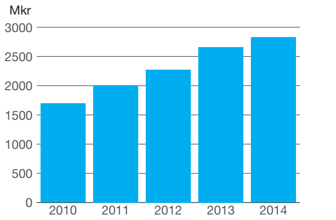
Nederman

Annual Report

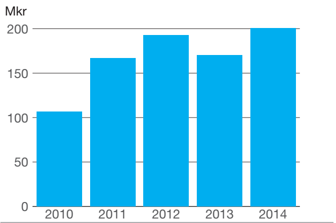
2014

We filter, clean and recycle in demanding industrial environments

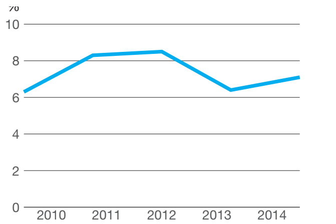
Net sales, SEK m



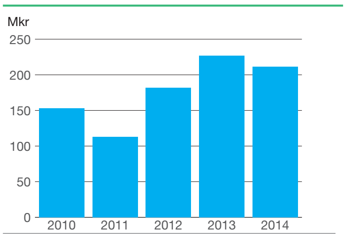
Operating profit* (EBIT), SEK m



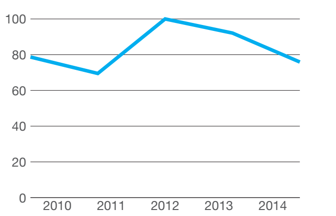
Operating margin* (EBIT), %



Operating cash flow, SEK m



Net debt/equity ratio, %



Contents

Key indicators

Operating indicators	2014	2013	2012
Net sales, SEK m	2,826.9	2,659.2	2,272.6
EBITDA, SEK m	247.9	219.4	236.7
EBITDA-margin, %	8.8	8.3	10.4
Operating profit, SEK m	200.7	170.2	192.7
Operating margin, %	7.1	6.4	8.5
Operating cash flow, SEK m	211.0	226.7	181.9
Return on operating capital, %	16.2	14.2	17.9
Net debt/EBITDA, multiple**	2.2	2.6	2.3

Financial indicators***	2014	2013	2012
Operating profit, SEK m	165.7	127.5	176.5
Operating margin, %	5.9	4.8	7.8
Profit/loss before tax, SEK m	139.0	99.7	153.7
Net profit/loss, SEK m	94.3	69.7	117.8
Earnings per share, SEK	8.05	5.94	10.06
Return on shareholders' equity, %	13.9	11.4	20.6
Net debt, SEK m	556.6	570.9	601.3
Net debt/equity ratio, %	75.9	92.1	100.0
Interest cover ratio	7.0	5.8	8.2

* Excluding restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.
** Includes EFT pro forma January-September 2012
*** Includes restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.

As a leading environment technology company, it is clear to Nederman that it should care for the environment. We have therefore chosen to print our annual report on paper that is labelled with both the FSC and the Swedish Svanen labels. FSC stands for Forest Stewardship Council, an independent international organization that promotes social responsibility through management of the world's forests that is both eco-friendly and economically viable.

FSC www.fsc.org MIX From responsible sources FSC® C074394

MILJÖMÄRKT 341 417

2014 in brief

Net sales SEK 2,826.9 million (2,659.2)
An increase of 2.3% when adjusted for currency effects and acquisitions/divestments.

Adjusted operating profit SEK 200.7 million (170.2)
(excluding acquisition and restructuring costs)
The adjusted operating margin was 7.1% (6.4).

Operating profit SEK 165.7 million (127.5)

Operating margin 5.9% (4.8)

Net profit SEK 94.3 million (69.7)

Earnings per share before dilution SEK 8.07 (5.95) and after dilution SEK 8.04 (5.93).

The board proposes a dividend of SEK 4.00 (4.00) per share.

1st quarter

- Agreement worth SEK 85 million signed in China
- Good development in Americas
- Weak demand in EMEA and APAC

2nd quarter

- AGM of Nederman Holding AB
- Agreement worth SEK 22 million signed in Vietnam
- Positive development in Americas and APAC

3rd quarter

- Two orders signed in USA worth SEK 44 million in total
- Acquisition of design & technology from Air Cleaning Systems Ltd of the UK
- Continued good development in Americas

4th quarter

- Two orders signed in USA worth SEK 69 million in total
- Good profitability and strong cash flow

Annual General Meeting to be held on 22 April 2015.
For more details, see page 87.

Americas 2014

Net sales SEK 1,076.9 million
Operating profit* SEK 144.9 million
Average number of employees 482

EMEA 2014

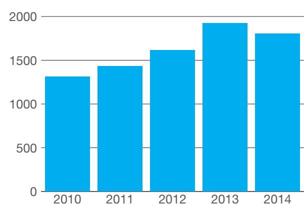
Net sales SEK 1,413.7 million
Operating profit* SEK 112.8 million
Average number of employees 1,004

APAC 2014

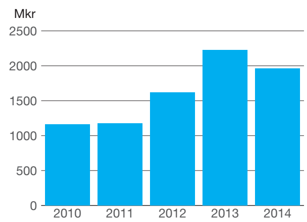
Net sales SEK 336.3 million
Operating profit* SEK 4.1 million
Average number of employees 317

* Excluding restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.

Average number of employees



Market capitalisation, SEK m



Distribution policy
The printed version of the Nederman annual report is distributed to shareholders who request it.
The annual report is available on the Group's website: www.nederman.com

A leading environmental technology company that puts the customer first

We filter, clean and recycle

Nederman is a world-leading environmental technology company. We filter, clean and recycle to create eco-efficient production in demanding industrial surroundings. Metal fabrication, fibre-based production, process industry operations and the auto industry aftermarket are some of the places where Nederman's products make a clear difference – all over the world – every day – all year round.

We deliver eco-efficiency

Eco-efficiency means creating both ecological and economic efficiency. Economic efficiency means improving the efficiency of production, boosting productivity and minimising environmental fees. Ecological efficiency is about improving the environment and safety through more efficient use of materials, lower energy consumption and reduced emissions. It's also about strengthening our customer's brand and creating safer, more attractive workplaces.

We are always on the move

Over the past ten years Nederman has developed from being a company with a relatively small product range into a comprehensive environmental technology business. We aim to continually develop Nederman by adding new skills and solutions, expanding our geographic presence and – above all – helping our customers to develop their business both economically and ecologically.

OUR VALUES

Profitable customer focus

Respect for the environment and each other

Courage and initiative

Stronger positions in the US and China

In 2014, there was a reluctance to make investments throughout large parts of the world just as in 2013. The political uncertainty in Eastern Europe and parts of Asia also made it difficult to do business in a number of countries. But there were bright spots, including positive development in the US and China. And just as we did in 2013, Nederman strengthened its market positions and further developed its business offer.

MARKET CHALLENGES REMAIN

Stability in the US. We see positive macroeconomic development in the US. Extensive fracking operations have led to falling energy prices and so energy-intensive production is now returning to the US. One example is textile production, which has re-established itself on the American market. For Nederman this means greater opportunities and our sales performance grew organically by 15.5%, even though the market remained reluctant to invest in large projects.

Good growth in China. One of the most pleasing developments during the year was in China where our sales rocketed by an impressive 72.1%. This positive development was mainly driven by increased focus on the environment, which among other things was reflected in new environmental legislation introduced nationally in 2014. We also see greater interest in quality products and competence in the environmental field, which has reinforced Nederman's position considerably. Good development in 2014 made China Nederman's third largest market with good prospects for continued strong performance.

Other parts of the APAC operating segment did not do so well. Sales in Australia fell due to weak demand in the raw materials sector, normally the most important customer category for Nederman in Australia. Several countries in the region were also affected by political instability, which impacted on investment enthusiasm among our customers.

Falling investment in Europe. Investment also faltered in Europe, so the number of large projects was limited. To compensate for low project sales, we concentrated our efforts on product sales and service. Our clear focus on these sales segments was successful, and despite a modest rise in sales we managed to improve profitability within the EMEA segment.

All-time high in Spain. One country that distinguished itself in 2014 was Spain, where market conditions have been tricky for some time. Thanks to our long-term strategy and patience we have managed to strengthen our position on the Spanish market and in 2014 we recorded an all-time high in Spain, partly due to increased deliveries to the aircraft and train sectors.

Strong growth in Brazil. Brazil also performed positively during the year, despite a generally weaker economy. Good organic growth of 23.2% was partly the result of our concentration on local production and locally produced components in our products, which meant that we can offer attractive prices and delivery terms while we also build closer relations with our customers.

STRATEGY FOR GROWTH

Nederman's strategy for growth focuses on developing the company's organic growth, although we are also open to complementary acquisitions that can strengthen or broaden our business. Organic growth will be achieved primarily through concentrating on selected markets that have large growth potential. At present we see good opportunities within our Americas operating segment, not least in the US, and in China where we continue to see positive development in demand. In other markets the level of demand is much more challenging and so we will increase our efforts in those markets to boost product sales and – above all – develop our service offer. In the long term we see growing demand for environmental technology, but in large parts of the world industrial activity will have to increase before this is turned into concrete orders.

PROFITABILITY

Alongside improving Nederman's growth we are also working to strengthen profitability. During the year we have publicised the ongoing rationalisation programin EMEA, which focuses on management and the back office. Our supply chain has already undergone major improvements with a focus on factories and it will get even better through our focus on continuous improvement. We are also gradually introducing regionalisation of our production and purchasing, which has meant reduced costs and more effective distribution while also bringing us closer to our customers. We also expect that new products currently under development will not only mean higher added value for our customers but also make production and distribution more cost-effective.

OUTLOOK

Nederman's assessment for 2015 is that the market situation will remain like it was in 2014 with a reluctance to invest in many of our markets. Despite this tough situation we expect, as a result of our efforts, that Nederman will become stronger and achieve clear improvements during the coming year. This work covers many areas. For example, we are now developing our sales efforts and our working method for meeting the way customers search for information on the internet in order to strengthen Nederman's profile as a knowledge leader. We are also reviewing our processes for handling product information so that we handle information and marketing more efficiently, thus raising the quality of information and shortening the lead time from product development to market launch.

With its long experience and strong business offer within environmental technology Nederman has good prospects for continued growth, for which I would like to thank Nederman's staff, customers and owners.

Sven Kristensson
President and CEO

See an interview with Sven Kristensson
Scan the code with your mobile phone or tablet or go to www.nederman.se

Stable strategy for profitable growth

Nederman contributes to sustainable social development by providing products and systems that create good working spaces while minimising environmental impacts from industrial processes.

With a unique knowledge base in applications, products and systems, our mission is to contribute to efficient production, environmental benefits and safer workspaces.

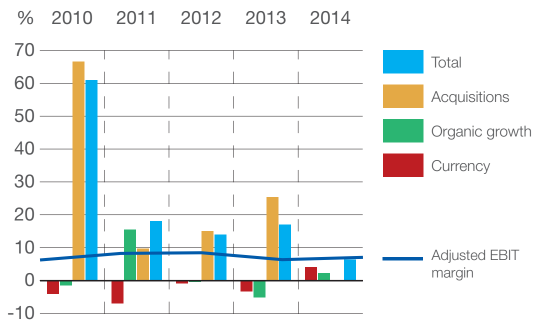
Our vision is to have world-leading competence in solutions for eco-efficient production. Nederman today is a world leader in industrial air filtration.

Financial goals

- Annual sales growth of 8-10 per cent over a business cycle.
- Adjusted EBIT margin of at least 10 per cent over a business cycle.
- A dividend policy of 30-50 per cent of net profit being paid to shareholders, with consideration for the capital structure and acquisition plans.

Over the past five years sales growth on average has been 23%, which is much higher than our target of 8-10%. In the same period the adjusted EBIT margin has risen from 6.3% to 7.1%. On average the dividend paid to shareholders over the past five years has been 57% of net profit.

Sales growth and profit margin



Strategic priorities

To achieve its financial goals, Nederman gives priority to four areas:

- Expanding activities with new customer and market segments
- Developing the position in the chain of value by improving the efficiency of distribution and increasing the portion of the aftermarket within total sales.
- Expanding geographically, firstly in growth markets such as China, Turkey and Brazil, but also in other markets that have favourable industrial development.
- Developing new products, solutions and complete concepts.

Introducing new customer and market segments

Developing the offer, optimising sales channels and increasing the portion of service

Expanding geographically with focus on growth markets

Developing new products and offers

Strategic expansion of customer offer

Since 2003 Nederman's sales have grown from SEK 735 million to SEK 2,827 million in 2014. This positive development has been achieved through, among other efforts, a major expansion in our offer to customers.

2003: Extraction at source

In 2003 Nederman's business was focused on fume extraction at source.

Sales SEK 735 million

2010: Industrial processes

Industrial processes entered the product mix through the company acquisition.

Sales SEK 1,694 million

2013: Filter technology

Further acquisition broadened the business to include filter technology.

Sales SEK 2,659 million

Products and solutions that contribute to higher production efficiency, reduced environmental impact and a better working environment

Nederman works within a broad area in environmental technology. The Group is world leading in filtration, cleaning and recycling in demanding industrial environments with strong positions mainly in Europe and North America, and a presence on several growth markets.

Nederman meets customers' requirements for solutions in industrial air filtration by offering the widest range of equipment on the market. Solutions are based on technology that captures, transports and filters contaminated air and waste products. In addition there are complementary solutions for handling consumable fluids, recycling of consumable materials, waste products and energy recycling, plus hose and cable reels, etc. Solutions are designed to increase production efficiency, reduce the external environmental impact from industrial production and create a clean and safe working environment. Solutions can be adapted with great flexibility for specific processes and work assignments in a wide range of industries, with the Nederman offer covering everything from engineering design to installation, commissioning and service. Nederman's business is focused on three main areas:

- **Extraction and filtration** that protect people and the environment from dangerous air pollution.
- **Cleaning** that produces a clean and healthy working environment and secures good quality in production.
- **Recycling** where waste and spills in production are turned into valuable resources.

MARKETS AND COMPETITORS

The global market is estimated to be worth around EUR 4 billion and it is growing around 1% faster than global GNP growth. The key concentration of Nederman's sales is in Europe and North America, but the Group is developing positions in East Europe, Asia, the Pacific region and Brazil. Competitors generally have a narrower product range and more limited geographic coverage. Within specific application and product areas competition comes from national or local businesses.

REASONS FOR SUCCESS

The Group's market success is mainly due to the following factors:

- Having the market's widest range for industrial air filtration with solutions for both the inner and outer environment.
- The offer covers individual products as well as complete solutions for entire product lines.
- Competence across the entire chain from product development to service.
- Strong market presence through own companies and a well-developed distribution network.

MARKET SEGMENTS

Nederman is focused on four prioritised market segments:

Metal fabrication
- Manual and robotic welding
- Thermal cutting, blasting and others
- Machining

Fibre-based industries general industries
- Primary wood
- Secondary wood
- Composites
- Food
- Pharmaceutical
- Waste management
- Minerals
- Agriculture
- Textiles
- Chemicals
- Others

Process industries and energy
- Foundry
- Smelters
- Incineration
- Crematories
- Asphalt
- Energy

Automotive aftermarket
- Vehicle repair shops
- Emergency stations

Strong brands build good customer relations

For 70 years customers have been relying on Nederman's ability to supply innovative and high quality products and solutions. Nederman is a well-known brand and continued brand building is important to support our sales, profitability and ability to distinguish ourselves from our competitors. We are continually developing our market position and our brand so that it feels modern, relevant and in line with our business goals.

Nederman brands

Main brand	Sub-brands
Nederman	PNEUMAFIL Nederman
	MIKROPUL Nederman

Complementary brands

Supporting brands	Independent brands
LCI Part of Nederman Group	NORDFAB Ducting
	MENARDI-FILTEX

Global trends driving demand

Knowledge about the importance of the internal and external environment is growing globally, resulting in stricter legislation and controls. Strong forces linked to efficient production, the environment and health are driving demand for Nederman's products and solutions.

AWARENESS ABOUT RESPONSIBILITY FOR HEALTH AND THE ENVIRONMENT

As awareness of climate change and other environmental problems increases there is growing interest in investments that protect the environment and reduce energy consumption. As companies become more international this also leads to a spread of technology and customer requirements.

DEMANDS FOR SAFE AND GOOD WORKING ENVIRONMENT

Competition for labour is getting tougher, which means that a good working environment is becoming a more important factor in recruitment and in retaining staff.

STRONG INCENTIVES FOR RECYCLING

Rising raw material and energy costs are creating incentives for businesses to invest in solutions that recycle waste products and energy.

FOCUS ON EFFICIENCY AND QUALITY IN PRODUCTION

Tougher requirements for efficiency and disruption-free production provide incentives for investments that achieve productivity and quality benefits.

STRICTER LEGISLATION

More and more countries are introducing tougher laws and controls concerning the workplace. New and prospective EU member states are adapting to EU demands while emerging industrial nations are also tightening up their laws.

FOCUS ON SUSTAINABLE BUSINESS

Sustainability has become more important for brands and is contributing to greater focus on the environment and health.

Wide-ranging expertise delivers solutions

Nederman's offer includes individual products, engineering design, installation, commissioning and service. Many of our solutions have been pioneering through their ability to improve production efficiency, reduce environmental impact and improve the working environment within the following four prioritised market segments:

- **Metal fabrication:** manual and automated welding, thermal cutting, blasting and machining.
- **Fibre-based and other industries:** primary and secondary timber industry, composite processing, food production, pharmaceutical production, waste handling, minerals, agriculture, textiles and chemicals.
- **Process industry and energy:** foundries, smelters, incinerators, crematories, asphalt plants, energy production.
- **Auto industry aftermarket:** vehicle workshops, emergency rescue stations.

METAL FABRICATION

Contaminated air that includes welding fumes and oil mist is a common problem in metal fabrication. The particles that are released can endanger the health of employees, contaminate surfaces and damage electronic components used in production. There are also strong economic incentives for recycling waste such as cutting fluids, blasting media and metal chips. Tougher legislation concerning the working environment is also driving demand for good solutions.

Nederman's products solve metal fabrication challenges by capturing welding fumes, oil mist and other particles directly at source and then separating cutting fluids, blasting media and metal chips for recycling. Our range is comprehensive, with everything from mobile filters to complete solutions for entire production lines and plants. There are solutions for welding robots and machines in automated production processes.

FIBRE-BASED INDUSTRIES

The handling of materials that generate dust is a major problem in many industries. The wood processing and composite processing industries are good examples, alongside the pharmaceutical and food industries where there are strict demands for hygiene and safety. Process dust that forms in the handling of materials such as wood and composites can cause health problems when inhaled, while they may also damage product quality. Some types of dust also cause fire and explosion risks.

Nederman's products and solutions are often needed for safe and efficient operations by customers. The offer includes products that not only secure a safe working and production environment but also handle waste products for various forms of recycling. In larger plants, Nederman's equipment is often fully integrated in the customer's process to contribute to greater energy efficiency. In smaller plants and processing operations there are tool-specific applications for capturing particles at source.

PROCESS INDUSTRY AND ENERGY PRODUCTION

A global expansion of the process industry and incineration plants is taking place to meet growing demand for metals and energy. These production plants produce hot gases that contain harmful particles.
Nederman has developed a complete system for foundries, smelting plants and other types of incineration plants. The Group also supplies solutions for recycling of resources

When supplying a complete solution Nederman takes full responsibility for the entire process based on the following model:

1 Feasibility study

Analysis of fundamental concepts. Assessment of customer requirements and requests to lay basis for an optimum system.

2 Planning and system design

Generation of proposals for overall system and products. Presentation for customer to ensure all requirements are met.

3 Installation, commissioning and training

Delivery, assembly and connection to control system. Checking of installation and test runs to prove promised functionality. Presentation for operators and training prior to handover.

4 Service and aftermarket

Preventive maintenance repairs and upgrades to ensure continual and effective operation, low emissions and good working environment.

We are specialists in solving problems concerning filtration, cleaning and recycling in demanding industrial environments.

Our solutions contribute to reduced environmental impact, create good working environments and boost production efficiency.

in waste management plants. Nederman's solutions mainly comprise filter systems that meet high demands for performance and also minimize energy consumption and maintenance costs. In many instances the Group takes complete responsibility for solutions, which means design, installation and commissioning as well as continual servicing.

AUTO INDUSTRY AFTERMARKET

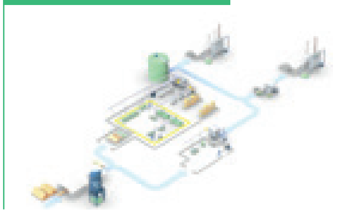
Nederman supplies solutions that safeguard a good working environment in vehicle repair shops, MOT centres and emergency service stations. The company is a world leader in systems for handling exhaust fumes and also supplies a wide range of solutions for large and small vehicle repair shops. Solutions safeguard a clean and safe working environment and make repair shops more efficient with better ergonomic conditions. The systems take care of exhaust fumes directly from the exhaust pipe. There are solutions for easier handling of hoses and cables. Other products take care of particles and smoke that are produced through grinding, welding and painting.

Filter system at foundry

Nederman supplies solutions within filtering, cleaning and recycling to the following industries

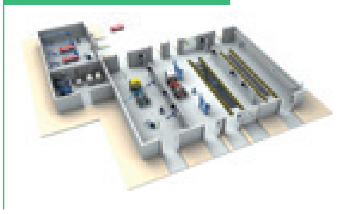
Metal fabrication

Fibre-based industries



Process industry and energy

Auto industry aftermarket



Scan the code with your mobile phone or tablet or go to Nederman's website, www.nedermans.se solutions to read more about our systems and solutions.

Different customers have different needs.

Nederman's sales model is therefore separated into four sales segments so as to deliver solutions to customer problems as effectively as possible.

Product sales

Wide range of efficient standard products

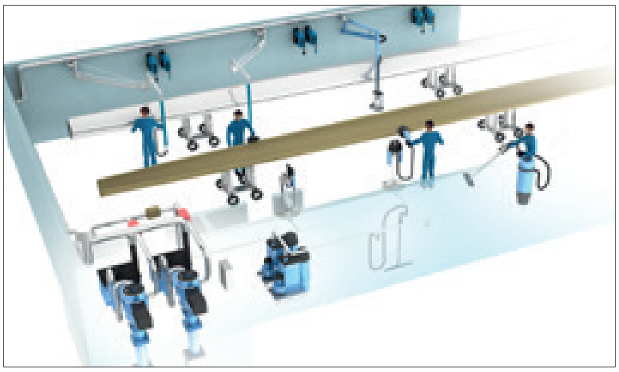
Nederman has a wide range of standard products that solve common problems relating to smoke, gas, dust, material recycling, working environment and efficient production.

The product range covers filter systems, fans, extraction solutions, material separation, etc.

Product sales mostly take place through distributors and retailers and do not include any form of consultation, installation, start-up or similar from Nederman.

Configured Solutions

Reliable systems for recurring applications



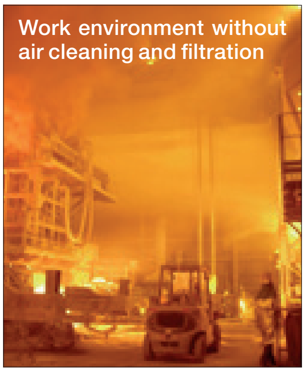
Configured Solutions mostly comprise individual products in Nederman's range that are combined in small or medium-sized systems to solve complex assignments.

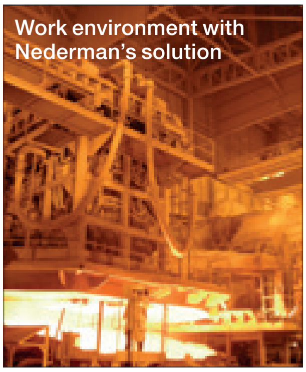
Examples include solutions for welding and processing of timber or composites.

Business involving Configured Solutions also includes detailed feasibility studies of the customer's business and needs, planning and system design as well as installation, start-up and training. Nederman's own sales team carry out sales in this area.

Engineered Solutions

In-depth knowledge and customised solutions





Engineered Solutions include larger systems and involve a large measure of customisation to solve a specific problem for the customer. The component parts of an Engineered Solutions project are wholly or partly developed specifically for the individual project. Components from other suppliers may be included.

Examples include solutions for foundries, energy production and metal production.

Business involving Engineered Solutions also includes detailed feasibility studies of the customer's business and needs, planning and system design as well as installation, start-up and training. Nederman's own sales team carry out sales in this area.

Service

Professional service eliminates operational downtime

Service is an integrated part of Nederman's offer to customers and a focus area for growth. Performing more service for customers makes Nederman less sensitive to turbulence in the business cycle while a developed service organization helps to strengthen relationships with customers.

By offering qualified service with high availability Nederman helps customers to secure continuous operation without expensive downtime in production.

In addition to technical service this area also includes service contracts, spare parts and consumables.

Service.
We safeguard operations for our customers.

Service is an integrated part of Nederman's offer to customers and a focus area for growth. Performing more service for customers makes Nederman less sensitive to turbulence in the business cycle. The service organization performed well in 2014.

By offering qualified service with high availability Nederman helps customers to secure continuous operation without expensive downtime in production.

GROWING IN IMPORTANCE

The Group works with its own service organization that is based in Europe, where there has been a strong base of service operations for some time. This organization is expanding fast now on growth markets in Eastern Europe and Asia. In North America, Environmental Filtration Technology (EFT), which was acquired in 2012, has a well-developed service and aftermarket organization. The importance of service as a key competitive tool has increased in recent years as the Group increasingly works with larger installations and as the base of installed Nederman products and systems expands across all markets.

