35.5**	**36.7**	**35.7**	**35.3**
CASH FLOW					
Operating cash flow	**117**	**199**	**204**	**82**	**126**
Cash generation, %	**57**	**86**	**122**	**37**	**82**
KEY FIGURES PER SHARE					
Earnings per share	**2.94**	**3.43**	**N/A**	**N/A**	**N/A**
EMPLOYEES					
Average number of employees	**805**	**771**	**750**	**731**	**716**

Bufab on the stock exchange

LISTING AND TURNOVER

The Bufab share has been listed on NASDAQ Stockholm since 21 February 2014. The total turnover of Bufab shares until 31 December 2014 was 34 million shares.

DIVIDEND AND DIVIDEND POLICY

The Board´s proposal is a dividend of SEK 1.50 per share (0) for 2014, which corresponds to 51 per cent of the net profit. The objective is to pay 50 per cent of the net profit, taking into account the company's financial position, cash flow, acquisition opportunities and future outlook.

BRIEF FACTS ABOUT THE BUFAB SHARE

Listing: NASDAQ Stockholm

Number of shares: 38,110,533

Market capitalisation: SEK 2,239 million

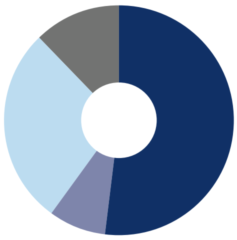
Ticker code: BUFAB

ISIN code: SE 0005677135

LARGEST SHAREHOLDERS (31 DECEMBER 2014)

Shareholder	Share of capital and votes, %
Lannebo Fonder	9.3
Handelsbanken Fonder	6.8
Carnegie Fonder	6.6
Grandeur Peak Funds	5.0
JPMorgan Chase N.A	4.3
Didner & Gerge Fonder	3.6
Fondita Nordic Micro Cap SR	3.1
Catella Fondförvaltning	3.0
Nordea Investments Fonder	2.4
Spiltan Fonder	2.3
Total for the ten largest shareholders	**46.4**
Other shareholders	53.6
Total Bufab	**100.0**

OWNERSHIP DISTRIBUTION BY COUNTRY (31 DECEMBER 2014)



	Per cent
Sweden	52 (39)
The rest of the Nordic region	8 (5)
Other countries	28 (48)
USA	12 (8)

SHARE DATA

Share data [1]	2014	2013
Earnings per share, SEK	2.94	3.44
Earnings per share after dilution, SEK	2.94	3.43
Dividend per share [2], SEK	1.50	n/a
Yield, % [2, 3]	2.6	n/a
Share of dividend, % [2]	51	n/a
Share price at year-end, SEK	58.75	n/a
Highest share price, SEK	68.50	n/a
Lowest share price, SEK	48.10	n/a
Number of shareholders	2,109	n/a
Market value, SEK million	2,239	n/a

[1] The share was listed in 2014, entailing that certain values are not available for 2013.
[2] The dividend pertains to the board's proposal.
[3] The proposed dividend in relation to the share price at the end of 2014.

DISTRIBUTION OF SHAREHOLDINGS (31 DECEMBER 2014)

Shareholding	Number of shareholders	Shareholding, %
1-500	1,189	0.75
501-1000	316	0.72
1001-5000	338	2.23
5001-10000	89	1.83
10001-15000	25	0.83
15001-20000	24	1.11
20001-	128	92.52
Number of shareholders	**2,109**	**100.00**

The following and additional information is available on Bufab's website. www.bufab.com

- ALL REPORTS AND PRESS RELEASES
- UP-TO-DATE INFORMATION ON SHARE PERFORMANCE
- OWNERSHIP STRUCTURE
- INSIDER TRADING

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