COMPREHENSIVE SERVICE CONCEPT

To further strengthen the service offer a fully comprehensive service concept was developed in 2012. This concept means that Nederman provides qualified and efficient service for all products and installations on all markets, thus ensuring that Nederman takes complete responsibility for systems installed by customers. Implementation of the new concept started in the EMEA region in 2012 and was rolled out on other markets in 2014. Nederman has also developed an online training service for the company's technicians to ensure a consistently high level of competence throughout the Group. Practical targets have been established for marketing of the service concept, which has resulted in good progress made in sales of service during the year and the signing of a large number of new service contracts.

Strong global position

Nederman has a strong global presence in both sales and production. Sales are managed through the Group's own sales offices and distributors in over 50 countries. The main focus for sales is in Europe and North America, but Nederman is also active in a number of growth markets. Production is performed in 12 countries on five continents.

THREE TYPES OF SALES
Nederman has three principal business offers: products, solutions and service.

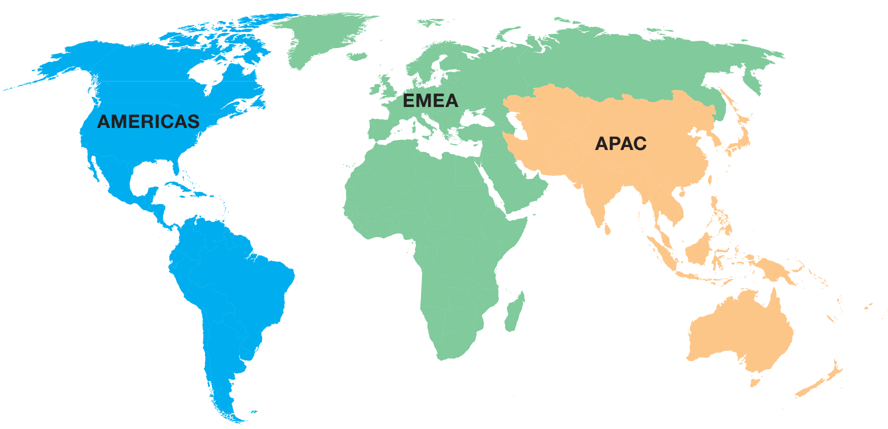
- **Sales of standard products** and components are mainly directed through indirect channels such as distributors, OEMs and various types of engineering companies.
- **Configured Solutions and Engineered Solutions** are marketed by Nederman directly to end-customers in the form of standard (Configured Solutions) or customised (Engineered Solutions) solutions for entire production lines or plants, where the Group has responsibility for engineering design, delivery, installation and commissioning.
- **Service** covers all maintenance of completed installations with spare parts, service, consumable materials and upgrades.

SALES ORGANIZATION
The group has its own sales companies in 25 countries, and distributors in more than 30 other countries. The company aims to maintain a good balance between direct sales and sales via distributors in order to reach customers with varying demands as effectively as possible. A strong local presence is of great importance to Nederman to meet changes in market requirements and deliver comprehensive solutions. Sales through distributors meanwhile give Nederman a high market coverage for individual products and smaller systems. During recent years the company's own sales organization was developed to strengthen performance on new and existing markets. A regional structure has been established for sales and technical support on developing markets and within specific business segments.

SERVICE
By offering advanced service with high availability, Nederman helps its customers to secure continuous, optimized production. This applies with special significance as the Group increasingly supplies complete solutions to large plants that are often production-critical for customers. The demand for good service is also increasing as the installed base of Nederman equipment is expanding on all markets. To serve this base, Nederman has an established service organization in many countries. This organization is being expanded to meet demand from Asia and Eastern Europe, among other growth markets.

PRODUCTION
During the year the Group operated production units and assembly plants in 12 countries. There are seven units in Europe, of which two are in Sweden and one each in Denmark, the UK, Poland, France and Germany. There are also units in Australia, the US, Brazil and Canada. There are two plants in Asia, one in China and one in Thailand.

NEDERMAN'S REGIONS

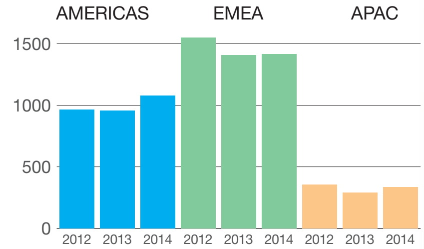


AMERICAS: manufacturing, assembly and distribution	
Brazil, Sao Paulo	Assembly & distribution
Canada, Mississauga	Assembly & distribution
USA, Charlotte	Assembly
USA, Thomasville	Production
USA, Trenton	Production

EMEA: manufacturing, assembly and distribution	
Denmark, Assens	Production
France, Pontcharra	Production
Poland, Marki	Production
UK, Leeds	Production
Sweden, Helsingborg	Assembly & distribution
Sweden, Töredal	Production
Germany, Friesenheim	Assembly

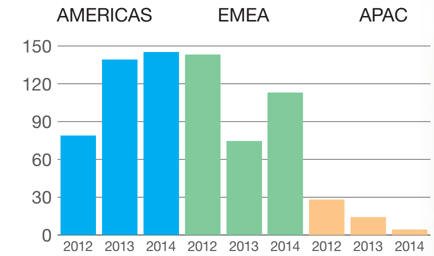
APAC: manufacturing, assembly and distribution	
Australia, Melbourne	Assembly & distribution
China, Suzhou	Production
China, Qingpu	Assembly & distribution
Thailand, Bangkok	Production

Sales per region, SEK m*



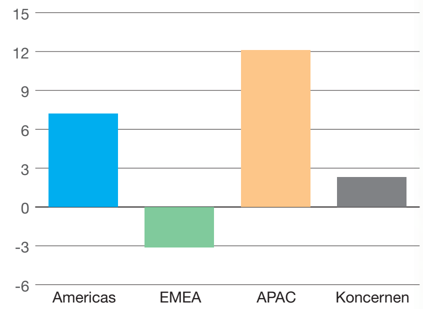
* Includes EFT pro forma for January-September 2012

Operating profit per region, SEK m**

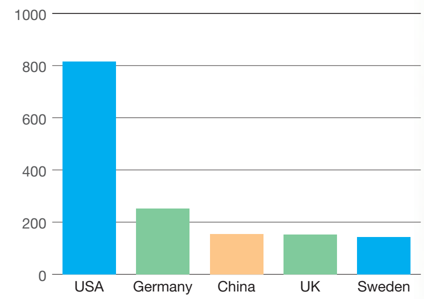


** Includes EFT pro forma for January-September 2012
Excluding restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.

Organic sales development 2014, %



Largest markets, 2014, SEK m



Americas

Strong performance on all markets

The Americas operating segment reported good sales development in 2014. Incoming orders grew organically by 0.3% to reach SEK 1,056.8 million (1,005.1 m), while sales rose by 7.2% to SEK 1,076.9 million (957.9 m). The positive sales development is partly due to the new business structure based on four separate sales segments – Product Sales, Configured Solutions, Engineered Solutions and Service – that was set up in 2014.

YEAR IN REVIEW

Growth in incoming orders in 2014 was modest compared with 2013, although it must be remembered that several very large orders were received in 2013, which meant that incoming orders in that year were at record levels. For the full year organic growth in orders was 0.3%.

Invoicing was significantly stronger in 2014. Total sales were SEK 1,076.9 million (957.9 m), representing organic growth of 7.2%. Thanks to higher sales the operating profit increased to SEK 144.9 million (138.9 m), while the operating margin was 13.5% (14.5) for the full year.

STRONG PERFORMANCE IN THE US

The USA, which is the largest market in the region, developed well within all sales segments in 2014, although sales of larger projects could not match the record level achieved in 2013. However, higher sales in other segments compensated for this. The macroeconomic development is generally good and energy-intensive production has returned to the US following the boom in the fracking industry. Industries reporting rising demand include textiles, recycling, timber and the energy sector. Nederman sees positive development within the energy sector with significant deliveries of filter systems for gas turbines, and also increasing interest for different types of energy saving systems.

GREAT GROWTH OPPORTUNITIES IN BRAZIL

The Brazilian market continues to be very interesting for Nederman. Many large international companies have their own production in the country, which creates a large and stable market for Nederman's products and solutions. There is also growing interest for environmental technology with legislation at a high international level and increasing levels of compliance. During the year Nederman won an important order for equipment that will improve the working environment at John Deere's plant in Brazil. Incoming orders climbed by 30.3% and sales were up by 23.2%.

GROWTH RETURNS TO CANADA

The year saw good development in Canada with higher volumes of both incoming orders and new sales. As with the rest of the Americas region, development was positive within all sales segments.

POTENTIAL IN MEXICO

The Mexican market remains a small part of Nederman's total sales in this operating segment but the management team for this operating segment consider that this market has significant potential and Nederman continues to invest in this market to realise this potential fully. Part of the strategy here included strengthening the sales organization in the final quarter.

Nederman Americas' share of Group

Net sales

38%
SEK 1,077 million

Operating profit

72%
SEK 145 million

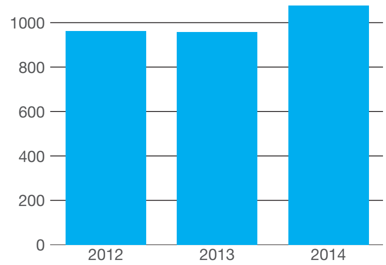
Average # of employees

27%
482

See note 3 for more information

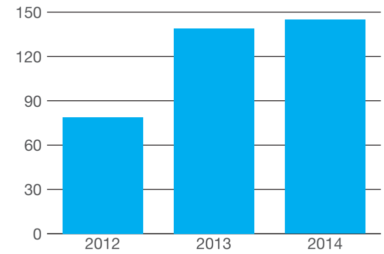
Net sales, SEK million*

1,077



Operating profit SEK million**

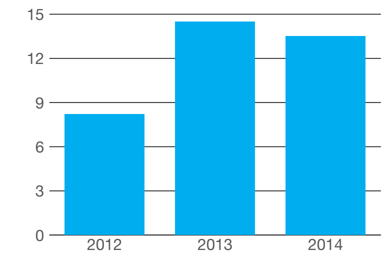
145



See note 3 for more information

Operating margin**

13.5%



* Includes EFT pro forma January-September 2012

** Includes EFT pro forma January-September 2012. Excludes restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.

The Americas is progressing strongly and Nederman's presence in the region means it is well positioned to exploit the major opportunities that will arise.

DRIVING FORCES
A number of driving forces indicate that Nederman Americas will experience positive long-term development. Providing a good working environment in various process industries is increasingly important in being able to recruit staff and comply with legislation. In many countries now there are strict requirement about emissions to air, which boosts demand for Nederman's products and solutions. Another trend that is growing in significance is interest in energy recycling, which Nederman Americas considers to be an area that will see growth in coming years. Nederman markets products and solutions that make the production environment cleaner and thus operation more stable with minimum disruptions to activities. The economic arguments for Nederman's solutions are thus gaining extra force. In the Americas there is growth in the car, timber and construction industries, which means increased demand for the Group's products and solutions. Thanks to lower energy prices, American companies are also relocating production back home that was previously based in Asia, which is further boosting industrial activity. Overall, Nederman Americas expects to see continued positive development in demand.

ORGANIZATION
Nederman Americas is represented by its own sales companies, which handle product sales and service in the US, Canada, Mexico and Brazil. In the other countries in the region these activities are handled by local distributors. In addition to the national sales companies, Nederman Americas has a regional organization with responsibility for project sales of customer-adapted systems, which requires high competence and significant resources. The clear separation between product sales and service on the one side and project sales on the other was carried out in 2014 and it made a strong contribution to the positive development in 2014 when sales in all segments increased.

Mexico has untapped potential and the management team for the Americas region is working long-term to develop this market where growth is expected to be very good for a long period in the future. Nederman had a total of 482 employees on average in its Americas organization in 2014.

OPERATIONS
Nederman has production and assembly plants in Canada, the US and Brazil. Production of system solutions is carried out at the plant in Trenton, South Carolina, USA. Assembly of the traditional Nederman range takes place at Mississauga, Canada. In Brazil there is a Nederman assembly plant in Sao Paulo.

A major investment in modernised and improved laser welding was carried out at the plant at Thomasville, NC, during 2014. This equipment will be taken into operation during Q1 2015. Together with the layout changes that have been completed and are planned, this investment will improve efficiency and capacity. The advantages of local assembly and purchasing are obvious. Total costs are lower, lead times shorter and flexibility greater.

Three-year summary	2014	2013***	2012
Incoming orders*	**1,056.8**	1,005.1	1,009.3
External net sales*	**1,076.9**	957.9	962.7
Depreciation*	**-9.0**	-9.0	-9.1
Operating profit**	**144.9**	138.9	78.9
Operating margin, %**	**13.5**	14.5	8.2
Average no. of employees, 31 Dec.	**482**	510	256

* Includes EFT pro forma January-September 2012
** Includes EFT pro forma January-September 2012. Excludes restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.
*** Comparative figures for 2013 have been adjusted in accordance with the organization's structural changes


Per Lind
SVP & Head of Division Americas

How do you view development in 2014?
"2014 was a very good year for the Americas. The changes we implemented in the business structure delivered good results in 2014 within all our sales segments. Sales development has also been positive in all markets, with a special mention for Brazil where orders grew organically by 30.3% during the year."

What were the year's highlights?
"Here I would like to highlight the following events: the new organization for project sales delivered a number of large orders during the year. Brazil continues to perform very strongly while we see new and significant business opportunities in the energy-saving field."

How does the future in the Americas look?
"Development in 2014 means that we can start 2015 with a very positive spirit and we see further opportunities for developing Nederman Americas' positions in the key industries of autos, timber and textiles. We also think the steel and mining industries offer great opportunities. Over the longer term, we believe that our investment in Mexico will bear fruit in the form of good, sustained growth in this market."

2014 was a turning point in Brazil in terms of health and safety in welding. It is well known that welders may be exposed to harmful metal fumes if they do not use proper safety equipment. In most countries there are strict regulations for this and Brazil is no exception. The country has a well-developed legislation on health and safety in the workplace. The limitations are not in the law but in the authorities' capacity to carry out inspections in such a big country.

The absence of effective inspections has meant that not all companies fully meet existing safety requirements. Although awareness of the problem and the realization of the benefits of Nederman's products and solutions have increased steadily in recent years, 2014 was a breakthrough year. Thanks to its strong brand and the right solution to meet the increased demands, Nederman was chosen to be a supplier to a large American machine manufacturer. This was the company's largest order in Brazil during the year.

EMEA

Improved profitability despite continued weak market

The EMEA operating segment was affected in 2014 by the weak economic cycle, low demand and political uncertainty in Ukraine and the Middle East. Demand for larger installations was especially weak, while product sales and service had a much more positive development. Organic net sales were down 3.1% at SEK 1,413.7 million (1,409.5 m). Despite the fall in organic sales, operating profit improved significantly to reach SEK 112.8 million (74.6 m).

YEAR IN REVIEW

Weak demand meant that incoming orders declined during the year, amounting to SEK 1,345.6 million (1,449.4 m). Invoicing was also weak in 2014 as net sales reached 1,413.7 million (1,409.5 m), meaning an organic decline of 3.1%.

Thanks to a favourable product mix, offensive sales efforts on selected markets and a more efficient sales organization, profitability improved despite the weal development in volumes. Operating profit increased to SEK 112.8 million (74.6 m) and the operating margin increased to 8.0% (5.3).

WESTERN EUROPE

Progress in Western Europe, EMEA's most important market, was mixed in 2014. Low capacity utilisation in several industries resulted in weak sales for larger systems during the year. Product sales and service developed much more positively with good growth figures and a general advance in market positions.

The decent development in product sales and service was evident in the UK and Ireland, which performed strongly in these segments after several difficult years. Also in southern Europe the trend was positive, with good sales recorded in Spain from customers in the rail and aircraft industries, among others.

In the Nordic region the market was challenging within product sales and sales of smaller solutions, although the aftermarket was more positive. Germany was affected by the lack of enthusiasm for investment and the number of larger projects was limited. However, product sales and the aftermarket saw positive progress.

EASTERN EUROPE

Development in Eastern Europe was mixed in 2014. In Poland product sales and service were positive, but as with other EMEA markets, demand for larger systems was significantly lower than in 2013. In Russia, Nederman strengthened its distribution network during the year and product sales volumes rose as a result. Both Czech Republic and Slovakia reported good sales development, partly due to the positive performance of the region's auto sector. The market in Ukraine was affected by the major political concerns in the country and sales were weak as a consequence.

Nederman's penetration of Eastern Europe is less than in Western Europe and the company considers the development potential in these countries to be significant over the longer term.

OTHER EMEA COUNTRIES

In the other countries in the EMEA region, the Group conducts a long-term project to assess how it can best exploit the opportunities that are emerging in the wake of the industrial development in sub-Saharan Africa. Political uncertainty in the Middle East makes it hard to forecast long-term business opportunities.

Nederman EMEA's share of Group

Net sales

50%
SEK 1,414 million

Operating profit

56%
SEK 113 million

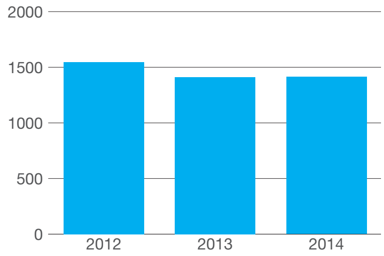
Average # of employees

55%
1,004

See note 3 for more information

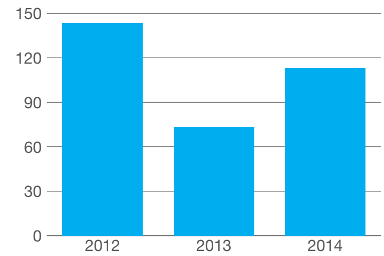
Net sales, SEK million*

1,414



Operating profit SEK million**

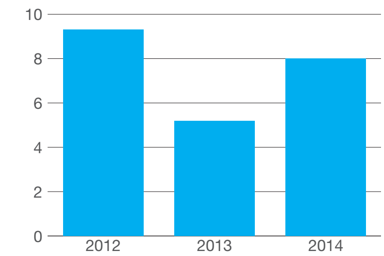
113



See note 3 for more information

Operating marginl**

8.0%



* Includes EFT pro forma January-September 2012

** Includes EFT pro forma January-September 2012. Excludes restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.

Low demand for large systems, but positive development for product sales and service.

DRIVING FORCES

Demands for safer working environments and reduced emissions from industrial operations along with growing awareness of the real costs of environmental damage are some of the general factors that have a long-term impact on Nederman's activities in the EMEA region. For new and prospective EU member states that must adapt to the community's demands, stricter legal requirements are important driving forces. The way that companies act on environmental issues has become more important for their image and their brands. As globalisation increases competition there are also distinct economic arguments for Nederman's products and systems. By investing in Nederman's products, companies can secure higher production efficiency and a better working environment, for example by creating clean and dust-free production environments.

ORGANISATION

Nederman EMEA performed a rationalisation scheme in 2014 aimed at strengthening the organization's long-term competitiveness and improving our customer offer. The scheme includes centralising the handling of larger projects at regional rather than national level. This change will enable collected competence to be utilised more efficiently, which will mean better project implementation, stronger competitiveness and higher profitability. Another example is the new, joint Nordic organization that in 2014 replaced three national sales organizations. The joint Nordic organization means that we have critical mass in terms of skills and management capacity so that we can deliver increased added value to our customers thanks to a sharper focus on customer benefits. We can also achieve significant administrative synergies in costs.

Nederman EMEA is represented by its own sales companies in most Western European countries and in several countries in Eastern Europe, including Poland and Russia. In countries where the Group does not have its own representation, sales are made through distributors. Nederman had a total of 1,004 employees (1,086) on average in the EMEA organization in 2014.

OPERATIONS

Nederman has production facilities in the following centres in Europe: Assens, Denmark, (production); Poncharra, France (production); Marki, Poland (production); Leeds, UK (production); Helsingborg, Sweden (assembly and distribution); Töredal, Sweden (production); Friesenheim, Germany (assembly).

A major restructuring of production in Europe was carried out during 2013 to achieve a concentration on fewer production units. In 2014 Nederman implemented a scheme for enhanced efficiency through continuous improvement that will also further strengthen competitiveness.

In Q3, design and technology competence for downdraught benches was acquired from Air Cleaning Systems Ltd (ACS) of the UK. Production has been successfully integrated in Nederman's production structure.

Three-year summary	2014	2013***	2012
Incoming orders*	**1,345.6**	1,449.4	1,509.0
External net sales*	**1,413.7**	1,409.5	1,548.0
Depreciation*	**-23.4**	-24.3	-23.6
Operating profit**	**112.8**	74.6	143.2
Operating margin, %**	**8.0**	5.3	9.3
Average no. of employees, 31 Dec.	**1,004**	1,086	1,037

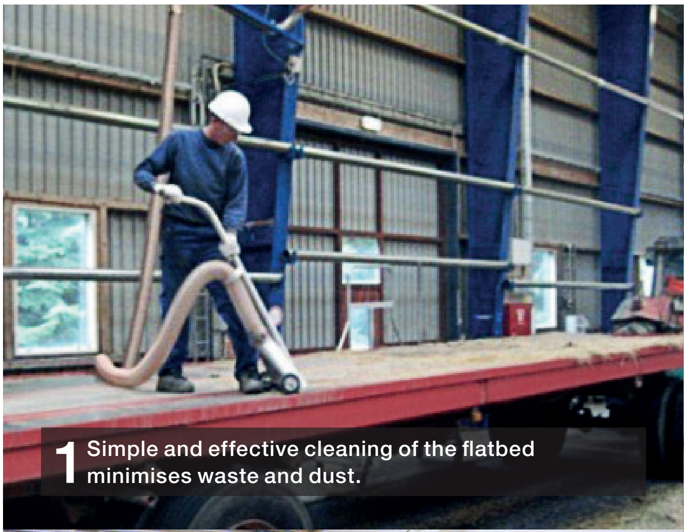
* Includes EFT pro forma January-September 2012
** Includes EFT pro forma January-September 2012. Excludes restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.
*** Comparative figures for 2013 have been adjusted in accordance with the organization's structural changes

Hans Dahlén
SVP & Head of Division EMEA

How do you view development in 2014?
"Like the previous year, 2014 was another challenging year for sales of larger systems. These sales are dependent on the business cycle and at present utilisation of industrial capacity in Europe is very low, with the exception of the auto industry. Much more pleasing to see were the development of our product sales and, not least, our service activities, which did very well during the year. Our rationalisation measures also had the desired effect, which together with a favourable product mix has meant that our profitability strengthened."

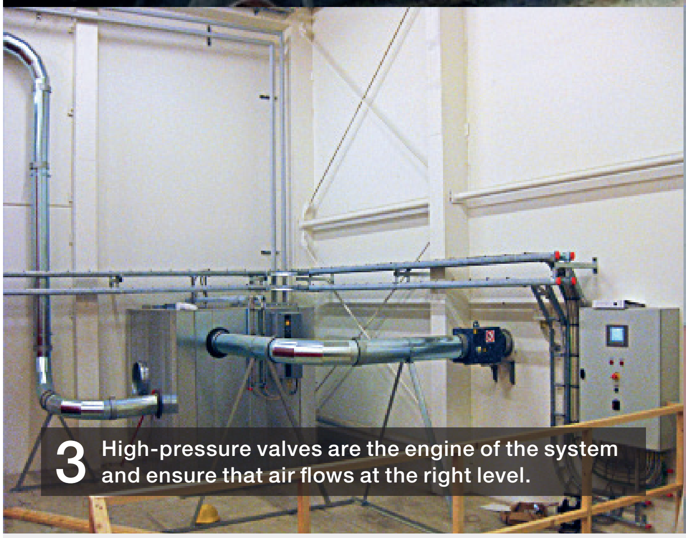
What's your future outlook for EMEA?
"I expect to see continued weak development for Western European economies, which means that we must carry on adapting our organization and concentrating our competence in powerful units that will further reinforce our long-term competitiveness.

We also intend to boost our competitive edge by further improving the efficiency of our working methods and making our offer even more attractive for customers. I am convinced that we can do even more with our service concept. Everything we do will be done fully aware of costs: the growth we want to achieve will not come at the cost of lower profitability."



1 Simple and effective cleaning of the flatbed minimises waste and dust.

2 The straw separator separates waste and air. Waste can be recycled back to production.



3 High-pressure valves are the engine of the system and ensure that air flows at the right level.

4 Air from the separator is cleaned in the filter system before being released into the surrounding environment.

In 2014, Nederman received an order for equipment for a new straw-fired district heating plant in Billund, Denmark. The total order value was around SEK one million. The project, which is the first of its kind in Denmark, is expected to be followed by others in 2015 and 2016 as the Danish government prioritises transition from gas to biomass. Straw is currently the cheapest biofuel.

Keeping things clean and tidy are important for high productivity and maintaining a good working environment. Simple but thorough cleaning of the wagons carrying the straw into the heating plant minimizes wastage of valuable biofuel, while also making the working environment safer and healthier by reducing the risk of fire and dust explosions. Staff exposure to microorganisms is also limited. Cleaning the flatbed of the truck prevents loose straw and dust getting onto the roads after delivery, which is a legal requirement in Denmark.

Overall, Nederman's equipment means that the straw-fired heating plant in Billund can offer its employees a good working environment while the installation complies with increasingly stringent environmental requirements.

Because of its comprehensive expertise and wide product range, Nederman was the only provider that could offer the heating plant in Billund a comprehensive solution and take responsibility for the entire project, which included the following:

- Feasibility study
- Planning and system design
- Installation, commissioning and training
- Service and maintenance

APAC

Focus on the environment drives development in China

The APAC operating segment reported positive development overall in 2014. The Chinese market had a very positive trend, while the performance in South East Asia and Australia was more mixed. Net sales for the APAC segment grew organically by 12.1% to reach SEK 336.3 million (291.8 m), while the operating profit was down at SEK 4.1 million (14.0 m).

YEAR IN REVIEW

Following a weak start to the year, the APAC segment reported positive development in invoicing during 2014. Net sales reached SEK 336.3 million (291.8 m), which meant organic growth of 12.1%.

Operating profit had a negative trend and fell to SEK 4.1 million (14.0 m) with the operating margin being reduced to 1.2% (4.8).

Incoming orders climbed by an impressive 16.9% to reach SEK 362.4 million (300.9 m), despite a weak beginning to the year.

STRONG PERFORMANCE IN CHINA

The Chinese market developed very strongly in 2014. Nederman won several significant orders, including an agreement signed with Zhongwang Aluminium Group worth SEK 85 million. The agreement covers a series of part deliveries that will be supplied up until 2016. Product sales and sales of smaller systems also progressed positively during the year.

The positive development in China is being driven in part by growing awareness of the significance of environmental issues and by new legislation in the environmental field. The new laws mean that the authorities have increased power and that environmental crimes will be punished harder.

Overall Nederman's assessment is that the Chinese market has good prospects for continued growth.

MIXED DEVELOPMENT IN THE REST OF ASIA

The rest of Asia had a more mixed development in 2014. The Malaysian market developed well, but the markets in India, Indonesia and Thailand were more challenging. In Thailand the market situation was made more difficult by a military coup in May although the market showed clear signs of recovery in the final months of the year. In Vietnam Nederman won an order worth SEK 22 million in the timber industry. This order was for equipment used for materials recycling and an improved working environment.

WEAK DEMAND IN AUSTRALIA

The Australian market continued to be strongly affected by the low prices for raw materials, which meant weak demand from the country's mining and raw materials industries, Nederman's dominating customer segment on this market. Sales of large systems and installations were therefore weak during the year, while product sales had a more stable development.

DISTRIBUTOR MARKET

The distributor markets in Japan, the Philippines, Korea and Singapore developed well during the year.

Nederman APAC's share of Group

Net sales

12%
SEK 336 million

Operating profit

2%
SEK 4 million

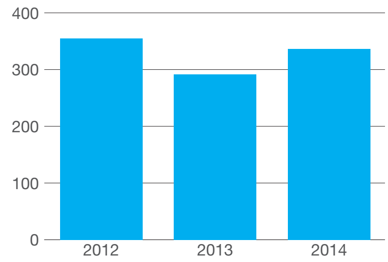
Average # of employees

18%
317

See note 3 for more information

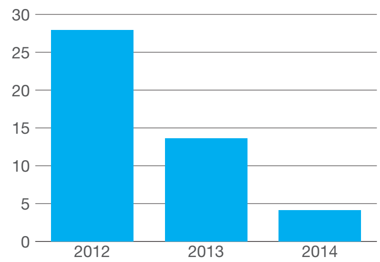
Net sales, SEK million*

336



Operating profit SEK million**

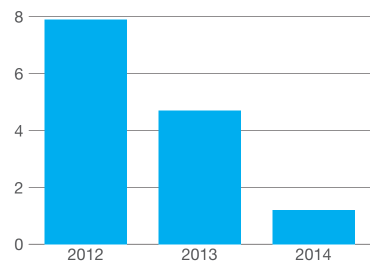
4



See note 3 for more information

Operating margin**

1.2%



* Includes EFT pro forma January-September 2012

** Includes EFT pro forma January-September 2012. Excludes restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.

APAC is a region with great potential, increasing environmental awareness and growing regulatory requirements.

DRIVING FORCES

There is great potential in the APAC region for sustainable growth over the long term. Much of the production infrastructure in the region lacks environmental technology solutions or is using poor equipment. In other words, there is a large need for high quality environmental technology. The economic argument for Nederman's products is very strong. By investing in Nederman's systems and products, considerable advantages can be achieved in the form of operational reliability and efficient recycling of waste products and energy. Working environment issues are becoming increasingly important as general living standards rise while the regulatory demands for eco-adapted production are getting stricter in China and other countries. This growing understanding of environmental problems and the need to invest in high quality solutions is improving Nederman's dialogue with its customers in the APAC region. The customer segment currently showing the strongest development is the machine and vehicle industry, which is powering much of the region's growth. Foundries and smelters, welding and mechanical processing are also reporting positive signs. The food industry, which was previously fragmented and underdeveloped, is now growing to become an important player with high demands for quality and safety.

ORGANIZATION

Nederman has its own sales companies in Australia, India, Indonesia, China, Malaysia and Thailand. In other countries sales are managed by distributors. In China the head office is in Shanghai, but there are also several regional offices. The major competence in larger systems and installations within the Australian organization is being used increasingly throughout the entire region to ensure that these projects are performed as efficiently and successfully as possible. Service sales remain relatively low although they are expected to grow as the number of sold products and systems increases. Today it is especially Australia and China with significant service activities. Nederman had a total of 317 employees on average throughout the APAC organization in 2014.

OPERATIONS

Nederman has a strong production structure within APAC with plants in Melbourne, Australia (assembly and distribution); Suzhou, China (production); Qingpu, China (assembly and distribution), and Bangkok, Thailand (production). The plant in Thailand was taken into operation in April 2013 and provides much better possibilities for both optimising and expanding production to match growth in South East Asia, the main market for this plant. The plants in China serve the Chinese market as well as other Asian markets.

Nederman is currently increasing local production in the region, while purchases from local suppliers is also rising. By having an increasing portion of local production and purchasing, Nederman can make faster deliveries at lower cost.

Three-year summary	2014	2013 ***	2012
Incoming orders*	**362.4**	300.9	372.4
External net sales*	**336.3**	291.8	355.2
Depreciation*	**-6.4**	-5.4	-6.1
Operating profit**	**4.1**	14.0	27.9
Operating margin, %**	**1.2**	4.8	7.9
Average no. of employees, 31 Dec.	**317**	328	320

* Includes EFT pro forma January-September 2012
** Includes EFT pro forma January-September 2012. Excludes restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.
*** Comparative figures for 2013 have been adjusted in accordance with the organization's structural changes

Torbjörn Bäck
SVP & Head of Division APAC

How do you view development in 2014?
"Development in the year was good, especially in China but also in Malaysia. Performance in other parts of the region was more mixed."

What were the year's highlights?
"The strong growth in China was the year's highlight. What makes it especially interesting is that it was driven by a sharper focus on quality. The new environmental legislation that came into effect during the year makes me very optimistic about this market.

Another, different type of highlight is the good collaboration we have established between local sales companies and our experts in system sales within APAC's regional organization. I should also mention the fantastic contract we signed with Zhongwang Aluminium Group."

What is the future for APAC?
"APAC is a market with fantastic potential. During 2015 we will further strengthen our presence in China to ensure continued strong growth. In parallel with our ambitions for growth we will aim to strengthen profitability. We also intend to further develop the way we utilise our expertise in system sales so that we get maximum effects throughout the region."

In March 2014 Nederman signed a contract worth SEK 85 million with Zhongwang Aluminium Group of China. This agreement covers a complete solution for filtration of emissions from an aluminium smelting plant.

Zhongwang Aluminium Group is one of the world's largest manufacturers of aluminium profiles. The order covers design, manufacturing and complete, turnkey supplies of Nederman's filters and cooling equipment. The products will be designed and manufactured at Nederman's plant in Suzhou, China, and the project will be managed by Nederman's Chinese organization. The project is divided among a series of deliveries that will take place in the period 2014 to 2016.

The picture shows parts of the equipment for Zhongwang being secured for transport from Nederman's plant in Suzhou, China.

Sustainability

Nederman's activities aimed at sustainability are integrated naturally within the company. The aim is to strengthen both the company's performance and that of customers. The starting point for sustainability activities is Nederman's code of conduct, which is based on international principles and rules, including the UN's Global Compact. The code covers all employees and business partners and describes how Nederman views its role in society and how the company works with central issues such as the environment, the fundamental rights of all employees and business practices.

Nederman and the environment

As a world leader in industrial air filtration and resource management, Nederman plays an important role in the development of sustainable and efficient industrial production – both externally for the company's customers, and internally within its own operations. Internal environmental activities are focused on the following areas:

- **Products and solutions.** All new products are developed to meet requirement for minimal environmental impact during production, distribution , use and recycling. This is ensured by adapting the development process to sustainable product development, from the first concept to the finished product.
- **Energy savings and waste management during production.** Key environmental indicators include targets for energy saving and increased re-use or recycling of production waste. This work is continuous for all of the Group's production units.
- **Reduction of carbon emissions from transport.** Carbon emissions from intercontinental transport have fallen significantly over several years due to an increased amount of sea transport, higher local sourcing and optimised volumes and transport routes. This work will continue in 2015 with a focus on reducing air transport and stricter environmental demands on road transport.

- **Development of suppliers.** Sharper focus on auditing of suppliers includes addressing their environmental responsibility and social responsibility.

Within all of these areas there are both global targets and activities as well as local ones. All of the Group's production units have been certified with ISO 9001 for quality management and ISO 14001 for environment management. Environment and quality work is coordinated within a global environment and quality management system and within its framework there is a continuous exchange of experience and ideas among the units.

ENVIRONMENTAL TARGETS FOR 2020

- Reduced energy consumption in production by 20% compared with 2013
- Reduced emissions of carbon dioxide from freight transport by 20% compared with 2013
- Achieve 95% recycling of waste from production
- 100% of suppliers dedicated to our code of conduct

Nederman and human resources

In 2014 Nederman continued its long-term efforts to clarify the company's values, develop the Group's managers and strengthen staff competence, knowledge and understanding of key areas.

CODE OF CONDUCT FOR STAFF
Nederman's code of conduct summarises the company's values and describes how the company views central issues such as the fundamental rights of all employees concerning equal treatment, salaries and working hours, and their health and safety. In 2014 Nederman launched training courses in the code of conduct. This training is compulsory for all employees and by the end of the year 1,418 employees had completed the e-learning programme or participated in classroom lessons.

CODE OF CONDUCT FOR SUPPLIERS
The code of conduct for suppliers clarifies Nederman's requirements and expectations concerning all suppliers, namely that applicable laws must be followed, no form of corruption may occur, fundamental workers' rights in terms of equality, wages and working hours must be respected, no child labour may occur, and there must be adequate procedures to protect employees' health and ensure their safety.

As Nederman performs more production and purchasing on a regional basis, there is a growing need to develop cooperation with the Group's suppliers to ensure that Nederman's values and demands obtain full impact throughout the entire value chain. In addition to its code of conduct for suppliers, Nederman has therefore developed a system for supplier evaluation to be implemented in 2015. The company has also decided in 2015 to train all managers, sales staff and buyers in matters related to corruption, fraud and cartel activity to ensure that these persons are well prepared and have the right competence to handle these issues.

STAFF DEVELOPMENT
Nederman's HR department works continually to establish and maintain efficient systems for managing HR activities with the overall aim of developing competence, utilising talent, offering attractive career opportunities and strengthening the company's management.

In 2014 Nederman started a global management development programme with the specific aim of strengthening managers' capability to manage change and communication. Work to strengthen Nederman's leadership will continue in 2015.

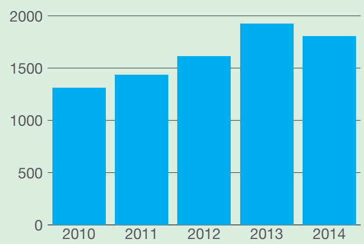
In the US a pilot project was carried out to further develop the Nederman sales organization's ability to efficiently manage the different sales segments that the company works with (see pages 14-15).

IMPROVED COMPETENCE WITHIN CRITICAL SAFETY AREAS
Within various industries, including the aluminium and wood industries, there are risks concerning explosive dust in production. For staff this means a very major security risk, which was illustrated in a very tragic way by an accident in China in 2014 when 80 people lost their lives in an aluminium production plant. The plant, which is not a customer of Nederman, did not have the proper equipment to deal with this type of risk.

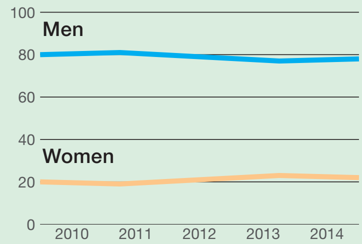
Nederman has considerable expertise in how to minimize the risk of this type of accident. In 2014 Nederman trained and certified 62 experts in 26 countries. With these experts and their knowledge Nederman strengthens its ability to professionally manage critical safety issues. The company has already started cooperation with the Chinese authorities to ensure that similar accidents do not happen again.

SOME STATISTICS
Nederman had 1,902 employees (1,923) at year-end. The average number of employees during the year was 1,803 (1,924), of whom 22% were women and 78% men. Geographically, Nederman has most employees in Europe (Nordic region 18%, rest of Europe 38%, North America 25%, rest of the world 19%), but the aim is to increase numbers in Asia, South America and other regions.

Average number of employees



Gender distribution , %



The Nederman share

Nederman's ambition is to continuously provide the financial market, shareholders and other stakeholders with accurate, consistent and relevant information in order to increase understanding of the company and meet the rules for listed companies. The Nederman share has, since 16 May 2007, been listed on NASDAQ OMX Stockholm under the NMAN ticker. Since January 2014 the share has been listed on Nasdaq OMX Stockholm Mid Cap. A brief history of the company and the share is presented in the box on the next page. The parent company's shareholders' equity at year-end was SEK 564.7 million (571.0 m). The capitalization value was SEK 1,962.3 million (2,225.9 m).

COMMUNICATION WITH THE MARKET

Nederman's representatives meet regularly with analysts, creditors and shareholders to provide a continuous picture of developments during the fiscal year. Printed interim reports, financial statements and annual report are distributed to shareholders who so wish. These reports, together with the company's press releases are also available on the website in English and Swedish.

OWNERSHIP

The number of shareholders at year-end was 2,403 (2,398). Each share in Nederman gives entitlement to one vote. The share of Swedish ownership was 89.6 per cent (89.8). The ten largest shareholders accounted for 82.6% (81.0) of the total shares. The largest individual shareholder is Investment AB Latour. The table on the next page shows Nederman ownership at December 31, 2014.

DIVIDEND AND DIVIDEND POLICY

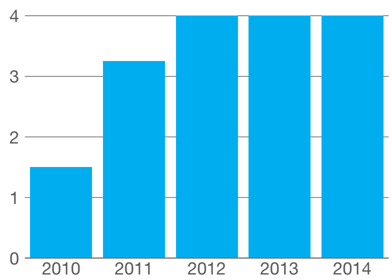
Nederman's dividend policy is to pay a dividend amounting to 30-50 percent of net profit after tax, taking into account the capital structure and acquisition plans. For fiscal year 2014, the Board of Directors and CEO are proposing a dividend of SEK 4.00 per share (4.00).

ANALYSTS WHO FOLLOW NEDERMAN

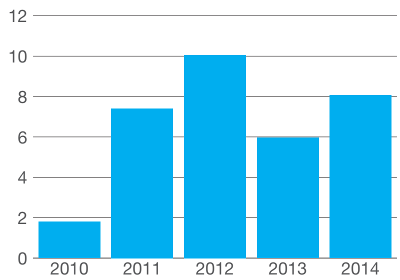
- Jon Hyltner från Handelsbanken
  johy01@handelsbanken.se

- Olof Larshammar från SEB
  olof.larshammar@seb.se

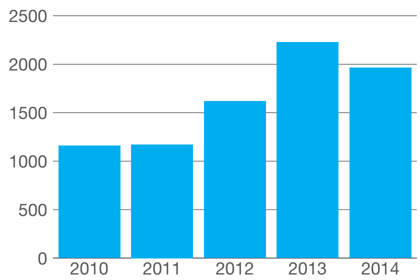
Dividend per share, SEK



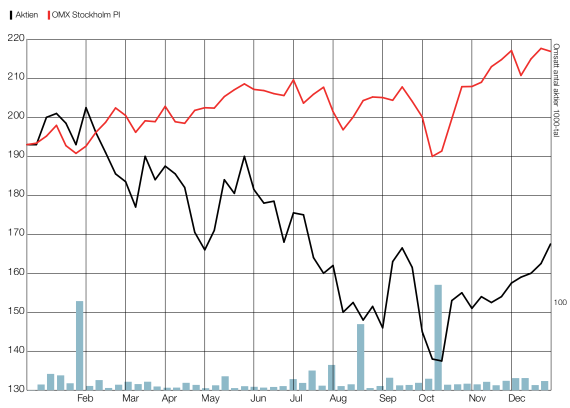
Earnings per share, SEK



Market value, SEK million

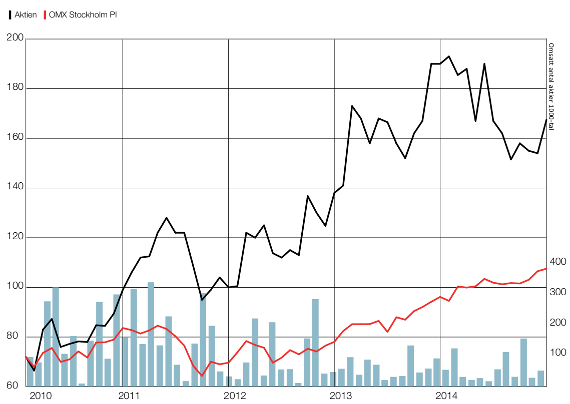


Share price and trading volume, 2014



Nasdaq OMX Stockholm

Share price and trading volume, 2010-2014



Nasdaq OMX Stockholm

Share data	2014	2013	2012	2011	2010
Earnings per share after tax	8.07	5.95	10.06	7.41	1.80
Share price, 31 Dec.	167.5	190	138	100	99
Cash flow	39.3	41.3	83.0	-77.4	154.7
Proposed dividend per share	4.00	4.00	4.00	3.25	1.50
Dividend growth, %	0.0	0.0	23.1	116.7	–
Direct yield, %	2.39	2.11	2.90	3.25	1.52
P/E ratio	20.7	31.9	13.7	13.5	55.0
Portion of profit as dividend, %	50	67	40	44	83
Shareholders' equity	733.3	619.8	601.2	556.8	498.1
No. of shares, 31 Dec.	11,715,340	11,715,340	11,715,340	11,715,340	11,715,340
Proposed dividend as percentage of equity	6.4	7.6	7.8	6.8	3.5

Largest shareholders in Nederman	Holding	Votes, %
Investmentaktiebolaget Latour	3,512,829	29.98
Lannebo fonder	1,557,282	13.29
Ernström Kapitalpartner AB	1,175,000	10.03
CBLDN-IF Skadeforsakring AB	1,160,400	9.90
Swedbank Robur	662,384	5.65
Nordea Investment Funds	462,453	3.95
Fondita Nordic Micro Cap SR	400,000	3.41
NTC UN Joint Staff	339,605	2.90
Fjärde AP-Fonden	251,208	2.14
Handelsbanken Fonder AB Re JPMEL	156,894	1.34
Other	2,037,285	17.41
Total	**11,715,340**	**100.00**

History	
1944	Company founded by Phillip Nederman.
1983	Listing on the Stockholm Stock Exchange.
1985	Active becomes the new majority owner. The company is delisted.
1991	Nederman sold to Esab.
1994	Charter acquires Esab and becomes the new majority owner.
1999	Venture capital company EQT acquires Nederman.
2007	Listing on the OMX Stockholm Small Cap list.
2010	Nederman acquires Dantherm Filtration from Dantherm A/S.
2012	Nederman acquires Environmental Filtration Technologies.
2013	Nederman qualifies for Nasdaq OMX Stockholm Mid Cap.
2014	Nederman switched to Nasdaq OMX Stockholm Mid Cap.

Owners per category, %	
Financial organizations	64.3
Social insurance funds	2.5
Non profits	0.2
Other Swedish legal entities	11.7
Non-categorized legal entities	3.0
Private Swedish individuals	7.9
Foreign owners	10.4
Total	**100.0**

Owners per country, %	
Sweden	89.6
Finland	4.7
UK	3.4
US	1.1
France	0.6
Other	0.6
Total	**100.0**

Press releases

Date	Heading
3 January 2014	Nederman initiates repurchase of own shares.
7 January 2014	Nederman has moved to the Nasdaq OMX Stockholm Mid Cap segment.
8 January 2014	Nederman receives order worth SEK 93 million from Gildan Yarns, LLC, USA. (Order booked in December 2013.)
12 February 2014	Financial Statement 2013.
17 March 2014	Nederman signs order worth SEK 85 million with the Zhongwang Aluminium Group, China.
18 March 2014	Notice of Annual General Meeting for Nederman Holding AB (publ).
31 March 2014	Annual Report 2013.
31 March 2014	Nederman receives order worth SEK 20 million for two complete gas turbine inlet air filtration systems.
23 April 2014	Interim report January–March 2014.
24 April 2014	Annual General Meeting of Nederman Holding AB.
18 June 2014	Nederman receives order worth SEK 22 million from May Forestry JSC in Vietnam.
9 July 2014	Nederman receives additional order for two complete gas turbine inlet air filtration systems. The order is worth SEK 20 million.
14 July 2014	Interim report January–June 2014.
1 August 2014	Nederman acquires the design and technology for the production of downdraught benches from Air Cleaning Systems Ltd (ACS).
10 October 2014	Nederman receives two orders in North and South America with a total value of SEK 69 million.
16 October 2014	Interim report January–September 2014.

Q1 2014 report | Q2 2014 report | Q3 2014 report | Q4 2014 report | 2012 annual report | 2013 annual report | 2014 annual report

Scan the code with your mobile phone or tablet or go to Nederman's website to read other annual reports and interim reports.

Financial information in summary

SEK m	2014	2013	2012*	2011	2010
Income statement					
Net sales	2,826.9	2,659.2	2,272.6	2,000.9	1,694.1
Operating profit before depreciation (EBITDA)	212.9	176.7	220.5	182.6	89.5
Operating profit (EBIT)	165.7	127.5	176.5	140.5	51.3
Profit before taxes	139.0	99.7	153.7	107.8	26.9
Net profit	94.3	69.7	117.8	86.8	21.1
Assets, equity and liabilities					
Fixed assets	1,071.5	998.4	998.0	740.1	761.5
Current assets	1,301.6	909.7	923.4	764.3	663.6
Cash and cash equivalents	325.0	270.0	224.6	149.1	228.0
Equity	733.3	619.8	601.2	556.8	498.1
Interest bearing liabilities	881.6	840.9	825.9	535.8	620.2
Non-interest bearing liabilities	758.2	717.4	718.9	560.9	534.8
Total assets	2,373.1	2,178.1	2,146.0	1,653.5	1,653.1
Profitability					
EBIT margin, %	5.9	4.8	7.8	7.0	3.0
Return on shareholders' equity, %	13.9	11.4	20.6	16.5	4.2
Capital turnover rate, multiple	2.3	2.2	2.1	2.2	2.2
Capital structure					
Net debt	556.6	570.9	601.3	386.7	392.2
Net debt/equity ratio, %	75.9	92.1	100.0	69.5	78.7
Equity/assets ratio, %	30.9	28.5	28.0	33.7	30.1
Operating capital	1,289.9	1,190.7	1,202.5	943.5	890.3

OPERATING KEY FIGURES

Excluding acquisition and restructuring costs, capital gain on disposal of subsidiaries.

	2014	2013	2012*	2011	2010
Results and profitability					
EBITDA	247.9	219.4	236.7	209.1	144.9
EBITDA margin, %	8.8	8.3	10.4	10.5	8.6
Operating profit	200.7	170.2	192.7	167.0	106.7
Operating margin, %	7.1	6.4	8.5	8.3	6.3
Return on operating capital, %	16.2	14.2	17.9	18.2	14.1
Net debt/EBITDA, multiple **	2.2	2.6	2.3	1.8	2.7
EBITDA/net financial items, multiple	9.3	7.9	10.4	6.4	5.9
Operating cash flow					
Operating profit (EBIT)	200.7	170.2	192.7	167.0	106.7
Items not affecting cash flow	26.3	35.0	48.0	45.5	20.1
Cash flow from changes in working capital	10.2	50.1	-24.7	-78.9	40.5
Capital expenditures, net	-26.2	-28.6	-34.1	-20.8	-14.2
Operating cash flow	211.0	226.7	181.9	112.8	153.1
Operating cash flow / EBIT, %	105.1	133.2	94.4	67.5	143.5
Operating cash flow per share, SEK	18.1	19.4	15.5	9.6	13.1
Share data					
Number of shares at year end	11,715,340	11,715,340	11,715,340	11,715,340	11,715,340
Average number of ordinary shares during the year, before dilution	11,681,340	11,715,340	11,715,340	11,715,340	11,715,340
Average number of ordinary shares during the year, after dilution	11,725,969	11,746,765	11,715,340	11,715,340	11,715,340
Shareholders' equity per share before dilution, SEK	62.78	52.90	51.32	47.53	42.52
Shareholders' equity per share after dilution, SEK	62.54	52.76	51.32	47.53	42.52
Earnings per share before dilution, SEK	8.07	5.95	10.06	7.41	1.80
Earnings per share after dilution, SEK	8.04	5.93	10.06	7.41	1.80
Proposed dividend per share	4.00	4.00	4.00	3.25	1.50
Employees					
Average number of employees	1,803	1,924	1,613	1,434	1,309

* Comparable figures for 2012 have been restated in accordance with the changes in IAS 19R. Figures for 2010-2011 have not been adjusted
** Includes EFT pro forma January-September 2012

Corporate governance report

Nederman Holding AB (publ) is a Swedish public limited company with its registered office in Helsingborg, Sweden. Nederman was listed on the NASDAQ OMX Stockholm, Small Cap list in 2007 and since 1 January 2014 the company is registered on the Nasdaq OMX Stockholm Mid Cap list.

Governance of the Nederman Group is performed through shareholders via the Annual General Meeting, the board of directors, the Chief Executive Officer and Nederman's executive management team in accordance with, amongst others, the Swedish Companies Act, other rules and regulations, the Articles of Association, and the rules of procedure for the board of directors. Considering Nederman's group structure, the composition of the board of directors in operating subsidiaries, often with representatives from the executive management team, constitutes yet another share of governance for the Group.

SHAREHOLDERS

At the end of 2014 the company had 2,403 shareholders. Investment AB Latour was the largest shareholder with 29.98 per cent of the shares, Lannebo Fonder owned 13.29 per cent and Ernström Kapitalpartner AB owned 10.03 per cent. The ten largest shareholders had a total holding corresponding to 82.59 per cent of the shares. Foreign investors held 10.4 per cent of the shares. For further information about the share and shareholders, see pages 34-35.

ANNUAL GENERAL MEETINGS

The Annual General Meeting (AGM) is the highest decision-making body in which shareholders can exercise their influence by voting on key issues, such as adoption of income statements and balance sheets, allocation of the Company's profit, discharge from liability of board members and the Chief Executive Officer, election of board members, Chairman of the Board and auditors, as well as remuneration to the board of directors and auditors. The AGM was held in Helsingborg on 23 April 2014. At the meeting 34 shareholders were in attendance, representing 61.07 per cent of shares and votes.

- The AGM adopted the income statement and balance sheet for the parent company as well as the consolidated statements of comprehensive income and financial position, decided that the profit be dealt with in accordance with the proposed appropriation of profits, and that the dividend to be paid for the 2013 financial year be SEK 4.00 per share. The AGM discharged the board of directors and CEO from liability for the financial year.
- The AGM resolved, in accordance with the proposal in the notification to attend the AGM, to elect seven board members, that remuneration to the board should amount to SEK 1,400,000, of which SEK 400,000 to the Chairman of the board SEK 200,000 to other regular members, with exception to the CEO. It was further decided that no remuneration be paid to the remuneration committee and that the auditors be paid on current account. In line with the proposal of the nominations committee, Jan Svensson, Gunnar Gremlin, Per Borgvall, Sven Kristensson, Ylva Hammargren, Fabian Hielte and Susanne Pahlén Åklundh should be re-elected as board members, and that Jan Svensson should be re-elected Chairman of the board.

NOMINATIONS COMMITTEE

The 2014 AGM adopted instructions for the nomination committee concerning its composition and assignments. According to the instructions, the nominations committee will consist of one representative from each of the three largest shareholders and the Chairman of the board. If any of the three largest shareholders decline from their right to appoint a representative to the committee, then the right will pass to the next largest shareholder. The nominations committee's tasks will be to prepare proposals, before the next AGM, for electing the Chairman of the board and other board members, election of the Chairman of the meeting, remuneration issues and related issues, and where applicable, election of auditors.

In accordance with the Annual General Meeting's instructions, Göran Espelund (chairman), Lannebo Fonder, Anders Mörck, Investment AB Latour, Sophia Pettersson, Ernström & C:o AB, and chairman of the board Jan Svensson have been appointed members of the nominations committee before the 2015 Annual General Meeting.

BOARD OF DIRECTORS

The board of directors is the second highest decision-making body after the Annual General Meeting. The overall assignment of the board is to decide on the Company's business direction, its resources and capital structure, as well as its organization and management. The board's general obligations also include continuously evaluating the Company's financial situation and approving the Company's business plan. In its general undertaking, the board addresses issues such as the Company's strategy, acquisitions, major investments, divestments, issuing annual reports and interim reports, as well as appointing the Chief Executive Officer, etc.

The board of directors follows written procedures that are adopted annually at the first board meeting. The rules of procedure indicate how the work shall be allocated, where appropriate, among the board members, how often the board meets, and to what extent the deputies shall take part in the board and are called to meetings. In addition, the rules of procedure regulate the board's obligations, quorum, division of responsibilities between the board and the CEO, etc. The board meets according to an annual schedule that is decided in advance. In addition to these meetings, additional meetings may be arranged to deal with events of unusual importance. In addition to meetings, the Chairman of the board and the Chief Executive Officer conduct an ongoing dialogue with respect to managing the Company.

Once a year the board evaluates the Management team in a systematic fashion. In this context, the Management team includes certain non-senior managers, i.e. broader group of employees.

In the most recent business year, the Board made decisions concerning several matters of strategic importance. In 2014 special focus was placed on continued adaption of the Group's capacity and cost levels to the current business climate, the strategy and continued expansion of the Group and the financial framework and objectives. In 2014 the Board held five minuted meetings. To date, one minuted meeting has been held in 2015. The 2014 AGM resolved that SEK 1,400,000 would be paid as directors' fees, with SEK 400,000 to the Chairman of the board and

SEK 200,000 to each regular member. No board remuneration is paid to the CEO. It was further decided that no remuneration be paid to the remuneration committee and that the auditors be paid on current account.

The AGM elects board members annually for the time until the next AGM is held. The board of directors shall consist of at least three and no more than eight ordinary members and may be supplemented with a maximum of three deputies. In addition to this there may be employee representatives.

The main shareholders and board members carry out an annual, detailed, evaluation of the board. The evaluation regards among other things the board's composition, board members and the board's work and routines.

Nederman's board of directors consists of seven members elected by the 2014 AGM and one employee representative. The Chief Executive Officer is a member of the board. The Chief Financial Officer is not a member of the board of directors but participates at meetings by presenting information. The Chairman of the board does not participate in the operating management of the Company

Attendance at Board meetings

Jan Svensson	5 of 5 possible
Gunnar Gremlin	5 of 5 possible
Fabian Hielte	5 of 5 possible
Per Borgvall	5 of 5 possible
Ylva Hammargren	5 of 5 possible
Sven Kristensson	5 of 5 possible
Jonas Svensson	5 of 5 possible
Susanne Pahlén Åklundh	5 of 5 possible

CHIEF EXECUTIVE OFFICER

The distribution of work between the board of directors and the Chief Executive Officer is regulated in the rules of procedure for the board of directors and in the guidelines for the Chief Executive Officer. The Chief Executive Officer is responsible for implementing the business plan as well as day-to-day management of the Company's affairs and the daily operations of the Company. This means that the Chief Executive Officer makes decisions on those issues that can be considered to fall under the day-to-day management of the Company.

The Chief Executive Officer may also take action without the authorisation of the board, in matters which, considering the scope and nature of the Company's business, are unusual or of great importance, and awaiting a decision from the Board would cause substantial trouble for the Company's business. Instructions to the Chief Executive Officer also regulate responsibilities for reporting to the board of directors. The board receives a monthly written report containing information following up the Company's sales, orders statistics, operating results and working capital's developments. Moreover, the material contains comments from the Chief Executive Officer and the Chief Financial Officer e.g. brief comments on the different markets. During months when the board meets the monthly report is more extensive and also includes statements of the financial position and cash flow statement, among other things.

Every year the senior executives formulate a strategy proposal, which is discussed and adopted at the board meeting held about halfway through the year. Work on the business plan (including the budget for the coming year) is usually carried out "bottom-up" and based on the strategy adopted by the board of directors. The Chief Executive Officer and the Chief Financial Officer present the business plan proposal to the board of directors. After the board discussions of the business plan, it is usually adopted at the last meeting during the autumn. Moreover, the Company usually issues an updated forecast at the end of each quarter in conjunction with the quarterly reports.

COMMITTEES

Questions about salary structuring and benefits for the Chief Executive Officer and management are addressed and approved by a remuneration committee. This committee consists of Jan Svensson and Fabian Hielte. Jan Svensson is Chairman of the committee. The committee is a body within the company's Board assigned to draft matters for the Board related to remuneration and other terms of employment for senior executive management. The committee also has the task of preparing guidelines regarding remuneration for other executive management, which the Board will present as a proposal to the Annual General Meeting.

The 2014 Annual General Meeting resolved on principles for remuneration to the Chief Executive Officer and senior executives, which is presented in greater detail under the subheading 'Remuneration to the board of directors and senior executives' below.

The Company's auditor informs the entire board about the results of the work by at least once a year participating at the board meeting to give an account of the year's audit and their view on the Company's control system without anyone from the management being present. Therefore Nederman complies with the demand on having an audit committee within the framework of the Swedish Code for Corporate Governance. The principles for remuneration to the Company's auditor are resolved by the AGM. The 2014 AGM agreed to establish instructions for the nominations committee concerning the composition of the committee and its assignments. The nominations committee shall comprise the Chairman of the board and two representatives. Once a year the committee shall convene the major shareholders annually well in advance of the AGM in order to gain support for proposals to the AGM's election of a new board of directors.

AUDITOR

The auditor audits the Company's annual reports and accounting, as well as the management of the board of directors and the Chief Executive Officer. The auditor submits an audit report to the AGM after each financial year. From 2011, the AGM appoints an auditor for a period of one year. At the AGM on 23 April 2014, KPMG AB with Dan Kjellqvist as lead auditor, was elected for a period of one year. A new auditor will therefore be elected at the 2015 AGM.

The Company's auditor audits the annual accounts and financial statements and the Company's current operations and routines, to make an opinion on the accounting and management of the board of directors and the Chief Executive Officer. The annual accounts and financial statements are reviewed during January and February.

Apart from Nederman, Dan Kjellqvist does not have any assignments in companies over which Nederman's principal shareholders, board members or Chief Executive Officer have any material influence. Dan Kjellqvist is an authorised public accountant and member of the Swedish Institute of Authorised Public Accountants. Remuneration to KPMG for assignments other than auditing amounted to SEK 0.4m in 2014 and related mainly to specific auditing assignments in connection with mergers.

REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The 2014 AGM adopted a policy relating to remuneration and terms of employment for 2014, applying the following underlying principles:

Fixed salary is paid for satisfactory work. In addition there is a potential for variable remuneration linked to the Company's performance and tied up capital. Variable remuneration can amount to a maximum of 30 to

50 per cent of the annual salary, depending on the individual's position in the Company.

The Chief Executive Officer's pension plan is a defined contribution plan with an annual premium equivalent to 35 per cent of the annual base salary. Pension payments for other senior executives follow the ITP collective agreement, except for two executives for whom pension payments amount to 8 times the basic index amount per year and maximum 30 per cent of basic salary, respectively.

If the CEO resigns, the term of notice is six months. If the company gives notice of termination the CEO is entitled to monthly pay for the equivalent of 18 to 24 months (the last six months with reservations for new employment). For others in the management the term of notice is twelve months if the Company gives notice of dismissal, and six months if the employee resigns. The AGM on 29 April 2013 agreed to the Board's proposal to introduce a share savings scheme that initially concerns seven individuals comprising key decision makers and executives in the senior management team of the Group. In summary, the scheme means that participants, provided they invest in Nederman shares, shall receive at the earliest on the day after publication of Nederman's Q1 report in 2016, and at the latest 30 days afterwards, shares in Nederman. These shares shall be free of charge and shall be in part so-called matching shares and in part so-called performance shares. To receive matching shares, participants must still be employed by Nederman and their own investment in Nederman shares shall have continued up to the allocation of matching shares. Allocation of performance shares is dependent on the Group achieving specific financial performance targets in 2013, 2014 and 2015. The AGM decided that the share savings scheme may involve the allocation of a maximum of 75,000 shares in Nederman. To secure the share allocation the AGM agreed to a buy back of the company's shares. Nederman's executive management team currently consists of eight people (including the CEO).

INTERNAL CONTROLS

Control environment. Operative decisions are made at a company or business area level, while decisions about strategy, aims, acquisitions and comprehensive financial issues, are made by the parent company's board and Group management. The internal controls at the Group are designed to function in this organization. The Group has clear rules and regulations for delegating responsibility and authority in accordance with the Group's structure. The platform for internal controls concerning financial reporting consists of the comprehensive control environment and organization, decision processes, authority and responsibility that is documented and communicated. In the Group the most significant components are documented in the form of instructions and policies, e.g. financial manuals, ethics policy (Code of Conduct), communication policy, IT policy, financial policy and authorization lists.

Control activities. To safeguard the internal controls there are both automated controls, such as authorization controls in the IT system, and approval controls, as well as manual controls such as auditing and stock-taking. Financial analyses of the results as well as following up plans and forecasts, complete the controls and give a comprehensive confirmation to the quality of the reporting.

Information and communication. Documentation of governing policies and instructions are constantly updated and communicated in electronic or printed format. For communications with external parties, there is a communication policy that contains guidelines for ensuring that the Company's information obligations are applied fully and correctly.

Following-up. The CEO is responsible for the internal controls being organised and followed up according to the guidelines that the board has decided on. Financial management and control is carried out by the Group's financial department. Financial reporting is analysed monthly and at a detailed level. The board has dealt with the Company's financial position at its meetings and has also received reports and observations from the Company's auditor.

ARTICLES OF ASSOCIATION

The Articles of Association include establishing the Company's activities, the number of board meetings, the auditors, how notification of the AGM will be made, how matters will be handled at the AGM and where the meeting will be held. The current Articles of Association were adopted at an Extraordinary General Meeting on 26 April 2011, and can be found on the company's website at www. nederman.com and in the annual report for 2014 on page 86.

REVIEW

The corporate governance report has been subject to review by the Company's auditors.

AUDITORS' REPORT OF THE CORPORATE GOVERNANCE STATEMENT

To the annual meeting of the shareholders in Nederman Holding AB (publ.)
Corporate identity number 556576-4205

It is the Board of Directors who is responsible for the Corporate Governance Statement for the year 2014 on pages 37-39 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Statement and based on it and our knowledge of the company and Group, we consider that we have sufficient grounds for our declaration. This means that our statutory review of the Corporate Governance Statement has another focus and scope than an audit in accordance with International Standards on Auditing and good auditing practices in Sweden would have.

In our opinion, the Corporate Governance Statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Malmö 11 March 2015

KPMG AB

Dan Kjellqvist
Authorised Public Accountant

Directors report 2014

The Board and CEO of Nederman Holding AB (publ) Reg. No. 556576-4205, hereby submit their annual report for the 2014 financial year.

BUSINESS
Nederman is a world-leading supplier of products and systems in environmental technology, focusing on air filtration and recycling. The company's products contribute to reducing the environmental impact from industrial manufacturing, creating clean and safe working environments and increasing production efficiency.

The business offer to customers ranges from feasibility studies and project planning to installation, commissioning and service. Manufacturing is certified in accordance with ISO 9001 and ISO 14001. Units for production and assembly are located in Australia, Brazil, Canada, China, Denmark, France, Germany, Poland, Sweden, Thailand, UK and USA.

Nederman's products, solutions and service are marketed by its own sales companies and distributors in over 50 countries. Most sales take place in Europe and North America, although Nederman is also active on a number of growth markets. The Group had 1,902 employees at the end of 2014.

GROUP STRUCTURE
Nederman Holding AB (publ) is the parent company of the Group with directly or indirectly wholly-owned subsidiaries as stated in note 19.

Operationally, the Group works in three geographic segments: EMEA (Europe, Middle East and Africa), Americas (North and South America) and APAC (Asia and Pacific region).

The operations' organization has responsibility for manufacturing, distribution, product maintenance, product development, logistics, purchasing and quality systems. Production, assembly and distribution are performed in 12 countries on five continents.

Business Development & Marketing is responsible for marketing and communication, strategic product planning, internal training and strategic business development.

Finance & IT and Human Resources are two Group-wide departments that support operations and take responsibility for global coordination of their departments' assignments.

STOCK MARKET LISTING
Since 2014 the company's shares are listed under the "NMAN" ticker on the NASDAQ OMX Stockholm Mid Cap list. The Mid Cap segment includes companies that have a market value between EUR 150m and EUR one billion. As of 31 December 2014, there were 2,403 shareholders.

ACQUISITIONS AND DISPOSALS DURING THE YEAR
On 1 August 2014 Nederman acquired design and technology for production of downdraught benches from the UK company, Air Cleaning Systems Ltd.

ORDERS AND SALES
Group total. Incoming orders amounted to SEK 2,764.8m (2,755.4), which adjusted for currency effects and acquisitions is a decrease of 3.5 per cent. Net sales amounted to SEK 2,826.9 m (2,659.2), which adjusted for currency effects and acquisitions is an increase of 2.3 per cent.

Americas. Incoming orders for the full year amounted to SEK 1,056.8 m (1,005.1). This was a rise of 0.3 per cent compared with the previous year when adjusted for currency effects. Net sales for the full year amounted to SEK 1,076.9m (957.9). This was a rise of 7.2 per cent compared with the previous year when adjusted for currency effects.

EMEA. Incoming orders for the full year amounted to SEK 1,345.6 m (1,449.4). This was a fall of 10.4 per cent compared with the previous year when adjusted for currency effects. Net sales for the full year amounted to SEK 1,413.7m (1,409.5). This was a fall of 3.1 per cent compared with the previous year when adjusted for currency effects.

APAC. Incoming orders for the full year amounted to SEK 362.4m (300.9). This was an increase of 16.9 per cent compared with the previous year when adjusted for currency effects. Net sales for the full year amounted to SEK 336.3m (291.8). This was a rise of 12.1 per cent compared with the previous year when adjusted for currency effects.

EARNINGS
The consolidated operating profit for 2014 was SEK 165.7m (127.5). Adjusted for acquisition and restructuring costs, the operating profit was SEK 200.7m (170.2), giving an operating margin of 7.1 per cent (6.4). SEK 35m in restructuring costs have affected the operating profit (there were no acquisition costs). The profit before tax was SEK 139.0 m (99.7). The net profit was SEK 94.3m (69.7), giving earnings per share before dilution of SEK 8.07 (5.95) and after dilution of SEK 8.04 (5.93).

AMERICAS OPERATING SEGMENT
In the Americas operating segment, which comprises countries in North and South America, Nederman is represented by its own sales companies in the US, Canada, Brazil and Mexico. The US is the largest market in this region and is also the largest single market for the Nederman Group. The region reported positive development in 2014 with a rise of 7.2 per cent in net sales compared with the previous year when adjusted for currency effects.

Net sales for the full year amounted to SEK 1,076.9m (957.9).

Continued development. The good macroeconomic development in the region means that Nederman expects continued progress to be made in the Americas. Over the longer term there are several trends combining that will drive demand for high quality environmental technology in this region, such as rising industrial production and increased environmental awareness. Nederman is well positioned to benefit from this development. For further information, see pages 20-23.

EMEA OPERATING SEGMENT
The EMEA market region comprises countries in Europe, the Middle East and Africa.

Sales are concentrated in Western Europe where Nederman has a strong presence and leading market positions. In many countries the market conditions in 2014 proved to be challenging. Net sales for the year reached SEK 1,413.7m (1,409.5).

Continued development. Nederman expects demand in Western Europe will continue to be weak. The development potential in Eastern Europe, however, should be significant over the longer term. The Group is currently assessing its possibilities in the other markets in this region, in the Middle East and Africa. In 2015, as in the previous year, the major focus will be on improving the operating segment's profitability. For further information, see pages 24-27.

APAC OPERATING SEGMENT

The APAC market region comprises countries in Asia and the Pacific, with the largest markets in Australia and China. Nederman has its own sales companies in Australia, India, Indonesia, China, Malaysia and Thailand. In the long term the region is considered to offer good growth opportunities. In 2014 development was especially strong in China but more mixed on other markets. Net sales reached SEK 336.3m (291.8).

Continued development. APAC is a market with great potential. Nederman has strong infrastructure in place and the focus in 2015 will be to build volumes in sales. Alongside efforts to boost sales Nederman will have a sharp focus on increased efficiency in the organization. For further information, see pages 28-31.

PRODUCT DEVELOPMENT

The Group's expenses for development of the existing product range and new products amounted to SEK 10.3m (14.7). SEK 1.8m (3.3) was activated in the statement of the consolidated financial position.

INVESTMENTS AND DEPRECIATION

The Group's capital expenditures in intangible assets for the year amounted to SEK 3.2m (7.5). Depreciation of intangible assets for the year was SEK 15.9m (18.6). The Group's investments in tangible assets for the year amounted to SEK 33.4m (32.6). Depreciation of tangible assets for the year was SEK 31.3m (30.6).

CASH FLOW

The Group's operating cash flow was SEK 211.0m (226.7), corresponding to 105.1 per cent (133.2) of the operating profit, after adjustments for acquisition and restructuring costs. Operating cash flow was positively affected by the improved operating profit, but affected to a larger extent negatively by the changes in operating capital. Cash flow for the year was SEK 39.3m (41.3).

LIQUIDITY AND FINANCIAL POSITION

As of 31 December 2014, the Group's liquid funds were SEK 325.0m (270.0). Unutilized credit was SEK 104.8m (87.3). In addition there is a loan facility for a further SEK 156.8m within the framework of Nederman's loan arrangements with SEB. The net debt was SEK 556.6m (570.9). Shareholders' equity was SEK 733.3m (619.8), which meant an equity/assets ratio of 30.9 per cent (28.5) and a debt/equity ratio of 75.9 per cent (92.1).

EMPLOYEES

The average number of employees during the year was 1,803 (1,924). Other data on personnel is presented in note 7 and on pages 32-33 of this annual report.

THE PARENT COMPANY

The activities of the parent company comprise Group functions. The parent company shall own and manage shares in the subsidiaries and manage financing for the Group.

THE SHARES

There are 11,715,340 shares in the company, all of which are the same class and offer the same voting entitlement. There are no restrictions on transfer rights for shares in the articles of association or through other agreement.

OWNERSHIP

On 31 December 2014, Investment AB Latour owned 29.98 per cent of the company's shares, making it the largest shareholder. Lannebo Fonder owned 13.29 per cent and Ernström Kapitalpartner AB had 10.03 per cent. No other shareholders have a holding higher than 10 per cent.

RISKS AND UNCERTAINTIES

The company is exposed to both operational and financial risks.

Competition. Nederman does business on a competitive market that is fragmented in global terms. Competitors are made up of a large number of smaller local and regional companies and a limited number of global businesses. In this context Nederman currently has a relatively strong position, but it cannot be ruled out that changes in this competitive structure would put greater pressure on the company's price levels and its market shares. This might mean that Nederman would have to reduce its prices or increase its marketing efforts, which could have negative effects on the company's earnings and financial position.

Market risks. The company's products are mainly used in the manufacturing industry, although some are also used in the public sector. The market for products and complete projects normally follows a cyclical pattern, while aftermarket sales compensate for the cyclical effects. There are variations between quarters, but they are not considered significant. Naturally, the market is affected by the general economic situation, which in turn is affected by interest rate levels, inflation, political decisions and other factors.

Production sites and distribution centres. Nederman has a number of production sites and distribution centres around the world that are vital for supplying the company's products. If any of them were to be destroyed or damaged this would lead to more or less serious disruptions to distribution of the company's products. To counter these risks the company implements a programme of proactive measures to identify and manage risk areas. The company has also signed insurance policies to protect against damage to property and operational stoppages, which cover the amounts that the company considers to be sufficient to cover losses.

Product liability. Nederman has high ambitions regarding the development of products with consistent high quality and good safety. However, it cannot be ruled out that Nederman might sell products that do not mach specifications, which could lead to demands for compensation. The company has therefore signed a global product liability insurance that is considered sufficient to cover possible demands for compensation and damages.

Financial risks. The Nederman Group is exposed to a number of risks mainly arising due to purchasing and selling products in foreign currencies. Currency risks and interest rates affect the Group's result and cash flow. The Nederman Group is also exposed to refinancing and liquidity risks, credit risks and counterparty risks. The company's finance policy is set by the board and contains guidelines for handling financial risks in the Group. The purpose of the finance policy is to set up guidelines for managing financial risk and exposure of different kinds. The Group's central finance department is responsible for identifying and effectively limiting the Group's financial risks. For more information, see note 24.

Environment. As a world leader in industrial air filtration and resource handling, Nederman plays an important role in the development of a sustainable and efficient industrial production – both externally for customers and internally within the Group's own operations. Internal environmental activity focuses on the following areas:

- *Products and solutions.* All new products are developed with demands for minimum impact during production, distribution, use and recycling. This is ensured via a development process that is adapted for sustainable product development – from the first concept to the completed product.
- *Energy savings and waste handling during production.* Key indicators for the environment include goals for energy savings and increased reuse or recycling of waste in production. This work is continually taking place at the Group's production units.
- *Reducing carbon emissions from transport.* Nederman works continuously to reduce carbon emissions from intercontinental transport by using a higher amount of sea transport, optimised volumes and routing. This work will continue in 2014 with a focus on reduced air transport and higher environmental demands for transport by road.

The subsidiary, AB Ph. Nederman & Co receives a permit under the Swedish environmental protection law. This permit applies for a production area of a maximum 7,000 square metres. The permit is valid until further notice. According to the law the current business has a duty to report activities relating to the work space. The current business is assembly only, so there are no emissions to air or water. The company has had ISO 14001 certification for many years.

Development of suppliers. Nederman's performance code for its suppliers describes Nederman's expectations and demands for all suppliers, i.e. applicable laws must be followed, no form of corruption may occur, employees' basic rights with regard to equal treatment,

wages and working hours must be respected, no child labour may occur, and there must bee adequate procedures to protect employees' health and ensure their safety.

REMUNERATION TO THE BOARD AND SENIOR EXECUTIVES

The 2014 AGM adopted a policy regarding remuneration and employment terms for 2014. The proposal for the 2015 AGM is that the policy remains unchanged. The following key principles are applied: a fixed salary is paid for full-time work. In addition a variable bonus may be earned that is linked to the company's tied-up capital and earnings. This variable bonus can be a maximum of 30-50% of annual salary depending on the individual's position within the company.

The CEO's pension plan is premium-based and the annual premium corresponds to 35 per cent of annual salary. Pension payments for other senior executives follow the ITP collective agreement, except for two executives for whom pension payments amount to 8 times the basic index amount per year for one executive and a maximum of 30% of basic salary for the other. The CEO must give six months' notice of his intention to resign. If dismissed by the company, the CEO has the right to receive an amount corresponding to 18-24 months' salary (the final six months are dependent on new employment). For other executives, notification is 12 months for the company and six months for the individual. There are no agreements between Board members or senior executives and Nederman or any of its subsidiaries concerning benefits after the end of their employment.

WORK OF THE BOARD

After the Annual General Meeting, the Board of Directors is the highest decision-making body in the company. The overall assignment of the Board is to take decisions regarding the business direction of the company, its resources, capital structure, organization and the management of urgent matters. Other general assignments include continuous assessment of the company's economic situation and approving business plans.

The Board decides on matters such as strategy, acquisitions, larger investments, company divestments, publication of the annual report and interim reports, appointment of the CEO, etc. The Board follows written procedures adopted once a year at the first Board meeting convened after the AGM. The procedures state how assignments shall be divided between Board members, how often the Board shall meet and to what extent deputies shall participate in the work of the Board and attend meetings. The procedures also state Board members' commitments, decision-making powers and the division of responsibility between the Board and the CEO, etc.

The Board meets according to an annual timetable. Extra meetings may be called to address events of unusual importance. In addition to regular meetings, the chairman and CEO maintain a continuous dialogue concerning the management of the company.

The division of activities between the Board and the CEO is regulated by the working procedures of the Board and in the instructions to the CEO. The CEO is responsible for implementation of the business plan and the daily activities of the company. This means that the CEO has the right to make decisions on matters that fall within the framework of the ongoing management of the company. The CEO shall also take action without prior approval from the Board, with consideration to the scope and type of company activity, which is of unusual urgency or of great significance and which cannot await a decision by the Board without seriously compromising the company's business. The instructions to the CEO also regulate the CEO's responsibility for reporting to the Board.

In the most recent business year the Board made decisions concerning several matters of strategic importance. In 2014, special focus was placed on adapting the Group's capacity and costs levels to the current business climate, the Group's strategy for continued expansion, the financial framework and objectives. In 2014, the Board held five minuted meetings. To date, one minuted meeting has been held in 2015.

Nederman's Board comprises seven ordinary members elected by the 2014 AGM, including the CEO and one employee representative chosen by the trade unions. The CFO is not a member of the Board but regular makes presentations at Board meetings. The chairman of the Board does not take part in the operational management of the company.

COMMITTEES

In accordance with the nominations committee's instructions, established at the 2012 AGM, a nominations committee has been appointed comprising Göran Espelund (chairman), Lannebo Fonder, Anders Mörck, Investment AB Latour, Sophia Pettersson, Ernström & Co, and chairman of the board Jan Svensson. New instructions for the nominations committee will be adopted by the AGM held on 22 April 2015. Matters concerning salary and benefits for the CEO and senior executives are handled and decided by the remunerations committee. This committee comprises Jan Svensson and Fabian Hielte. The chairman is Jan Svensson. The company's auditor reports to the Board on the findings, and the Board therefore does not have an audit committee. The principles for remuneration to the company's auditor are decided by the AGM. Nederman produces a corporate governance report separate from the directors' report. The corporate governance report is on pages 37-39.

OUTLOOK

Negative news concerning the development of the business cycle is mixed with some positive indicators. However, restraint in decision making concerning investments by customers will continue to affect Nederman. The Group considers that the Americas region, boosted by continued economic growth, will perform well in the coming quarters. For EMEA and APAC demand is being affected by continued uncertainty. The Group's long-term view of the underlying need for investment in environmental technology remains positive.

EVENTS AFTER THE CLOSING DATE

There were no significant events after the end of the reporting period.

Consolidated income statement

SEK m	Notes	1 January – 31 December 2014	2013
Net sales	2, 3	2,826.9	2,659.2
Costs of goods sold		-1,812.7	-1,699.5
Gross profit		**1,014.2**	**959.7**
Other operating income	5	22.2	12.6
Selling expenses		-614.9	-600.1
Administrative expenses		-183.9	-171.9
Research and development expenses		-10.3	-14.7
Acquisition costs			-1.7
Restructuring and integration costs*)		-35.0	-41.0
Other operating expenses	6	-26.6	-15.4
Operating profit	3, 7, 8, 9, 20, 25	**165.7**	**127.5**
Financial income		2.3	2.0
Financial expenses		-29.0	-29.8
Net Financial income/expenses	10	**-26.7**	**-27.8**
Profit before taxes		139.0	99.7
Taxes	11	-44.7	-30.0
Net profit		**94.3**	**69.7**
Net profit attributable to:			
The parent company's shareholders		94.3	69.7
Earnings per share	18		
before dilution (SEK)		8.07	5.95
after dilution (SEK)		8.04	5.93

Consolidated statement of comprehensive income

SEK m	1 January – 31 December 2014	2013
Net profit	94,3	69,7
Other comprehensive income		
Items that cannot be included in the net profit		
Restatement of defined-benefit pension plans	-17,2	1,6
Tax attributable to items that cannot be included in net profit	5,2	-0,5
	-12,0	**1,1**
Items that have been included or may be included in net profit		
Translation differences	84,7	-6,4
	84,7	**-6,4**
Other comprehensive income	**72,7**	**-5,3**
Total other comprehensive income	**167,0**	**64,4**
Total comprehensive income attributable to:		
Parent company's shareholders	167,0	64,4

Consolidated statement of financial position

SEK m	Notes	2014	2013
		31 December	
Assets	4, 26		
Intangible fixed assets	12	737.5	689.4
Tangible fixed assets	13	246.2	224.1
Long-term receivables	14	6.1	5.8
Deferred tax assets	11	81.7	79.1
Total fixed assets		**1,071.5**	**998.4**
Inventories	15	308.1	291.4
Current tax receivable	11	10.2	24.8
Accounts receivable		496.9	472.0
Prepaid expenses and accrued income	16	28.7	33.1
Other receivables	14	132.7	88.4
Cash and cash equivalents	27	325.0	270.0
Total current assets		**1,301.6**	**1,179.7**
Total assets		**2,373.1**	**2,178.1**
Equity	17		
Share capital		1.2	1.2
Other capital contribution		345.9	345.9
Reserves		32.2	-52.5
Profit brought forward, including net profit		354.0	325.2
Shareholders' equity attributable to parent company shareholders		**733.3**	**619.8**
Total equity		**733.3**	**619.8**
Liabilities	4, 26		
Long-term interest bearing liabilities	19, 24	739.7	711.0
Other long-term liabilities	22	1.5	1.5
Provision for pensions	20	110.8	97.2
Other provisions	21	12.0	11.9
Deferred tax liabilities	11	17.0	26.9
Total long-term liabilities		**881.0**	**848.5**
Current interest bearing liabilities	19, 24	31.1	32.7
Accounts payable		327.7	255.5
Current tax liabilities	11	17.6	23.1
Other liabilities	22	211.5	237.8
Accrued expenses and prepaid income	23	130.3	115.5
Provisions	21	40.6	45.2
Total current liabilities		**758.8**	**709.8**
Total liabilities		**1,639.8**	**1,558.3**
Total equity and liabilities		**2,373.1**	**2,178.1**

For information on the Group's pledged assets and contingent liabilities, see note 26.

Consolidated statement of changes in equity

	Equity attributable to the parent company's shareholders				
	Share capital	Other capital contributed	Translation reserve	Profit/loss brought forward	Total equity
Opening balance 1 Jan. 2013	**1.2**	**345.9**	**-46.1**	**300.2**	**601.2**
Net profit for the year				69.7	69.7
Other comprehensive income					
Change in translation reserve			-6.4		-6.4
Restatement of defined-benefit pension plans				1.1	1.1
Total other comprehensive income			**-6.4**	**1.1**	**-5.3**
Total comprehensive income			**-6.4**	**70.8**	**64.4**
Transactions with Group's owners					
Dividends				-46.9	-46.9
Share-related remuneration				1.1	1.1
Closing balance 31 Dec. 2013	**1.2**	**345.9**	**-52.5**	**325.2**	**619.8**
Opening balance 1 Jan. 2014	**1.2**	**345.9**	**-52.5**	**325.2**	**619.8**
Net profit for the year				94.3	94.3
Other comprehensive income					
Change in translation reserve			84.7		84.7
Restatement of defined-benefit pension plans				-12.0	-12.0
Total other comprehensive income			**84.7**	**-12.0**	**72.7**
Total comprehensive income			**84.7**	**82.3**	**167.0**
Transactions with Group's owners					
Dividends				-46.7	-46.7
Share buy backs				-6.7	-6.7
Share-related remuneration				-0.1	-0.1
Closing balance 31 Dec. 2014	**1.2**	**345.9**	**32.2**	**354.0**	**733.3**

Consolidated cash flow statement

SEK m	Notes	1 January – 31 December 2014	2013
Operating activities	27		
Operating profit		165.7	127.5
Adjustment for:			
Depreciation of fixed assets		47.2	49.2
Other adjustments		-15.9	-16.8
Interest received and other financial items		11.3	2.0
Interest paid and other financial items		-28.4	-35.6
Income tax paid		-46.1	-67.0
Cash flow from operating activities before changes in working capital		**133.8**	**59.3**
Cash flow from changes in working capital			
Increase (-)/Decrease(+) of inventories		12.3	-6.9
Increase (-)/Decrease(+) of operating receivables		-0.7	24.3
Increase (+)/Decrease (-) of operating liabilities		-1.4	32.7
Cash flow from operating activities		**144.0**	**109.4**
Investing activities			
Capital expenditure for tangible fixed assets		-33.9	-32.4
Sale of tangible fixed assets		13.3	11.3
Capital expenditure for capitalized development costs		-6.0	-7.5
Acquired/Divested units, net of cash	4		-8.5
Sale of financial assets		0.4	
Cash flow from investing activities		**-26.2**	**-37.1**
Financial activities			
New loans		0.3	50.0
Repayment of loans/Change in interest-bearing liabilities		-32.1	-34.1
Dividend paid to parent company shareholders		-46.7	-46.9
Cash flow from financing activities		**-78.5**	**-31.0**
Cash flow for the year		39.3	41.3
Cash and cash equivalents at the beginning of the year		270.0	224.6
Translation differences		15.7	4.1
Cash and cash equivalents at the end of the year		**325.0**	**270.0**

Consolidated operating cash flow

SEK m	1 January – 31 December 2014	2013
Operating profit	165.7	127.5
Adjustment for:		
Depreciations of fixed assets	47.2	49.2
Restructuring and integration costs	30.0	39.3
Acquisition costs		6.0
Other adjustments	-15.9	-16.8
Cash flow from changes in working capital	10.2	50.1
Net investment in fixed assets	-26.2	-28.6
Operating cash flow	**211.0**	**226.7**

1 Accounting principles

Nederman Holding AB (publ), the parent company of the Nederman Group, has its registered office in Helsingborg, Sweden.

COMPLIANCE WITH LAWS AND ACCOUNTING POLICIES
The consolidated Financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). In addition, RFR 1, Supplementary Accounting Principles for Groups, issued by the Swedish Council for Financial Reporting, has been applied.

The parent company applies the same accounting principles as the Group except in the instances stated below under the section on the parent company's accounting principles. The differences between the parent company's and the consolidated policies are due to restrictions in applying IFRS in the parent company as a result of the Swedish Annual Accounts Act (Årsredovisningslagen) and the Pension Obligations Vesting Act (Tryggandelagen), as well as in particular cases due to tax laws.

Nederman Holding AB's annual report and group accounts were approved and signed by the Board of Directors for publication on 11 February 2015. The income statement balance sheet and statement of comprehensive income for the parent company, along with the consolidated income statement, consolidated statement of comprehensive income and the financial position of the Group will be subject to adoption at the Annual General Meeting on 22 April 2015.

CHANGES THAT CAME INTO EFFECT FROM 1 JANUARY 2014
A number of new standards and amendments of interpretations and existing standards that came into effect on 1 January 2014 were applied when preparing the consolidated reports. None of these changes had any significant effect on the consolidated financial reports.

VOLUNTARY RESTATEMENT
Freight revenue. The Group has harmonized its approach towards handling of freight revenue. Restatement was done to provide a more equitable presentation in the consolidated income statement. Comparable figures relating to the restatement have been adjusted. This has meant that incoming orders, net sales and costs of sold goods were affected as follows:

2013: SEK 17.9 million

Depreciation of research and development projects. Following observations made by stock market auditors, the Group has chosen to restate depreciation of research and development projects, concerning product development, as costs for sold goods. Comparable figures relating to the restatement have been adjusted. This has meant that research and development costs have been reduced and that the cost of sold goods has increased as follows:

2013: SEK 6.9 million

CHANGES THAT WILL COME INTO EFFECT IN 2015 AND BEYOND
A number of new standards and amendments of interpretations and existing standards that will come into effect in future fiscal years have not been applied when preparing the consolidated reports. None of these changes are expected to have any significant effect on the consolidated financial reports. IFRS 15, with application for fiscal year beginning 1 January 2017, will not have any effect on reporting of consolidated income.

VALUATION PRINCIPLES APPLIED DURING THE PREPARATION OF THE PARENT COMPANY'S AND THE CONSOLIDATED FINANCIAL STATEMENTS
Assets and liabilities are prepared on historic acquisition cost basis, apart from financial assets and liabilities valued to fair value via the result. This category is principally made up of derivative instruments, which are stated at fair value.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY
Items included in the financial statements of the various entities of the Group are valued in the currency used in the financial environment of the companies (functional currency). The consolidated accounts use SEK, which is the parent company's functional currency and presentation currency. All amounts, unless otherwise stated, are stated in SEK m (million).

CRITICAL ACCOUNTING ESTIMATES AND ASSESSMENTS
The company management and board of directors make assessments, estimates and assumptions about the future that affect the recorded assets, liabilities, income and expenses and other information reported, including contingent liabilities. These assessments are based on historical experience and assumptions that are considered reasonable in existing circumstances. The actual results might deviate from these estimates and assessments. Estimations and assumptions are reviewed regularly. Changes in estimates and assessments are reported during the period when the change is made if the change only affects that period, or in the period when the change is made and future periods if the change affects both the current period and future periods. Assessments that have a significant impact on the Group's earnings and financial position are described in Note 29.

Segment reporting. The Group's business is managed and reported by operating segment, based on geographic distribution. These segments form the basis for the highest executive decision-maker's allocation of the Group's resources. The segments are evaluated and consolidated according to the same principles as the Group as a whole. Intra-Group sales within segments are performed on market terms. No intra-Group sales took place between the operating segments. The results of the operating segments include results up to the level of operating profit. Assets and liabilities include directly attributable items as well as items that can be divided in a reasonable way.

The Group's operating segments are:

- EMEA (Europe, Middle East and Africa)
- APAC (Asia and Pacific region
- Americas (North and South America)

Descriptions of the operating segments are given on pages 20-31.

Classifications etc. Fixed assets and long-term liabilities consist essentially of amounts expected to be recovered or paid back later than twelve months from the balance sheet date. The current assets and current liabilities consist essentially of amounts, which are expected to be regained or paid out within twelve months, calculated from the close of the reporting period.

CONSOLIDATION PRINCIPLES
Subsidiaries. Subsidiaries are companies in which Nederman Holding AB has a controlling influence. A controlling influence exists if Nederman Holding AB has influence over the investment object, is exposed to or has a right to variable yields from its involvement and can use its influence over the investment to affect yield. In assessing whether there is controlling influence consideration is given to shares liked to voting rights and whether de facto control is exerted. Subsidiaries are consolidated according to the purchase method. The cost of acquiring an activity or business is measured as the fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition, irrespective of the extent of ownership without definitive influence in the acquired activity. The difference between the acquisition value and the fair value of the Group's acquired identifiable net assets and assumed liabilities and contingencies is recorded as goodwill if this difference is positive. If the difference is negative the amount is recognized directly in the income statement. Acquisition-related costs, such as fees for legal advice, legal aid, due diligence etc. are reported as a cost in the period they arise. Financial reports from the acquired activities are included in the consolidated accounts from the time of the acquisition. Divested activities are included in the consolidated accounts until the date the definitive influence ceases. The accounting principles have been applied consistently by Group companies.

Transactions eliminated during consolidation. Intra-Group receivables and liabilities, income or expenses and unrealised profits or losses arising from intra-Group transactions, are entirely eliminated when preparing the consolidated financial statements.

Foreign currency transactions. Foreign currency transactions are translated to the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate on the balance sheet date. Exchange rate gains and losses resulting from recalculations are included in the income statement. Non-monetary assets and liabilities recorded at historical cost are revalued according to the exchange rate prevailing on the transaction date.

Financial statements of foreign group companies. Assets and liabilities in foreign group companies (of which none have high inflation currencies), including goodwill and other consolidated surpluses and deficits are translated from the functional currencies of the foreign group companies to the Group's presentation currency, at the prevailing exchange rate on the balance sheet date. The income and expenses of foreign companies are translated to SEK at an average exchange rate for the applicable year. Translation differences arising from translation are reported in the consolidated statement of comprehensive income and are accumulated in a separate section of shareholders' capital named translation reserve. The company has elected to state the accumulated translation differences attributable to foreign group companies to zero with the transition to IFRS. When a foreign group company is sold the attributable accumulated translation differences, previously realized directly against shareholders' equity are realized in the consolidated income statement during the same period as the gain or loss of the divestment.

REVENUE RECOGNITION
Revenue is assessed at the fair value of what will be received, and represents the amount that is received, after deducting discounts, returns and sales tax.

Revenue from sale of goods is recognized in the income statement when significant risks and benefits associated with the ownership of the goods have been transferred to the buyer. Revenue recognition of services takes place as the services are carried out.

Revenue and costs from project activities are reported as the project progresses. This principle is referred to as gradual revenue recognition. Revenue and costs are reported in the income statement in relation to the degree of completion on the balance sheet date. The degree of completion is established on the basis of project costs spent in relation to the project cost corresponding to project revenue for the entire project. A precondition for gradual revenue recognition is that the outcome can be determined reliably. Revenue is not reported if it is not probable that the company will obtain the financial benefits. Anticipated losses are expensed immediately.

In the balance sheet, project work is reported project by project either as a current receivable concerning accrued project income not yet invoiced, or as a current liability concerning project work not yet performed but already invoiced.

FINANCIAL INCOME AND EXPENSES
Financial income and expenses consist of interest income on bank deposits, interest- bearing financial assets, interest expenses on loans, dividends received, exchange rate fluctuations on interest-bearing financial assets and liabilities and gain/loss on derivative instruments used in the financial operations.

Interest income on interest-bearing financial receivables and interest expenses on financial interest-bearing debts are calculated with the application of the effective interest rate method. The effective interest rate is the interest rate which results in the present value of all estimated future receipts and payments during the expected fixed interest term being equal to the reported value of the receivable or the liability.

Interest income and interest costs include accrued transaction costs and any discounts, bonuses and other differences between the initial recognized value of the receivable or liability, and the calculated future payments received or paid during the term of the agreement. The interest component in financial lease payments is reported in the income statement via the application of the effective interest rate method.

Income from dividends received is recorded when the right to receive the payment has been established.

Loan charges. Loan charges directly attributable to the assembly or production of a qualified asset shall be capitalised in the asset's reported value. A qualified asset is an asset that takes a substantial period of time to complete. Neither the Group nor the parent company has this type of asset. Loan charges are capitalised in the period they relate to. Transaction costs for established loans are reported over the period of the loan using the effective interest rate method.

FINANCIAL INSTRUMENTS
Financial instruments recorded among assets in the balance sheet include cash and cash equivalents, receivables from customers, shares, loans and derivative instruments. On the liability side, are accounts payable to suppliers, borrowings, and derivative instruments.

A financial asset or financial liability is taken up in the balance sheet when the company becomes a party to the contractual conditions of the instrument. Account receivables are included when the invoice has been distributed. Liabilities are included when the other party has performed and a contractual obligation to pay exists, even if invoice has not yet been received. Accounts payable are recognized when invoice has been received. A financial asset, or part of financial asset, is derecognized from the balance sheet when the right of the contract are realised, fall due or the company loses control of them. A financial liability, or part of liability, is derecognized from the balance sheet when the company has met its commitments or the liability has been otherwise extinguished.

A financial asset and a financial liability are offset against each other and recorded with a net value only when there exists a legal right to offset the amount and the intention is to settle the items with a net amount or to sell the asset and to pay of the debt at the same time.

Investments and sale of financial assets are recorded on the transaction date, which is the day when the company undertakes to purchase or sell the asset.

Classification and valuation. The classification depends on the purpose for which the instrument was acquired. The classification of a financial asset is determined on the initial recording of the instrument. Classification is then crucial for how the financial instrument is valued.

Financial instruments, which are not derivatives, are initially measured at cost corresponding to the instrument's fair value with the addition of transaction costs apart from those financial instruments, which are categorised as financial assets at fair value through the income statement, which are reported at fair value excluding transaction costs.

Financial assets assessed at fair value through the income statement. Assets in this category are measured continually at fair value with changes recorded in the income statement. This category consists of financial assets, which are held for trade and other financial assets designated into this category. Independent derivatives and embedded derivatives are classified as being held for trade except when they are used for hedge accounting. Derivatives are used to cover the risk for exchange-rate fluctuations and changes in interest rates. Derivatives with positive values (unrealised gains) are recorded as other long-term or current receivables. Changes in fair value are reported in the income statement.

Loans receivable and accounts receivable. Loans receivable and accounts receivable are financial assets which are not derivatives, which have fixed payments or payments which are able to be determined, and which are not listed on an active market. These assets are measured at amortised cost. The value is determined on the basis of the effective interest rate calculated at the time of the acquisition. Accounts receivable are reported at the amount expected to be received, i.e. after deductions for doubtful receivables.

Impairment of accounts receivable is reported in operating costs.

Cash and cash equivalents. Cash and cash equivalents consist of cash, cash at bank and other financial institutions. Cash and cash equivalents also includes current investments with a maturity of less than three months from the date of acquisition and which have only an insignificant risk of exposure to fluctuations in value.

Financial liabilities assessed at fair value through the income statement. This category includes financial liabilities held for trading and derivatives with a negative fair value not used for hedge accounting. In this category the Group reports derivatives with negative fair value not used for hedge accounting. Changes in fair value are recognized in the income statement.

Other financial liabilities. Financial liabilities not held for trading, such as accounts payable and other liabilities are recognized at accrued acquisition value. Accounts payable have short expected maturities and are assessed without discount at a nominal amount. Loans and other financial liabilities are reported initially at received loan amount with deductions for transaction costs. After the acquisition date loans are assessed at the accrued acquisition value using the effective interest rate method.

Receivables and liabilities in foreign currencies. For hedging of assets or liabilities against exchange rate risks, foreign currency forward contracts are used. No hedge accounting is needed as both the hedged item and the hedging instrument are valued at the current value reported in the result. The Group thereby achieves much the same matching effect as with hedge accounting. Changes in value concerning operating receivables and liabilities are reported net in the operating result, while changes in value concerning financial receivables and liabilities are reported net in the financial items.

INTANGIBLE ASSETS
Goodwill. Goodwill is the amount by which the cost of an acquisition exceeds the fair value of the acquired identifiable assets, assumed liabilities and contingent liabilities.

Goodwill is valued at cost less any accumulated impairments. Goodwill is allocated to its cash-generating units and is no longer written of but is tested annually with regard to any impairment losses. Impairment losses on goodwill are not reversed. Gains or losses when selling a unit include the remaining value of the goodwill. For acquisitions where the acquisition cost is below the net value of the identifiable acquired assets, assumed liabilities and contingent liabilities, the difference is reported directly in the result.

Research and development. Expenditures for development, where the research result or other knowledge is applied in order to produce new or improved products or processes, are reported as an asset in the balance sheet, if the product or the process is technically and commercially viable and the company has sufficient resources in order to proceed with development and thereafter use or sell the intangible asset. The reported value includes expenditure for materials and other immediate expenses attributable to the asset in a reasonable and consistent manner. In the balance sheet, reported development costs are reported at cost less accumulated amortisation and any impairment.

Costs for research aimed at acquiring new scientific or technical knowledge are reported in the income statement as costs as they arise.

Trademarks with indeterminable lifetime. Trademarks that are acquired via business acquisitions are recorded at fair value on the acquisition date. Trademarks with indeterminable lifetime are viewed as income generating entities and are not amortised but tested annually for impairment. Gains or losses on business disposals include the remaining book value of the trademarks relating to the business disposed of.

Customer relations and trademarks with determinable lifetime. Customer relations that are acquired via business acquisitions are recorded at fair value on the acquisition date. Trademarks with determinable lifetime are reported at acquired value less depreciation and any accumulated amortisation. Customer relations and trademarks with indeterminable lifetime are viewed as income generating entities. Gains or losses on business disposals include the remaining book value of the trademarks relating to the business disposed of.

Other intangible assets. Other intangible assets are reported at cost less accumulated amortisation and impairments.

Accrued expenses for internally generated goodwill and internally generated brands are reported in the income statement as they arise.

Subsequent expenditures. Subsequent expenditures for capitalised intangible assets are reported as an asset in the balance sheet only when they increase the future economic benefits for the specific assets to which they are related. All other expenditures are expensed as they arise.

Amortisation. Amortisation is recorded linearly in the income statement over the intangible assets' expected useful life, if the useful life is not indefinite. Goodwill and intangible assets with an indefinite useful life are reviewed for the need of impairment annually or as soon as indications appear that the asset has decreased in value.

The expected useful life is:

Capitalised development expenditures	5 years
Computer software programs	3–5 years
Customer relations	10 years

The depreciation methods, residual value and useful life periods used are re-assessed at the end of each year.

TANGIBLE FIXED ASSETS

Owned assets. Tangible fixed assets are measured at cost less accumulated depreciation and any impairment. Cost includes the purchase price and costs directly attributable to the asset in order to move it into place and in the proper condition to be used in accordance with the purpose of the acquisition. The cost for self-produced fixed assets includes expenditures for materials, expenditures for salaries and other remuneration to employees, and if applicable other production costs considered to be directly attributable to the fixed asset.

Tangible fixed assets consisting of different parts with a different estimated useful life are treated as separate components of the tangible fixed assets.

The reported value of a tangible fixed asset is removed with its scrapping or sale or when no future financial benefits are expected from its use. A gain or loss arising from the sale or scrapping of an asset consists of the difference between selling price and the asset's reported value with deductions for the directly attributable selling costs. Any gain or loss is reported as other operating income/expense.

Subsequent expenditures. Subsequent expenditures are added to the carrying amount only if it is likely that the company will receive future financial benefits associated with the asset and the cost of the assets can be calculated reliably. All other subsequent expenditures are expensed in the period they arise. Crucial for the assessment when a subsequent expenditure is added to the carrying amount is if it concerns exchange of components, or parts thereof, whereupon such expenditures are capitalised. Even in cases when new components are constructed the expenditure is added to the carrying amount. Any remaining carrying amount of exchanged components, or parts of components, is expensed at the time of the exchange.

Repairs are expensed as they arise.

Depreciation. Depreciation occurs linearly over the asset's anticipated useful life. The Group applies component depreciation, meaning that the components' estimated useful life forms the basis for the depreciation.

The estimated useful life is:

buildings, real estate used in business operations	15-30 years
machinery and other technical fixed assets	3-8 years
equipment, tools and fixtures	3–10 years
land	Not depreciated

Depreciation of components is based on each component's estimated useful life.

The deprecation methods used and the residual value of assets and their useful life are reviewed annually.

LEASING

Leasing is classified in the consolidated financial statements either as financial or operational leasing. Financial leasing occurs when the financial risks and benefits associated with the ownership are substantially transferred to the lessee. If this is not the case, then it is classed as operational leasing.

Finance leasing agreements. Leasing of fixed assets where the group essentially takes over the same risks and benefits as direct ownership are classified as financial leasing. Financial leasing is recognized at the start of the leasing period. Assets held under financial leasing agreements are recognized as assets in the consolidated balance sheet. The obligation to pay future leasing payments is recognized as long-term and current liabilities. Lease payments are allocated between interest expense and repayment of the outstanding debt. The interest expense is amortized over the lease period so that each accounting period includes an amount corresponding to a fixed interest rate for the respective period of the liability. Variable costs are expensed in the periods in which they arise.

Operational leasing agreements. Leasing of fixed assets where the risks and rewards relating to ownership remain with the lessor are classified as operational leasing. Costs for operational leasing are recognized in the income statement on a straight-line basis over the lease term. Benefits obtained from with the signing of an agreement are recognized as a part of the total lease expense in the income statement on a straight-line basis over the lease term. Variable fees are expensed in the period they are incurred.

IMPAIRMENTS AND REVERSAL OF IMPAIRMENTS

Impairments are charged to the income statement. The impairment of tangible and intangible fixed assets affects the operating profit/loss, while the impairment of financial assets affects the net financial items. Previously recorded impairments are reversed if reasons for the former impairment no longer exist. The increased carrying amount attributable to a reversal of impairment shall not exceed the carrying amount that would have determined if no impairment had been recorded in previous years. Goodwill is not impaired.

Test of need for an impairment of tangible and intangible assets, and for shares in subsidiaries. The test of need for an impairment exists if any event occurs or if circumstances change, indicating that the recorded value might be above the recoverable value. The test is carried out at the cash-generating unit that the asset belongs to. The cash-generating units consist of the Group's operating segments. For goodwill, other intangible assets with an indefinite useful life, and intangible assets not yet ready for use, the recoverable value is calculated annually. An impairment is recorded when an asset's or cash-generating unit's carrying amount exceeds the recoverable value.

The recoverable value is the highest of the fair value less sales costs and estimated value in use. When calculating the estimated value in use, the future cash flows are discounted at a rate considering risk-free interest rate and market risk premium associated with the specific asset.

An impairment of assets belonging to a cash-generating unit is primarily allocated to goodwill. Then other assets are written down on a proportional basis.

An impairment is reversed if there has been a positive change in the recoverable value.

Test of the need for an impairment of financial assets. An impairment of a financial asset should happen if objective evidence shows that one or more events have had a negative impact on the assets' estimated future cash flows.

An impairment of a financial asset valued at the accrued acquisition cost is estimated as the difference between its carrying amount and net present value of the estimated future cash flows, discounted by the original effective interest rate. Previous impairments shall be reversed, if reasons for the former impairment no more exist.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value, including any obsolescence provision. The cost is calculated by applying the First In First Out method (FIFO), including expenses arising with the purchase of the inventory and the transportation to the current place and condition. Manufactured goods and work in progress, includes the purchase price and a reasonable proportion of indirect costs based on normal capacity. Loan costs are not included. The net realisable value is calculated as the estimated selling price less applicable variable sales expenses.

DIVIDENDS

Dividends are reported as a liability after the Annual General Meeting has approved the dividend.

EARNINGS PER SHARE
The calculation of earnings per share is based on the net result in the Group, attributable to the parent company's shareholders and on the weighted average number of shares outstanding during the year.

CASH FLOW STATEMENT
The cash flow statement is drawn up according to the indirect method.

REMUNERATION TO EMPLOYEES
Short-term remuneration. Short-term remuneration to employees is calculated without discounting and is reported as an expense when the related services are received. A provision is reported for planned bonus payments when the Group has an obligation to make such payments based on services received or other contractual conditions fulfilled.

Defined-contribution pension plans. Defined-contribution pension plans are plans where the company's obligation is limited to the charges the company has undertaken to pay. The size of the employee's pension depends on the fees paid by the company and the return on capital generated by these fees. The company obligations concerning payments to defined-contribution pension plans are reported as an expense as they are earned. The part of the Swedish ITP plan financed through Alecta is a defined-benefit pension plan. Alecta has currently no possibility of providing the requisite information, which is why the aforementioned pension plan is reported as a defined-contribution pension plan, meaning that the premiums paid to Alecta will be reported in the period they refer to.

Defined-benefit pension plan. Defined-benefit pension plans are other plans for remunerating employees upon retirement. The Group's net obligation concerning defined-benefit pension plans are calculated separately for each plan by estimating the future remuneration, which each employee has earned via their employment in both the current and previous periods; this remuneration is then discounted to a current value. Discount interest is the interest rate on the closing date for a first-class corporate bond or mortgage with a remaining maturity that corresponds to the Group's obligations. if there is no effective market for corporate bonds, the market rate for government bonds over a corresponding period is used. The actuarial calculation is carried out by a registered actuary using the Projected Unit Credit Method. The Group's net obligations constitute the current value of the obligations minus the fair value of the plan's assets adjusted for any access restrictions.

Net interest costs/income for the defined-benefit obligation/asset are reported under net financial items in the income statement. Net interest is based on the interest that occurs upon discounting of the net obligation, i.e. interest on the obligation, plan assets and interest on the effect of any access restrictions. Other components are reported as operating profit.

Restatement effects comprise actuarial gains and losses, the difference between actual returns on plan assets and the amount included in net interest and any changes in the effects of access restrictions (excluding interest that was included in net interest). Restatement effects are reported in other comprehensive income.

Changes or reductions in a defined-benefit plan are reported at the earliest of the following dates: a) when the change or reduction in the plan occurs, or b) when the company reports related restructuring costs and remuneration upon termination of employment. Changes and reductions are reported directly in profits.

Payroll tax is a part of the actuarial assumption and is therefore reported as part of the net obligation/asset. The portion of payroll tax calculated based on the Pension Obligations Vesting Act (Tryggandelagen) for a legal entity is stated, for reasons of simplicity, as accrued costs instead of as part of the net obligation/asset.

Tax on returns is reported in the income statement for the period the tax refers to and is thus not included in the calculation of debt. For schemes run as funds, tax is levied on returns for plan assets and this is reported in other comprehensive income. For schemes not run as funds or run partly as funds, tax is included in profits for the year.

If there is a difference between how pension costs are established for a legal entity and the Group, an allocation or a receivable is reported concerning payroll tax based on this difference. The allocation or receivable is not calculated at present value.

Share saving scheme. The 2013 share saving scheme is reported as share-related remuneration settled with an equity instrument in accordance with IFRS 2. This means that the fair value is calculated initially from estimated fulfilment of targets established for the period. The value is distributed across the income period. After fair value is established, no further reassessment is made during the remainder of the income period except for changes in the number of shares if the condition concerning continued employment during the income period no longer is no longer met.

Social fees. Social fees paid due to share-related remuneration are reported in accordance with statement UFR 7 of the Swedish council for financial reporting. The allocation that arises is reassessed on each report date to correspond to the estimated fees to be paid at the end of each income period.

PROVISIONS
A provision is recognized in the balance sheet when the Group has an existing legal or informal obligation as a result of an event that has occurred, and it is likely that an out-flow of financial resources will be required in order to meet the obligation and a reliable estimate of the amount can be made. Provisions are assessed at the end of every year. Provisions are divided between long-term and current provisions.

Provisions for guarantees. A provision for a product guarantee is recorded when the underlying products or services are sold. Provisions are based on historical data about the guarantees and a total appraisal of possible outcomes in relation to the probability of the outcome.

Provisions for restructuring and redundancy payments. A provision for restructuring is recorded when the Group has decided on a detailed and formal restructuring plan, and the plan has been established and become public. Provisions for restructuring often include redundancy payments, where the redundancy is either voluntary or involuntary. Redundancy payments are reported according to the same principles as provisions for restructuring, except if there are requirements to work out a period of notice when costs are charged over the period of notice. No provisions are made for future operating costs.

TAXES
Income taxes consist of current taxes and deferred taxes. Income taxes are reported in the income statement except when the underlying transaction is reported directly against equity whereupon the related tax effect is reported in equity or comprehensive income. Current taxes are taxes that will be paid or are to be received for the current year, with the application of the tax rates that have been determined or announced as of the close of the reporting period. Included here are also adjustments of current tax attributable to earlier periods. A current tax liability or tax receivable is reported for the estimated tax that will be paid or received for the current year or previous years.

Deferred tax is calculated according to the balance sheet method based on the temporary difference between the tax-related values for assets and liabilities, and the values reported for the Group. Temporary differences arise mainly through the depreciation of fixed assets, pension provisions and other measures.

For a company acquisition there will be temporary differences between the consolidated value of assets and liabilities and their taxable value.

Temporary differences that arise on initial recognition of an asset or liability and are not attributable to business acquisitions or other acquisition and have not affected reported or taxable earnings, do not entail a deferred tax asset or liability.

Deferred tax is valued at the nominal amount with the application of the tax rates and tax regulations decided upon or announced on the balance sheet date. Income tax arising in the event of a dividend is reported at the same time as the dividend is reported as a liability for the company issuing the dividend. Temporary differences are not recognized in participations in subsidiaries, since the Group can control the date when these temporary differences are reversed and it is unlikely that they will be reversed in the foreseeable future. Temporary differences are not considered for goodwill. Deferred tax assets concerning tax-deductible temporary differences and retained losses are recorded only to the extent it is probable that tax surpluses will be available in the future, against which temporary differences can be utilised.

CONTINGENT LIABILITIES
A contingent liability is recorded when there are possible commitments arising from events that have occurred and the liability is not reported, due to the unlikelihood that an outflow of resources will be required.

THE PARENT COMPANY'S ACCOUNTING PRINCIPLES
The parent company has prepared its financial statements according to the Swedish Annual Accounts Act (Arsredovisningslagen 1995:1554) and RFR 2.2. Financial Reporting for Legal Entities. This means that the parent company's financial reports must apply all EU approved IFRS and statements to the extent that it is possible within the framework of the Swedish Annual Accounts Act and with regard to the connection between the accounting and taxation.

Subsidiaries. Shares in subsidiaries are reported in the parent company according to the purchase method. All expenses connected with business acquisitions, i.e. including acquisition-related costs, are capitalised in the parent company's financial statements as a part of the acquisition value for shares in subsidiaries. Dividend income is reported when there is a legal authority to receive the dividend. Received dividends are reported as income irrespective of whether the dividends are linked to profit earned before the acquisition date.

Revenue. The parent company's revenue consists of intra-Group management fees. The income statement reports this income as other operating income.

Taxes. Untaxed reserves recorded in the parent company include deferred tax liabilities. In the consolidated financial statements untaxed reserves are allocated between deferred tax liability and shareholders' equity. For the parent company no comparable allocation is therefore made of appropriations as deferred tax expenses.

Group contributions and shareholder's contributions for legal entities. Shareholders' contributions are added to the value of shares in subsidiaries in the balance sheet and are then tested for impairment.

Group contributions are booked as an appropriation in the income statement.

Financial guarantees. The parent company's financial guarantee agreements mainly consist of guarantees benefitting subsidiaries. Financial guarantees mean that the company has an undertaking to remunerate the holder of a debt instrument for losses accrued because a specific debtor has not completed payment on the due date according to the terms of the agreement. When reporting financial guarantee agreements the parent company applies the relief regulation permitted by the Swedish Financial Accounting Standards Council. The parent company reports financial guarantee agreements as a provision in the balance sheet when the company has a commitment for which payment is likely to be required to regulate the commitment.

2 Classification of income

SEK m	2014	2013
Net sales		
Net sales of goods	2,826.9	2,659.2
	2,826.9	**2,659.2**

Net sales of goods include payment for installation work.

3 Operating segment reporting

Segment reporting is based on reports regularly reviewed by the Group's chief operating decision maker in order to assess performance and allocation of resources. The operating segments consist of different business operations that are affected by revenues and expenses. The segments are measured and consolidated according to the same accounting principles as the Group in total. The Group is a global market leader in producing products and systems within environmental technology. The products and systems create a clean and safe working environment with focus on clean air, recycling solutions and reduced environmental impact of transport handling.

OPERATING SEGMENTS

The Group is divided into the following operating segments:

- EMEA (Europe, Middle East and Africa)
- Asia Pacific (Asia and Pacific region
- Americas (North and South America)

The operating segments are presented on pages 20-31 of the annual report. The Group's internal reporting system is built up in order to make it possible to follow up net sales, gross profit and variable costs per segment. Operating general expenses are allocated to the operating segments as appropriate. Operating capital is reported separately when this is possible while other operating capital is allocated as suitable. No intra-group sales take place between the operating segments. Earnings, assets and liabilities for the segments include directly attributable items plus items that can be allocated to the segments in an appropriate way. Items not allocated consist of corporate expenses, financial income, financial expenses and tax expenses. Assets and liabilities that have not been allocated between the segments include tax receivables and tax liabilities (current and deferred), financial investments and financial liabilities, including pension obligations.

Operating assets are defined as total assets with deductions for liquid funds, tax receivables (current and deferred) and financial investments.

Operating liabilities are defined as total assets minus financial investments, tax liabilities (current and deferred) and financial liabilities including pension obligations.

The segment's capital expenditures in tangible and intangible fixed assets include all capital expenditures except expendable equipment and equipment of minor value. No individual customer accounts for 10 per cent or more of the Group's revenues.

GEOGRAPHIC REGIONS

The Group is divided into five geographic regions: Sweden, Nordic region, Other Europe, North America and Rest of the world. The information presented concerning the income for each region concerns the geographic areas, where the customers are located. The information concerning the assets and capital expenditures in tangible and intangible fixed assets, with the exception of goodwill, is based on geographic regions, where the assets are located.

The note continues on the next page.

3 Operating segment reporting, continued from previous page

OPERATING SEGMENT

2013**), SEK M	EMEA	Asia Pacific	Americas	Other, not allocated	Total
Net sales	1,409.5	291.8	957.9		2,659.2
Operating profit by operating segment*)	74.6	14.0	138.9	-57.3	170.2
Acquisition costs				-1.7	-1.7
Restructuring and integration costs				-41.0	-41.0
Operating profit	74.6	14.0	138.9	-100.0	127.5
Financial income				2.0	2.0
Financial expenses				-29.8	-29.8
Tax expenses				-30.0	-30.0
Net profit					69.7
Operating assets	1,313.8	181.9	822.2	-517.7	1,800.2
Other assets				377.9	377.9
Total assets	**1,313.8**	**181.9**	**822.2**	**-139.8**	**2,178.1**
Operating liabilities	371.5	102.0	380.5	-186.6	667.4
Other liabilities				890.9	890.9
Total liabilities	**371.5**	**102.0**	**380.5**	**704.3**	**1,558.3**
Capital expenditures	12.4	14.2	6.5	12.4	45.5
Depreciation	-24.3	-5.4	-9.0	-10.5	-49.2

*) Excluding restructuring/integration costs and acquisition costs
**) Comparable figures for 2013 have been adjusted in accordance with structural changes.

GEOGRAPHIC AREAS

2013, SEK m	Sweden	Nordic region	Other Europe	North America	Rest of the world	not allocated	Total
Net sales	155.3	226.6	860.9	798.8	617.6		2,659.2
Operating assets	512.8	184.8	616.2	797.8	206.3	-517.7	1,800.2
Capital expenditures	4.1		8.3	5.7	15.0	12.4	45.5
Fixed assets	34.5	6.8	106.0	105.7	39.2	16.0	308.2

OPERATING SEGMENTS

2014, SEK m	EMEA	Asia Pacific	Americas	Other, not allocated	Total
Net sales	1,413.7	336.3	1,076.9		2,826.9
Operating profit by operating segment*)	112.8	4.1	144.9	-61.1	200.7
Restructuring and integration costs				-35.0	-35.0
Operating profit	112.8	4.1	144.9	-96.1	165.7
Financial income				2.3	2.3
Financial expenses				-29.0	-29.0
Tax expenses				-44.7	-44.7
Net profit					**94.3**
Operating assets	1,233.3	192.7	825.7	-299.5	1,952.2
Other assets				420.9	420.9
Total assets	**1,233.3**	**192.7**	**825.7**	**121.4**	**2,373.1**
Operating liabilities	406.9	133.9	417.0	-234.1	723.7
Other liabilities				916.1	916.1
Total liabilities	**406.9**	**133.9**	**417.0**	**682.0**	**1,639.8**
Capital expenditures	9.3	1.1	24.1	4.8	39.3
Depreciation	-23.4	-6.4	-9.0	-8.4	-47.2

*) Excluding restructuring/integration costs and acquisition costs

GEOGRAPHIC AREAS

2014, SEK m	Sweden	Nordic region	Other Europe	North America	Rest of the world	not allocated	Total
Net sales	143.3	208.0	922.7	907.7	645.2		2,826.9
Operating assets	595.0	23.1	615.2	805.2	213.2	-299.5	1,952.2
Capital expenditures	3.8		5.5	23.6	1.6	4.8	39.3
Fixed assets	29.3	1.2	102.7	142.0	33.9	19.5	328.6

4 Acquisition of business units

ACQUISITIONS 2013

Industriventilation A/S. The Group acquired 100% of the shares in Industriventilation A/S on 5 April 2013 for SEK 15.7m. The purchase price was adjusted by SEK-0.9m in August. The acquisition strengthens Nederman's existing ducting business marketed globally under the NORDFAB brand. Ducting systems are a key component of Nederman's industrial air filtration solutions.

Goodwill of SEK 10.6m arising from the acquisition is attributable to synergies expected in the merger of the two businesses.

It is not expected that any of the goodwill will be tax deductible.

Fees relating to the acquisition amounted to SEK 0.5m and comprise payments to consultants in connection with due diligence. These fees are reported in the statement of other comprehensive income and affected operating profit.

Fair value of accounts receivable and other receivables were SEK 1.3m and include accounts receivable with fair value of SEK 0.8m. The contracted gross amount for accounts receivable fallen due for payment is SEK 0.9m, of which it is expected that SEK 0.1m will be recovered.

Effect on liquid funds	
Year's acquisitions	-13.7
Reduction in transferred remuneration, previous year's acquisitions	5.2
Total acquisitions	**-8.5**

An adjustment of the purchase price concerning a previous acquisition amounting to SEK 5.2m has reduced goodwill by the same amount.

Environmental Filtration Technologies (EFT). The acquisition analysis for the 2012 acquisition of EFT was adjusted by SEK 5.2m mainly due to the adjustment of the purchase price following a final assessment of net working capital. The adjustment resulted in a reduction of goodwill by a corresponding amount. The acquisition analysis for EFT has been finalized.

5 Other operating income

SEK m	2014	2013
Profit from sale of fixed assets	7.8	4.4
Recovered customer losses	2.7	4.6
Foreign exchange profit on operating receivables/liabilities	5.2	
Other	6.5	3.6
	22.2	**12.6**

6 Other operating expenses

SEK m	2014	2013
Loss from sale of fixed assets	-0.7	0.0
Customer losses	-6.5	-4.4
Foreign exchange losses on operating receivables/liabilities	-12.2	-8.8
Other	-7.2	-2.2
	-26.6	**-15.4**

7 Employees and employee benefits

	2014			2013		
Employees and employee benefits	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Sweden	57	161	**218**	59	177	**236**
Denmark	13	71	**84**	24	111	**135**
Norway	3	19	**22**	3	18	**21**
Belgium	3	11	**14**	3	13	**16**
UK	13	84	**97**	11	85	**96**
France	21	25	**46**	22	22	**44**
Netherlands	5	36	**41**	11	44	**55**
Poland	29	200	**229**	31	180	**211**
Spain	2	12	**14**	3	11	**14**
Czech Republic	2	15	**17**	2	15	**17**
Germany	46	153	**199**	55	163	**218**
Hungary		2	**2**		2	**2**
Austria	1	3	**4**	1	2	**3**
Canada	8	32	**40**	8	34	**42**
USA	111	306	**417**	134	312	**446**
Brazil	4	18	**22**	4	15	**19**
China	36	132	**168**	34	116	**150**
Australia	3	24	**27**	4	25	**29**
Turkey	2	8	**10**	2	9	**11**
India	1	16	**17**		14	**14**
Russia	3	4	**7**	3	4	**7**
Malaysia	1	5	**6**	1	3	**4**
Mexico	1	2	**3**	1	2	**3**
Thailand	27	63	**90**	33	88	**121**
Indonesia	2	7	**9**	2	8	**10**
Group total	**394**	**1,409**	**1,803**	**451**	**1,473**	**1,924**

Group total	394	1,409	**1,803**	451	1,473	**1,924**
Of whom, senior executives	16	86	**102**	17	83	**100**

Distribution according to gender in senior management, percentage of women	2014	2013
Board	4%	4%
Other senior executives	16%	17%

Expenses for remuneration to employees, SEK m	2014	2013
Salaries and other remuneration	660.0	623.9
Pensions expenses, defined-benefit plans (see also note 20)	0.0	1.6
Pensions expenses, defined-contribution plans see also note 20)	31.2[1)]	20.4[1)]
Social security expenses	109.1	116.6
	800.3	**762.5**

1) Of the parent company's pension costs SEK 1.2m (1.2) concern the CEO for the parent company. There are no outstanding pension obligations to the Group's Board of Directors, CEO and senior executives.

Salaries and other remuneration allocated between the board of directors and other employees, SEK m	2014	2013
Board of Directors, CEO and senior executives	53.2	51.7
(of which variable compensation)	(4.4)	(5.4)
Other employees	606.8	572.2
	660.0	**623.9**

8 Auditor's fees and compensation

SEK m	2014	2013
KPMG		
Audit assignment	5.3	6.8
Other audit assignment		
Tax advice	0.3	0.4
Other assignments	0.1	0.2
Other auditors		
Audit assignment	0.6	0.8
Tax advice	0.1	0.1
Other assignments	0.2	0.5

Audit assignments refer to the statutory audit of annual and consolidated accounts, the administration of the board of directors and CEO, and auditing and other verifications as agreed. Other audit assignments include other duties incumbent on the company's auditors and advice or other assistance required by the findings in the audit or performance of other tasks.

9 Cost of operations allocated on cost type

SEK m	2014	2013
Cost of material	-1,357.7	-1,259.8
Cost of personnel	-800.3	-762.5
Other external costs and other personnel costs	-426.3	-426.0
Acquisition costs		-1.7
Restructuring and integration costs*)	-25.4	-29.7
Depreciation	-47.2	-49.2
Other costs of operations	-26.5	-15.4
	-2,683.4	**-2,544.3**
**) excl cost of personnel*	*-9.6*	*-11.3*

10 Net financial items

SEK m	2014	2013
Interest income bank deposits	2.2	1.8
Other interest income	0.1	0.2
Financial income	**2.3**	**2.0**
Interest expenses, credit institutions	-21.9	-24.5
Interest expenses, other	-3.3	-1.6
Exchange rate changes, net	-3.8	-3.7
Financial expenses	**-29.0**	**-29.8**
Net financial income/expenses	**-26.7**	**-27.8**

All interest income/expense derived from financial assets and liabilities which are measured at amortised cost.

11 Taxes

REPORTED IN CONSOLIDATED INCOME STATEMENT, SEK M	2014	2013
Current tax expense (-)		
Tax expense for the period	-54.9	-49.5
Adjustment of tax relating to previous years	-0.3	-1.1
	-55.2	**-50.6**
Deferred tax expense (–) /tax income (+)		
Deferred tax concerning temporary differences	8.4	8.7
Utilisation of previously activated loss carryforwards	0.0	0.0
Revaluation of loss carryforwards	2.1	11.9
Deferred tax assets in the year capitalised tax value in loss carry-forward	0.0	0.0
	10.5	**20.6**
Total consolidated tax expenses	**-44.7**	**-30.0**

Reconciliation of effective tax
The Swedish tax rate is 22 per cent. The main reasons for the deviation between Swedish tax rate and the consolidated effective tax rate, based on profit before tax are presented below:

SEK m	2014 (%)	2014	2013 (%)	2013
Profit before tax		139.0		99.7
Tax according to the applicable tax rate for the Parent company	22.0	-30.6	22.0	-22.0
Effect of other tax rates for foreign subsidiaries	11.9	-16.6	6.7	-6.7
Non-tax deductible expenses	6.9	-9.6	9.9	-9.9
Non-taxable income	-1.7	2.4	-2.0	2.0
Increase of loss carryforwards without corresponding capitalisation of deferred tax	2.2	-3.0	13.6	-13.6
Utilisation of loss carryforwards not recognized as deferred tax	-11.2	15.6	-18.4	18.3
Tax relating to the previous year	2.1	-2.9	-1.9	1.9
Effect of changes in tax rates/ and tax rules	0.0	0.0	0.0	0.0
Reported effective tax	**32.1**	**-44.7**	**30.0**	**-30.0**

Current tax receivables amount to SEK 10.2m (24.8) and representing the recoverable amount of current tax on the result for the year.

REPORTED IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Deferred tax assets and deferred tax liabilities
Deferred tax assets and deferred tax liabilities relate to:

		2014			2013	
	Assets	Liabilities	Net	Assets	Liabilities	Net
Tangible fixed assets	26.6	31.2	-4.6	24.8	29.7	-4.9
Intangible assets	7.6	18.5	-10.9	7.8	16.1	-8.3
Financial assets	0.6		0.6	0.6		0.6
Inventories	5.8	1.9	3.9	5.6	4.9	0.7
Accounts receivable	3.3	0.6	2.7	2.9	1.4	1.5
Provisions for pensions	7.3	0.3	7.0	5.5		5.5
Provisions	14.0		14.0	13.2		13.2
Loss carryforwards	47.6		47.6	45.3		45.3
Other	8.9	4.5	4.4		1.4	-1.4
Tax receivables/liabilities	**121.7**	**57.0**	**64.7**	**105.7**	**53.5**	**52.2**
Netting	-40.0	-40.0		-26.6	-26.6	
Deferred tax assets/liabilities according to consolidated statement of financial position	**81.7**	**17.0**	**64.7**	**79.1**	**26.9**	**52.2**

Recognized loss carryforwards are not time limited except for the loss in China, amounting to SEK 4.9m that is valid until 2018.
Deferred tax receivables have been reported to the extent that it is considered probable that the loss can be set off against future profits.

UNREPORTED LOSS CARRYFORWARDS

Deductible temporary differences and loss carryforwards for which deferred tax assets have not been reported in the consolidated statement of comprehensive income and financial position.

SEK m	2014	2013
Temporary differences/Loss carryforwards	54,9	62,7

Deferred tax receivables not recognized relate to loss carryforwards in the Netherlands and Sweden which probably not will be used for settlement of future taxable gains. There are no time limits for loss carryforwards.

The note continues on the next page.

11 Taxes, continued from previous page

CHANGES IN DEFERRED TAX DUE TO TEMPORARY DIFFERENCES AND LOSS CARRYFORWARDS

SEK m	Balance 1 Jan 2013	Recorded via income statement	Translation difference	Acquisition of business	Balance 31 Dec 2013
Tangible fixed assets	-2.3	-3.2	0.8	-0.2	-4.9
Intangible assets	-18.6	10.8	-0.5		-8.3
Financial assets	1.6	-1.0			0.6
Inventories	1.1	-0.4			0.7
Accounts receivable	2.2	-1.2	0.6	-0.1	1.5
Provision for pensions	5.1	0.4			5.5
Provisions	13.1	0.1			13.2
Loss carryforwards	33.6	12.0	-0.3		45.3
Other	-4.1	3.1	-0.4		-1.4
	31.7	**20.6**	**0.2**	**-0.3**	**52.2**

SEK m	Balance 1 Jan 2014	Recorded via income statement	Translation difference	Acquisition of business	Balance 31 Dec 2014
Tangible fixed assets	-4.9	0.2	0.1		-4.6
Intangible assets	-8.3	-2.8	0.2		-10.9
Financial assets	0.6	0.0			0.6
Inventories	0.7	2.8	0.4		3.9
Accounts receivable	1.5	1.1	0.1		2.7
Provision for pensions	5.5	1.4	0.1		7.0
Provisions	13.2	0.7	0.1		14.0
Loss carryforwards	45.3	2.1	0.2		47.6
Other	-1.4	5.0	0.8		4.4
	52.2	**10.5**	**2.0**		**64.7**

12 Intangible fixed assets

	2014						2013					
	Customer relations	Trade-marks	Deve-lopment activities	Goodwill	Software	Total	Customer relations	Trade-marks	Deve-lopment activities	Goodwill	Software	Total
Accumulated cost												
Opening balance	12.7	36.3	94.2	605.4	62.2	810.8	13.1	37.2	90.5	599.8	57.3	797.9
Acquisitions/divestments										5.4		5.4
Internally developed assets			1.8			1.8			8.7			8.7
Other capital expenditures			0.4		3.7	4.1					4.2	4.2
Sold and scrapped					-2.7	-2.7			-5.4			-5.4
Translation difference	2.1	6.0	2.9	49.7	1.0	61.7	-0.4	-0.9	0.4	0.2	0.7	0.0
Closing balance	**14.8**	**42.3**	**99.3**	**655.1**	**64.2**	**875.7**	**12.7**	**36.3**	**94.2**	**605.4**	**62.2**	**810.8**
Accumulated amortisation and impairment												
Opening balance	-1.3		-69.7		-50.4	-121.4			-58.8		-43.1	-101.9
Sold and scrapped					2.7	2.7						
Amortisation for the year	-1.3		-9.6		-5.0	-15.9	-2.0		-10.1		-6.5	-18.6
Translation difference	-0.4		-2.2		-1.0	-3.6	0.7		-0.8		-0.8	-0.9
Closing balance	**-3.0**		**-81.5**		**-53.7**	**-138.2**	**-1.3**		**-69.7**		**-50.4**	**-121.4**
Book value												
Opening balance	11.4	36.3	24.5	605.4	11.8	689.4	13.1	37.2	31.7	599.8	14.2	696.0
Closing balance	**11.8**	**42.3**	**17.8**	**655.1**	**10.5**	**737.5**	**11.4**	**36.3**	**24.5**	**605.4**	**11.8**	**689.4**

The Group's expenses for development of the existing product range and new products amounted to SEK 10.3m.
SEK 1.8m was capitalised in the consolidated statement of financial position.

Amortisation and impairments, SEK m	2014	2013
Depreciation is included in the following lines in the income statement		
Cost of goods sold	-6.2	-7.1
Selling expenses	-1.9	-1.9
Administrative expenses	-4.5	-6.4
Research and development expenses	-3.3	-3.2
	-15.9	**-18.6**

* The Group has elected to reclassify amortisation of research and development, (to the extent it relates to product development), to cost of goods sold. Comparative figures relating to the reclassification have been adjusted.

The amount of goodwill represents the future economic benefits arising from the acquisition that are not individually identified and separately recognized and the value of being established on the market with a functioning market organization. The goodwill is split per operating segment.

Goodwill	2014	2013
EMEA	373.4	345.1
Asia Pacific	39.3	36.3
Americas	242.4	224.0
	655.1	**605.4**

IMPAIRMENT TESTS FOR CASH-GENERATING UNITS CONTAINING GOODWILL AND TRADEMARKS WITH INDETERMINABLE LIFETIME

Goodwill is tested annually for impairment, or more frequently if there are indications of a reduction in value. The test is based on defined cash-generating units, which are the same as the operating segments. The recoverable amounts have been determined on the basis of calculations of value in use. These calculations are based on projected cash flows by the management for at period of three to five years. The growth for the cash-generating units is based on historical growth, estimated market growth and expected price development. The forecasts reflect previous experience and external sources of information. Assumed growth is based on a cautious assumption and does not exceed the long-term growth of the industry as a whole.

For EMEA, annual growth of 1% (3%) has been used with an assumed growth of 1% (2%) after the forecast period, which is the relevant growth rate in this segment. The discount factor before tax is 10.41% (13.11%). For Asia Pacific, annual growth of 7% (3%) has been used with an assumed growth of 3% (2%) after the forecast period, which is the relevant growth rate in this segment. The discount factor before tax is 9.32% (13.74%). For Americas, annual growth of 5% (3%) has been used with an assumed growth of 2% (2%) after the forecast period. The discount factor before tax is 14.00% (15.32%).

SENSITIVITY ANALYSIS

Sensitivity in all calculations means that the goodwill value will be defended even if the discount rate is raised by a few percentage points or if long-term growth would fall by a percentage point. The annual test of goodwill did not reveal an impairment requirement.

In addition to goodwill there are acquired trademarks which are considered to have an indefinite useful life. The useful life is deemed indefinite if it is a question of a well-established brand in its market, which the Group intends to maintain and develop further. The brands that have been identified and valued were established in connection with the 2012 acquisition of EFT. The cost of the trademarks was established at the time of the acquisition under the so-called relief from royalty method. Impairment testing is performed annually. The test includes an assessment of the royalty rate on the acquisition date fixed and estimated future sales performance for five years. Sustained growth of 2 per cent has been used. Cash flow for the period beyond five years has been calculated using a multiple applied to estimated sustainable cash flow. When calculating the present value of expected future cash flows, the current weighted average capital cost (WACC) for the market is used. In 2014 the discount rate was 11.24% (8.55%). Impairment testing is done in Q4, or whenever the need arises, and with the assumptions used showed there was no need for any impairment of trademarks with an indefinite useful life. The book value of trademarks with an indefinite useful life amounted to SEK 42.3m (36.3).

13 Tangible fixed assets

SEK m	2014 Buildings and land	2014 Plant and machinery	2014 Equipment, tools and fittings	2014 Total	2013 Buildings and land	2013 Plant and machinery	2013 Equipment, tools and fittings	2013 Total
Accumulated cost								
Opening balance	317.1	146.6	296.6	760.3	303.8	144.9	307.5	756.2
Acquisitions/divestments							7.7	7.7
Capital expenditures	7.4	19.2	6.8	33.4	12.9	8.4	11.3	32.6
Sold and scrapped	-4.6	-4.7	-13.4	-22.7	-8.3	-5.4	-24.1	-37.8
Reclassifications	9.6	3.2	0.9	13.7				
Translation difference	16.7	18.8	4.8	40.3	8.7	-1.3	-5.8	1.6
Closing balance	**346.2**	**183.1**	**295.7**	**825.0**	**317.1**	**146.6**	**296.6**	**760.3**
Accumulated depreciation and impairment								
Opening balance	-157.8	-116.1	-262.3	-536.2	-149.8	-115.8	-263.5	-529.1
Acquisitions/divestments							-5.8	-5.8
Depreciation for the year	-9.8	-9.2	-12.3	-31.3	-9.1	-7.8	-13.7	-30.6
Sold and scrapped	0.6	3.7	12.4	16.7	4.0	5.4	21.2	30.6
Reclassifications	0.0	0.2	0.3	0.5				
Translation difference	-12.5	-13.3	-2.7	-28.5	-2.9	2.1	-0.5	-1.3
Closing balance	**-179.5**	**-134.7**	**-264.6**	**-578.8**	**-157.8**	**-116.1**	**-262.3**	**-536.2**
Book value								
Opening balance	159.3	30.5	34.3	224.1	154.0	29.1	44.0	227.1
Closing balance	166.7	48.4	31.1	246.2	159.3	30.5	34.3	224.1

Financial leasing, SEK m	2014	2013
Book value for assets during leasing agreement		
Equipment, tools and installations	1.4	3.4

The Group leases cars and computer equipment under a number of different financial leasing agreements. The leased assets are pledged assets for the leasing liabilities. See also note 19 and 26.

Depreciation and impairment, SEK m	2014	2013*
Depreciation is included in the following items in the income statement		
Cost of sold goods	-15.4	-13.7
Selling costs	-9.4	-10.4
Administration costs	-6.5	-6.5
Research and development costs		
	-31.3	**-30.6**

14 Long-term receivables and other receivables

SEK m	2014	2013
Long term receivables which are fixed assets		
Other	6.1	5.8
	6.1	**5.8**
Other receivables which are current assets		
VAT receivable	12.8	11.2
Project work in progress, not invoiced	86.9	56.3
Fair value of currency derivatives		0.4
Other receivables	33.0	20.5
	132.7	**88.4**

15 Inventories

SEK m	2014	2013
Raw materials and consumables	122.7	123.8
Products under manufacture	47.7	49.8
Completed goods and tradable goods	137.7	117.8
	308.1	**291.4**
Impairment of inventory value reported gross	65.8	70.2

The consolidated cost of sold goods includes an impairment of SEK 65.8m of inventories.

16 Prepaid costs and accrued income

SEK m	2014	2013
Rent/leasing	6.4	5.3
Computer/license costs	3.5	2.6
Insurance	2.1	1.6
Bank costs	0.4	0.9
Other	16.3	22.7
	28.7	**33.1**

17 Equity

Bought-back shares included in equity item 'profit brought forward, including net profit'

Number of shares	2014	2013
Opening balance, bought-back shares		
Purchases during the year	34,000	
Closing balance, bought-back shares	34,000	

Amounts affecting equity	2014	2013
Opening balance, bought-back shares		
Purchases during the year	-6.7	
Closing balance, bought-back shares	-6.7	0

Share capital and number of shares	2014	2013
Number of shares	11,715,340	11,715,340
Registered share capital	1,171,534	1,171,534

Share ratio value is SEK 0.10.

Dividend

The board proposes a dividend of SEK 4.00 (4.00) per share, in total SEK 46.9m (46.9). The dividend amount will be adopted by the AGM on 22 April 2015.

Capital management

The Group's capital corresponds to the total amount of shareholders' equity, SEK 733.3m. According to the Board's policy, the Group's financial objective is to achieve a good capital structure and financial stability in order to maintain the trust of investors, creditors and the market, and to form a good base for continued development of the business, while the long-term return generated for shareholders remains satisfactory.

Capital defined as total equity	2014	2013
Total equity	733.3	619.8

Net debt/equity ratio, %	2014	2013
Financial liabilities	881.6	840.9
Less liquid assets (and current investments)	-325.0	-270.0
Net debt	**556.6**	**570.9**
Net debt/equity ratio (Net debt/total equity)	0.76	0.92

The decrease in the net debt/equity ratio reflects both the decrease in net debt by 3% and increased equity. The decrease in net debt is partly because the year's cash flow after investments was strong and this was partly used to repay loans, and partly because of increased liquidity. The strong cash flow was due to improved profitability in 2014, while the development of operating capital was slightly negative during the year. Equity was partly affected by the good profitability, but also positively affected by translation differences, with net income higher than the dividends paid. The lower net debt/equity ratio and good access to liquidity provides an opportunity to take advantage of the growth prospects anticipated in coming years, while the level of the ordinary dividend is expected to be maintained. New share issues will probably not be needed for the same reason in coming years, except in the event of major acquisitions.

The Group seeks to pay an ordinary dividend each year amounting to 30-50% of net income. The Board has proposed a dividend of SEK 4.00 per share to the Annual General Meeting in 2015, representing 6.4% of the equity. In the past five years, the ordinary dividend has averaged around 6% of equity. This has meant that around 57% of earnings per share has been distributed in ordinary dividends.

During the year there were no changes in the Group 's capital management. Neither the Parent Company or any subsidiary has a need for external capital.

18 Earnings per share

Earnings per share, SEK	2014	2013
Earnings per share	8.07	5.95
Earnings per share after dilution	8.04	5.93

Weighted average number of shares	2014	2013
Weighted average number of shares during the year, before dilution	11,715,340	11,715,340
Effect of share saving scheme	-34,000	
Weighted average number of shares during the year, before dilution	11,681,340	11,715,340
Weighted average number of shares during the year, after dilution	11,715,340	11,715,340
Effect of share saving scheme	10,629	31,425
Weighted average number of shares during the year, after dilution	11,725,969	11,746,765

19 Interest-bearing liabilities

For more information about the company's exposure to interest rate risks and currency risks, see note 24.

Long-term liabilities, SEK m	2014	2013
Bank loans	739.3	710.2
Financial leasing liabilities	0.4	0.8
	739.7	**711.0**

Current liabilities, SEK m	2014	2013
Bank overdraft		0.9
Current part of bank loan	30.5	30.3
Current part of financial leasing liabilities	0.6	1.5
	31.1	**32.7**

Terms and repayment due dates

For terms and repayments due dates see the table below.
No security for the bank loans has been provided.

2014, SEK m	Currency	Nom. interest rate	Due date	Nominal value	Book value
Term loan	SEK	1.171%	15-08-31	125.4	125.0
Bank loans (revolving)	SEK	1.171%	16-12-22	123.5	122.5
Bank loans (revolving)	SEK	1.171%	16-12-22	51.0	50.0
Bank loans (revolving)	EUR	1.548%	16-12-22	19.5	185.6
Bank loans (revolving)	USD	1.715%	16-12-22	36.7	286.6
Bank overdraft					
Financial leasing liabilities					1,0
Total interest bearing liabilities					**770,8**

2013, SEK m	Currency	Nom. interest rate	Due date	Nominal value	Book value
Term loan	SEK	2.353%	15-08-31	155.4	155.0
Bank loans (revolving)	SEK	2.353%	16-12-22	123.5	122.5
Bank loans (revolving)	SEK	2.353%	16-12-22	51.0	50.0
Bank loans (revolving)	EUR	1.732%	16-12-22	19.5	174.3
Bank loans (revolving)	USD	1.665%	16-12-22	36.7	238.7
Bank overdraft					0.9
Financial leasing liabilities					2.3
Total interest bearing liabilities					**743.7**

Financial leasing liabilities

Financial leasing liabilities are due for payment according to the following:

2014, SEK m	Minimum leasing payment	Interest	Capital amount
Within one year	0.6	0.0	0.6
Between one and five years	0.4	0.0	0.4
Later than five years			
	1.0	**0.0**	**1.0**
2013, SEK m			
Within one year	1.5	0.0	1.5
Between one and five years	0.8	0.0	0.8
Later than five years			
	2.3	**0.0**	**2.3**

20 Provision for pensions – benefits to senior executives

Defined-benefit pension plans

SEK m	2014	2013
Present value of unfunded obligations	110.8	97.2
Present value of entirely or partially funded obligations	0.6	0.6
Total present value of defined-benefit obligations	111.4	97.8
Fair value of plan assets	-0.6	-0.6
Net of present value of obligations and fair value of plan assets	110.8	97.2
Net reported defined-benefit plans (see below)	110.8	97.2
Net obligations remuneration to employees	110.8	97.2

The net amount is reported in the following items on the balance sheet:		
Defined-benefit pension plan, net	110.8	97.2
Other pension provisions		
Net pension liabilities,	110.8	97.2
of which reported as managed asset		
Closing balance, pension liabilities	**110.8**	**97.2**

Overview, defined-benefit plans

The Group has defined-benefit plans in Sweden, Germany, USA, France and Poland. Most are obligations where no additional benefits are earned. Defined-benefit plans are exposed to actuarial risks such as length of life, currency, interest and investment risks.

Changes in defined-benefit plans in the balance sheet, SEK m	2014	2013
Obligations for defined benefit plans, 1 January	97.8	114.5
Benefits paid	-4.1	-4.1
Settlements	-0.9	-16.4
Cost of service in current period	0.0	1.1
Cost of service prior periods		0.7
Interest cost	3.7	3.5
Revaluations		
Actuarial gains and losses for the revised demographic assumptions	-1.0	0.3
Actuarial gains and losses for changes in financial assumptions	15.3	-2.4
Experience-based adjustments		
Exchange differences	0.6	0.6
Obligations for defined benefit plans, 31 December	**111.4**	**97.8**

Changes in defined-benefit plans, SEK m	2014	2013
Fair value of plan assets, 1 January	0.6	10.5
Charges from participants in the plan	0.4	0.8
Payment of pension benefits	-0.6	-0.1
Interest on plan assets	0.1	0.0
Settlements	0.1	-10.1
Translation differences		-0.5
Fair value of plan assets, 31 December	**0.6**	**0.6**

Costs reported in profit for the year, SEK m	2014	2013
Costs for service in current period	0.0	1.1
Costs for service in earlier periods	0.0	0.5
Net interest income/expenses	3.7	3.5
Total net costs in the income statement	**3.7**	**5.1**
of which, amounts affecting operating profit	0.0	1.6
of which, amounts affecting financial costs	3.7	3.5
Total net costs	**3.7**	**5.1**

Actual return on plan assets	2014	2013
Actual return on plan assets	0.0	0.0

The expected return in 2015 on plan assets is SEK 0.0m.
Estimates were made by independent actuarial assessors.

Costs recognized in other comprehensive income, SEK m	2014	2013
Revaluations		
Actuarial gains (-) and losses (+)8	-14.3	2.1
Difference between actual returns and return according to the discount rate on plan assets		0.0
Effects of change in asset limitation excluding amount reported in net interest income		
Effects of reductions and settlements	-2.0	-0.6
Translation differences on foreign plans	-0.9	0.1
Net amount recognized in other comprehensive income	**-17.2**	**1.6**
Actuarial gains and losses recognized in other comprehensive income, accumulated as at the end of the year	-20.4	-3.2

Actuarial gains and losses recognized in other comprehensive income, SEK m	2014	2013
Cumulative as of 1 January	-3.2	-4.8
Reported in the period	-17.2	1.6
Year to date 31 December	**-20.4**	**-3.2**

Assumptions for defined-benefit obligations	2014	2013
The significant actuarial assumptions per the balance sheet date (expressed as weighted averages)		
Discount rate at 31 December	2.3% - 2.8%	3.1% - 4.0%
Expected return on plan assets per 31 December	-	2.2%*
Increase / decrease in medical expenses	-0.5%	-0.5%
Future pension increases	1.5% - 1.75%	1.75% - 2.0%

*) Refers to Norway

Historical information, SEK m	2014	2013
Present value of defined benefit obligation	111.4	97.8
Fair value of plan assets	-0.6	-0.6
Deficit in the plan	110.8	97.2

Sensitivity analysis

The following table presents possible changes in actuarial assumptions on the closing date, with the other assumptions unchanged, and how these would impact on the defined-benefit obligation.

	Increase	Decrease
Discount rate (0.5% change)	-6.8	7.6
Increase / decrease in health care costs (1% change)	0.4	-0.4

Financing

As of 31 December 2014, the weighted average maturity of the obligation was 17.3 years (17.2).

This note continues on the next page.

20 Provision for pensions – benefits to senior executives, continued from previous page

EXPECTED PAYMENTS IN 2014
Expected payments in 2014 for defined-benefit pension plans amount to SEK 4.5m.

Obligations for old-age pensions and family pensions for employees in Sweden are safeguarded via insurance in Alecta. According to a statement from the Swedish Financial Accounting Standards Council's Emerging Issues Task Force, URA 42, this is a defined-benefit plan that covers multiple employers. For the financial year 2014 the company has not had access to such information which makes it possible to report this plan as a defined-benefit plan. The pension plan according to ITP which is safeguarded via insurance in Alecta is therefore reported as a defined-contribution pension plan. The annual charges for retirement annuities which are covered by Alecta amounts to SEK 3.9m (4.9). Alecta's surplus can be distributed to the holders of the insurance policies and/or the ensured parties. The Group's share of total savings premiums for ITP in Alecta amounted to 0.029% (0.032) and the Group's share of the total number of active insured individuals amounts to 0.027% (0.028). At the end of 2014, Alecta's surpluses, in the form of the collective consolidation level, amounted to 143 per cent (148). The collective consolidation level consists of the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's actuarial assumptions, which are not in accordance with IAS 19.

EXPENSES FOR DEFINED-CONTRIBUTION PLANS
In Sweden, there are defined-contribution plans, which are fully paid by the subsidiary. Outside of Sweden, there are defined-contribution plans, which are paid for partly by the subsidiaries, and partly by payment from the employees.

The payment to these plans occurred on an on-going basis according to the conditions of the respective plans.

SEK m	2014	2013
Expenses for defined-contribution plans	31.2	20.4

BENEFITS TO THE SENIOR EXECUTIVES

Principles for compensation to the Board of Directors
Directors' fees are paid to the Chairman of the board of directors and other members according to the decision of the Annual General Meeting. Employee representatives in the board of directors do not receive director's fees. The Annual General Meeting 2014 decided that fees to the board of directors for the work during 2014 would be paid in the amount of SEK 400,000 to the Chairman of the board of directors, and SEK 200,000 each to Per Borgvall, Fabian Hielte, Susanne Pahlén Åklundh, Ylva Hammargren and Gunnar Gremlin.

Principles for compensation to CEO and Group President
Compensation. Compensation is paid to the CEO and Group President in the form of a base salary, pensions and variable compensation. During 2014, the base salary was SEK 3,493,000. The variable compensation can amount to at most 50 per cent of the base salary. Any variable compensation is established on the basis of the Nederman Group's earnings per share. During 2014, compensation to the CEO and Group President was SEK 4,819,000, of which SEK 0 consisted of a variable compensation for the 2014 Financial year.

Notice period for termination of employment and severance pay. For a notice of resignation from the CEO, an advance notice of 6 months is required. With notice of termination of employment on the part of the company, the CEO has the right to a payment corresponding to 18–24 monthly salaries. The six last months with a reservation regarding new employment.

Pension payments. The CEO and Group President is entitled to retire with a pension at age 65. The pension plan is premium-based pension plan and the annual premium corresponds to 35 per cent of the annual base salary. The company's obligation is limited to the payment of the annual premium. During 2014 the premium expenses were SEK 1,210,000 for the CEO and Group President.

Principles for compensation to managers at subsidiaries
Managers at subsidiaries have termination of employment contracts with 6-12 months' salary.

Principles for remuneration to other senior executives
Remunerations. Those members in the Group management, who are employed by companies other than the parent company, receive their remuneration from the respective company. The remuneration is determined by the CEO with the assistance of the Chairman of the board in accordance with principles determined by the 2014 AGM and consists of base salary, pension contribution, variable compensation and other benefits. For other members in the group management the variable compensation may amount to no more than 30 per cent of the base salary. Any variable compensation and its size is determined by the CEO in consultation with the Chairman of the board, based upon the result and tied-up capital in the Nederman Group. During 2014, remuneration to other members of the group management amounted to SEK 15,096,000, of which SEK 0 consisted of variable compensations for the Financial year 2014.

Notice period for termination of employment and severance pay. Other members in the group management have a twelve month notice period for termination of employment if it is initiated on the part of the company, and six months if they give notice. During the period of notice, other members in the group management are entitled to full salary and other employment benefits. None of the other members of the group management are entitled to severance pay.

Pension payments. Other members of the group management are entitled to retire with a pension at age 65. The pension contributions follow the contractual ITP with exception for two members where the pension contribution occurs with 8 price base amounts per year respectively at the most 30 per cent of base salary. The companies' obligations are limited to the annual premiums. The pension-based salary consists of the fixed annual salary plus the average variable compensations during the previous three years.

This note continues on the next page.

20 Provision for pensions – benefits to senior executives, continued from previous page

Compensation and other benefits during 2014

SEK '000	Base salary, director's fees	Variable remuneration	Other benefits	Pension expenses	Total
Chairman of the board Jan Svensson	400				400
Member of the board Per Borgvall	200				200
Member of the board Fabian Hielte	200				200
Member of the board Susanne Pahlén Åklundh	200				200
Member of the board Gunnar Gremlin	200				200
Member of the board Ylva Hammargren	200				200
CEO Sven Kristensson	3,493		116	1,210	4,819
Other senior executives (7 individuals)	11,287		924	2,885	15,096
Total	**16,180**		**1,040**	**4,095**	**21,315**
of which subsidiaries (4 individuals)	6,211		679	1,882	8,772

Compensation and other benefits during 2013

SEK '000	Base salary, director's fees	Variable remuneration	Other benefits	Pension expenses	Total
Chairman of the board Jan Svensson	400				400
Member of the board Per Borgvall	200				200
Member of the board Fabian Hielte	200				200
Member of the board Susanne Pahlén Åklundh	200				200
Member of the board Gunnar Gremlin	200				200
Member of the board Ylva Hammargren	200				200
CEO Sven Kristensson	3,435		131	1,163	4,729
Other senior executives (7 individuals)	9,492		808	2,502	12,802
Total	**14,327**		**939**	**3,665**	**18,931**
of which subsidiaries (4 individuals)	4,446		576	1,422	6,444

SHARE SAVING SCHEME

The Annual General Meeting held on 29 April 2013 approved the Board's proposal to introduce a share saving scheme that initially covers seven people in senior management positions and operating in the Group management team. The terms are such that the people involved in the scheme, provided they invest in Nederman shares themselves, may be assigned without charge Nederman shares, in part so-called matching shares and in part so-called performance shares, at the earliest on the day after publication of Nederman's interim report for the first quarter of 2016 and within 30 days thereafter. For participants to be eligible to receive matching shares requires that their employment within the Group continues and that their investment in Nederman shares continues up to the allocation. The allocation of performance shares also assumes that the Group achieves certain financial performance targets for the years 2013, 2014 and 2015. The AGM decided that the share saving scheme entails a maximum allocation of 75,000 Nederman shares.

To secure supplies of the Nederman share, the AGM decided to buy back Nederman shares.

21 Provisions

Provisions that are long-term liabilities, SEK m	2014	2013
Warranty exposure	11.5	11.0
Other	0.5	0.9
Total	**12.0**	**11.9**

Provisions reported as long-term liabilities fall due more than 12 months after the balance sheet date.

Provisions that are current liabilities, SEK m	2014	2013
Restructuring /severance pay	11.9	6.7
Warranty exposure	26.3	25.0
Other	2.4	13.5
Total	**40.6**	**45.2**

Restructuring /severance pay, SEK m	2014	2013
Reported value, opening balance	6.7	3.7
Provisions during the period	35.1	41.6
Amount used during the period	-30.0	-38.5
Translation differences	0.1	-0.1
Reported value, closing balance	**11.9**	**6.7**

Warranty exposure, SEK m	2014	2013
Reported value, opening balance	36.0	50.4
Provisions during the period	7.6	4.9
Amount used during the period	-3.8	-5.6
Unutilised amount returned during the period	-6.0	-14.1
Translation differences	4.0	0.4
Reported value, closing balance	**37.8**	**36.0**

Other, SEK m	2014	2013
Reported value, opening balance	14.4	15.5
Provisions during the period	1.7	2.7
Amount used during the period		-2.3
Reclassification	-12.8	-0.2
Unutilised amount returned during the period	-0.5	-0.4
Translation differences	0.1	-0.9
Reported value, closing balance	**2.9**	**14.4**

Total provisions, SEK m	2014	2013
Reported value, opening balance	57.1	69.6
Provisions during the period	44.4	49.2
Amount used during the period	-33.8	-46.4
Acquisition		0.0
Reclassification	-12.8	-0.2
Unutilised amount returned during the period	-6.5	-14.5
Translation differences	4.2	-0.6
Reported value, closing balance	**52.6**	**57.1**

Warranties

Provision for product warranties are based on a calculation made on historical data.

22 Other liabilities

Other long-term liabilities, SEK m	2014	2013
Other liabilities	1.5	1.5
	1.5	**1.5**

Other current liabilities	2014	2013
Personnel-related expenses	39.4	39.1
VAT payable	32.8	24.0
Fair value of currency derivatives	4.4	2.3
Advances from customers	68.2	75.2
Invoiced income not yet recognized concerning projects	56.0	71.1
Other liabilities	10.7	26.1
	211.5	**237.8**

23 Accrued expenses and prepaid income

SEK m	2014	2013
Personnel-related expenses	87.2	72.5
Interest costs	0.0	0.0
Audit costs	6.5	4.6
Sales costs	9.0	12.5
Freight and customs costs	0.2	0.7
Other	27.4	25.2
	130.3	**115.5**

24 Financial risks and financial policies

SKS AND UNCERTAINTIES – FINANCE POLICY

The Nederman Group is exposed to a number of risks mainly arising due to purchasing and selling products in foreign currencies. Currency rates and interest rates affect the Group's profits and cash flow. The Nederman Group is also exposed to refinancing and liquidity risks, credit risks and counterparty risks. The Group's central finance department is responsible for identifying and effectively limiting the Group's financial risks. The finance function reports via CFO to the Board.

LIQUIDITY RISK

The liquidity in the Group is not exposed to any significant seasonal fluctuations. The parent company has a financing agreement with Skandinaviska Enskilda Banken formulated as a 3-year framework agreement amounting to SEK 800m. The agreement runs to December 2016. At the end of the year this had been utilised to the amount of SEK 644.8m in revolving credit. No new loans were raised during the year. In the event of a change of ownership, where a party or parties acting together, acquire shares corresponding to more than 50 per cent of the votes, the bank has the right to cancel the agreement in advance under certain conditions.

INTEREST RATE RISKS

The Nederman Group is via its net debt exposed to interest rate risk. The Group's interest-bearing assets and liabilities are subject to variable interest rates or with a maximum term or interest rate commitment of three months, according to financing agreements with the Group's lenders. A change in interest rate of 1 per cent would have affected net financial items in 2014 by SEK 6.3m based on the average of capital tied-up during the year. The Nederman Group has made the assessment that any reasonable changes in interest rates will not affect the Group's earnings in such a significant way that there is any need to hedge against interest rate rises via financial instruments. This assessment is updated regularly.

EFFECTIVE INTEREST RATE AND MATURITY STRUCTURE

The table below presents the effective interest rate on the balance sheet day and the financial liabilities' maturity structure/interest rate renegotiation. The effective interest rate is 2.12%.

	Interest rate	Interest fixing period	Currency	Nominal amount in original currency	Total	Within 3 months	Between 3 and 12 months	Between 1 and 3 years	Between 3 and 5 years	5 years and longer
2014										
Term loan	1.171%	15-02-28	SEK	125.0	134.4	8.2	126.2			
Bank loan (revolving)	1.171%	15-02-28	SEK	122.5	127.7	0.6	1.9	125.1		
Bank loan (revolving)	1.171%	15-02-28	SEK	50.0	52.1	0.3	0.8	51.1		
Bank loan (revolving)	1.548%	15-02-28	EUR	19.5	193.6	1.0	3.0	189.6		
Bank loan (revolving)	1.715%	15-02-28	USD	36.7	298.8	1.5	4.6	292.7		
Financial leasing liabilities					1.0	0.2	0.4	0.4		
Accounts payable					327.7	323.2	4.5	0.0		
Derivatives					4.4	2.6	1.8			
2013										
Term loan	2.353%	14-01-31	SEK	155.0	171.5	8.3	24.9	138.3		
Bank loan (revolving)	2.353%	14-01-31	SEK	122.5	135.7	0.7	2.0	5.3	127.8	
Bank loan (revolving)	2.353%	14-01-31	SEK	50.0	55.4	0.3	0.8	2.2	52.2	
Bank loan (revolving)	1.732%	14-01-31	EUR	19.5	193.1	0.9	2.8	7.5	181.8	
Bank loan (revolving)	1.665%	14-01-31	USD	36.7	264.6	1.3	3.9	10.3	249.2	
Bank overdraft				0.9	0.9	0.9				
Financial leasing liabilities				2.3	2.3	0.4	1.1	0.8		
Accounts payable				255.5	255.5	253.7	1.7	0.1		
Derivatives				1.9	1.9	1.9				

The Group's agreements with Skandinaviska Enskilda Banken (SEB) on bank loans include net debt covenants whereby net debt/EBITDA shall be a maximum of 3.5 times and interest rate coverage shall be a minimum of 3.75.

Interest on the loan is variable, but is normally set for three months.

According to the Group's finance policy, the board of directors establishes from time to time whether interest rate swaps will be used in order to hedge interest rates. At the present time the Board has decided that there shall be no interest rate hedges. This decision may be reviewed in connection with a possible increase of the loan exposure.

The Group's financial liabilities, excluding provision for pensions amounted at the end of the year to SEK 770.8m of which SEK 769.8m was for a revolving amortisation-free loan and SEK 1.0m for financial leasing liabilities. The bank overdraft was not utilised.

The Group had SEK 325.0m in liquid funds and SEK 104.8m in unutilised credit. In addition there was a credit facility of SEK 156.8m, which is a part of Nederman's loan agreement with SEB. On 31 December 2014 the disposable amount of funds was SEK 261.6m.

CREDIT RISKS

Credit risks in accounts receivable. The risk that the Group's customers may not pay their trade debts constitutes a customer credit risk. In order to limit this, the Nederman Group uses credit policies which limit the outstanding amounts and credit terms for different customers. For new customers and for risk markets it is normally required a letter of credit or advance payment. For established customers the credit limit is set and care- fully monitored in order to limit the risks. The Group's largest individual customer accounted for 3.1 per cent of sales. The five largest customers accounted for 8.4 per cent of sales. The allocation of risk may thus be considered to be very good.

The Group's bad debt losses amounted to SEK 6.5m in 2014. Of the Group's total accounts receivable after impairment of SEK 496.9m, around 8 per cent (12) is made up of receivables overdue by more than 90 days.

Provisions for credit losses are made after an individual assessment. As of 31 December 2014, the provisions for credit losses amounted to SEK 21.5m (26.4) corresponding to 4.1 per cent of total customer receivables.

In certain cases, credit insurance is used to secure the payments from customers. Furthermore the terms of payment applied for larger projects requires first payment at the order entry, second payment at the delivery of the products and the final payment upon completed installation and start-up.

This note continues on the next page.

24 Financial risks and financial policies, continued from previous page

SEK m	14-12-31
Overdue customer receivables:	
1-30 days	85.6
31-60 days	22.9
61-90 days	15.9
91-180 days	7.8
181-360 days	10.5
>360 days	21.2
Total overdue customer receivables	**163.9**

The provision for bad debt losses changed during the year as follows:	
Opening balance	-26.4
Provisions for uncertain receivables	-5.4
Receivables written off and not recoverable	10.4
Reversed reservations	1.8
Translation differences	-1.9
Closing balance	**-21.5**

Other counterparties

Credit exposure arises with the investments of liquid funds and trading in derivative instruments. The risk that the counterparty does not fulfil its obligations is limited via the choice of creditworthy counterparties. According to the Group's finance policy, liquid funds will only be invested in first-class banks.

Foreign currency risks

The Nederman Group is via its international operations exposed to currency risks due to changes in exchange rates, which influence the Group's income statement and statement of financial position. The Group's currency exposure encompasses both transaction exposure and translation exposure.

Transaction exposure

Transaction exposure arises when Group companies make purchases in one currency and sell in another currency. In order to limit the transaction exposure in the Nederman Group, the main rule is that the providing companies sell to the sales companies in the sales company's local currency. The transaction exposure in this way thus becomes very small in the sales companies.

The largest operations unit is located in Sweden. Approximately 67 per cent of the purchases are conducted in SEK and the rest primarily in EUR and to a minor extent in USD and CZK.

It is mainly for larger projects on export markets that the pricing is in foreign currencies and in these cases the translation exposure is hedged.

Group invoicing in 2014 was:	
USD	34%
EUR	23%
SEK	9%
GBP	6%
CNY	6%
DKK	4%
PLN	3%
NOK	3%
AUD	2%
Other	10%

According to the Group's finance policy 70 per cent of the expected currency flows in foreign currencies are hedged against currency risk eight months forward. Hedging occurs via forward contracts. Outstanding forward contracts are valued at fair value, which amounted to SEK -4.4m as 31 December 2014. Hedge accounting is not applied, which means that the changes in fair value have affected the result for the year. In the event that currency exposure occurs in material projects currency hedging will take place.

A change in exchange rates of +/- 3 per cent would affect the operating profit by:

		-3%	+3%
EUR	SEK m	-0.1	0.1
USD	SEK m	-3.1	3.1
DKK	SEK m	0.2	-0.2
GBP	SEK m	-0.3	0.3
CNY	SEK m	-0.5	0.5
PLN	SEK m	-0.5	0.5
NOK	SEK m	0.0	0.0

Based on the Group's net flows in these currencies as well as the translation impact on the Group's Income Statement.

FAIR VALUE

In substance fair value corresponds to recorded value in the statement of financial position. The major part of the Group's financial instruments consists of customer receivables, liquid funds, interest bearing liabilities and accounts payables measured at amortised cost. For these categories of financial instruments the recorded value at cost corresponds to fair value. The Group holds derivative instruments, classified as financial assets and liabilities at fair value through profit or loss, in the category held for trading. Recorded value and fair value for these instruments are stated below. For this category of financial instruments the fair value has been based upon observable market data not quoted in an active market.

Calculation of fair value. Financial instruments measured at fair value are divided across the following three levels:

1. Fair value of listed financial instruments based on current market values on the closing date.
2. For unlisted financial instruments, or inactive markets, the value is acquired using assessment methods and the Group makes assumptions based on market conditions on the closing date. Market interest rates are used to calculate the fair value of long-term loans.
3. For financial instruments whose value is not based on observable data, i.e. for market value is not indicated, fair value is considered to be the same as reported value.

The market value used to determine fair value was established using directly observable market data not listed on an active market (level 2).

The note continues on the next page.

24 Financial risks and financial policies, continued from previous page

CLASSIFICATIONS, FAIR VALUE AND LEVELS IN THE ASSESSMENT HIERARCHY

			REPORTED VALUE							
	Level	Note	Held for trading	Initially identified at fair value	Hedge instrument	Investment held till maturity	Loans and accounts receivable	Financial assets that may be sold	Other liabilities	Total
2014, SEK m										
Financial assets assessed at fair value										
Foreign exchange forward contracts	2	**14**								
Financial assets not reported at fair value										
Accounts receivable	-						496.9			496.9
Liquid assets	-	**27**					325.00			325.0
Financial liabilities assessed at fair value										
Foreign exchange forward contracts	2	**22**	-4.4							-4.4
Financial liabilities not reported at fair value										
Bank loans	-	**19**					-769.8			-769.8
Financial leasing liabilities	-	**19**					-1.0			-1.0
Accounts payable	-						-327.7			-327.7
2013, SEK m										
Financial assets assessed at fair value										
Foreign exchange forward contracts	2	**14**	0.4							0.4
Financial assets not reported at fair value										
Accounts receivable	-						472.0			472.0
Liquid assets	-	**27**					270.0			270.0
Financial liabilities assessed at fair value										
Foreign exchange forward contracts	2	**22**	-2.3							-2.3
Financial liabilities not reported at fair value										
Bank loans	-	**19**					-740.5			-740.5
Financial leasing liabilities	-	**19**					-2.3			-2.3
Bank overdraft							-0.9			-0.9
Accounts payable	-						-255.5			-255.5

The reported value of accounts receivable, other receivables, liquid funds, accounts payable and other liabilities constitute a reasonable approximation of fair value.

Financial instruments assessed at fair value

Type	Assessment method	Significant unobservable input	Link between significant unobservable input and assessment of fair value
Foreign exchange forward contracts	Market rates: Fair values are based on quotations of brokers. Similar contracts traded in an active market and rates reflect actual transactions on comparable instruments.	ET	ET

Financial instruments not assessed at fair value

Type	Assessment method	Significant unobservable input
Other financial liabilities *	Discounted cash flows	ET

* Other financial liabilities refer to bank loans and financial leasing costs.

NETTING AGREEMENTS AND SIMILAR AGREEMENTS

The Group enters into derivative contracts under the International Swaps and Derivatives Association (ISDA) master netting agreements. The agreements mean that when a counterparty is unable to regulate their obligations under any transaction the contract is cancelled and all outstanding transactions shall be governed by a net amount. ISDA agreements do not meet criteria for netting in the statement of financial position. This is because the offset under ISDA agreements is only allowed if the other party or the Group cannot settle their obligations. Moreover, it is not the other party or the Group's intention to settle the balances on a net basis, or at the same time.

The information in the table below shows financial instruments covered by a legally enforceable master netting agreement or a similar agreement.

This note continues on the next page.

24 Financial risks and financial policies, continued from previous page

31 December 2014, SEK m	Note	Financial assets	Financial liabilities	Net amounts in statement of financial position	Financial instruments that cannot be netted	Net amounts
Financial assets						
Other investments, including derivatives						
- Currency derivatives	14					
Financial liabilities						
Accounts payable and other liabilities						
- Currency derivatives	22		-4.4			-4.4

31 December 2013, SEK m	Note	Financial assets	Financial liabilities	Net amounts in statement of financial position	Financial instruments that cannot be netted	Net amounts
Financial assets						
Other investments, including derivatives						
- Currency derivatives	14	0.4				0.4
Financial liabilities						
Accounts payable and other liabilities						
- Currency derivatives	22		-2.3			-2.3

The following foreign exchange forward contracts had been entered on the closing date:

Amount to sell		Amount to receive		Book value, SEK m	Market value, SEK m
EUR m	6.4	SEK m	59.2	-1.4	-1.4
GBP m	2.0	SEK m	23.3	-0.9	-0.9
USD m	3.4	SEK m	24.4	-1.9	-1.9
PLN m	3.2	SEK m	6.8	-0.2	-0.2
			113.7	-4.4	-4.4
Total				**-4.4**	**-4.4**

Translation exposure. Net assets in the Group are divided across the following currencies:

Currency	2014		2013	
SEK	382.9	52%	343.9	55%
EUR	129.5	18%	119.0	19%
GBP	45.0	6%	32.1	5%
USD	56.4	8%	32.4	5%
CAD	33.8	5%	-13.7	-2%
NOK			22.7	4%
PLN	89.4	12%	73.9	12%
CNY	55.4	8%	44.9	7%
DKK	-155.6	-21%	-122.0	-20%
Other	96.5	13%	86.6	14%
	733.3	**100%**	**619.8**	**100%**

The Group's policy is not to hedge translation exposure in foreign currency.

25 Operational leasing

Leasing contracts where the company is the lessee

Future payments for non-cancellable leasing contract amount to:

SEK m	2014	2013
Within one year	55.3	54.6
Between one and five years	87.2	112.9
More than five years	22.1	15.3
	164.6	**182.8**

Of the Group's operational leasing contracts the major part concerns rental agreements for property and the premises where the business operations are conducted.

Expenses for operating leases:

SEK m	2014	2013
Minimum leasing fees	42.1	52.3
Variable fees	1.1	2.1
Total leasing costs	**43.2**	**54.4**

26 Pledged assets and contingent liabilities

SEK m	2014	2013
Pledged assets		
Pledged assets for debts and provisions		
Net assets in subsidiaries	none	none
Mortgages	none	none
Chattels	none	none
Assets with ownership restrictions (financial leasing)	1.4	3.4
Total pledged assets	**1.4**	**3.4**

Contingent liabilities

FPG/PRI	0.7	0.7
Warranty commitments	71.2	61.3
Total contingent liabilities	**71.9**	**62.0**

27 Cash flow analysis

Liquid funds

SEK m	2014	2013
Subcomponents in cash and cash equivalents:		
Cash and cash equivalents	325.0	270.0
Total according to statement of financial position	**325.0**	**270.0**

Adjustments for items not included in cash flow

SEK m	2014	2013
Changes in value of financial instruments		
Gain on sale of tangible assets	-7.2	-4.3
Provisions	-8.7	-12.6
Other items		0.1
	-15.9	**-16.8**

Transactions that do not involve payments

SEK m	2014	2013
Acquisition of assets through financial leases	0.0	0.0

Unused credits

SEK m	2014	2013
Unused credit amounts to:	261.6	302.8

28 Significant events after the closing date

No significant events have occurred after the closing date.

29 Significant estimations and assessments

Certain assumptions about the future and certain estimations and assessments as of the close of the reporting period have special importance for the value of the assets and liabilities in the balance sheet. Presented below are the areas where the risk of changes in value during the subsequent year is significant because the assumptions or estimations may need to be changed.

EXAMINATION FOR WRITE-DOWNS OF GOODWILL

The book value of goodwill is reviewed at least once a year with respect to the possible need for impairment. The review requires an assessment of the value in use of the cash-generating unit, or group of cash-generating units, to which the goodwill value relates. This requires that several assumptions about the future situation and estimates of parameters have been made. A report of these is found in note 12. As described in note 12 a change during 2014 in the conditions for these assumptions and estimations might have an effect on the value of the goodwill. The senior executives are of the opinion however that no reasonable changes in important assumptions at the impairment test of the cash-generating units will result in a recoverable value lower than the carrying amount.

INCOME TAXES

When estimating deferred tax assets and tax liabilities an assessment is made concerning the probability of whether the deferred tax assets will be utilised for settlement against future taxable profit. The fair value of these future taxable profits may deviate in terms of the future business climate and earnings capability or due to changed tax rules, see note 11.

30 Information on the parent company

Nederman Holding AB (publ) is a Swedish registered limited company with its registered office in Helsingborg, Sweden. The parent company's shares are registered on the Nasdaq OMX Mid Cap list.

The address of the main office is:

P.O. Box 602, SE-251 06 Helsingborg Sweden.
Visiting address is Sydhamnsgatan 2.

The consolidated reporting for 2014 comprises the parent company and its subsidiaries, collectively referred to as the Group.

Parent company's income statement

		1 January – 31 December	
SEK m	Note	2014	2013
Other operating income	1	25.7	40.3
Research and development expenses		-1.0	-9.5
Administrative expenses		-68.0	-90.1
Acquisition costs			
Restructuring and integration costs		-4.8	-7.3
Other operating expenses	2	-9.8	-3.3
Operating profit	3, 4, 13, 16	**-57.9**	**-69.9**
Earnings from participations in Group companies	5, 18	82.4	157.8
Interest income and similar items	5	11.4	13.7
Interest expenses and similar items	5	-17.1	-19.3
Profit after financial items		**18.8**	**82.3**
Group contribution	6, 18	21.5	50.0
Profit before taxes		**40.3**	**132.3**
Taxes	7	6.9	0.0
Net profit		**47.2**	**132.3**

Parent company's statement of comprehensive income

	1 January – 31 December	
SEK m	2014	2013
Net profit	47.2	132.3
Other comprehensive income		
Items that will not be reclassified to the income statement		
Items that may be reclassified to the income statement		
Other comprehensive income for the period, net after tax		
Total comprehensive income for the period	**47.2**	**132.3**

Parent company's statement of financial position

SEK m	Notes	31 December 2014	2013
Assets			
Intangible fixed assets	8	10.6	9.2
Tangible fixed assets	9	1.2	2.6
Long-term receivables, Group companies	18	458.5	384.7
Participations in Group companies	19	874.9	884.7
Deferred tax assets	7	23.7	16.8
Total fixed assets		**1,368.9**	**1,298.0**
Accounts receivable	18	165.6	226.4
Tax receivable	7	0.1	0.8
Other receivables	10	7.0	4.8
Prepaid expenses and accrued income	11	5.5	3.4
Cash and cash equivalents	20	105.4	59.7
Total current assets		**283.6**	**295.1**
Total assets		**1,652.5**	**1,593.1**
Equity			
Restricted equity			
Share capital		1.2	1.2
Reserves		292.5	292.5
Unrestricted equity			
Premium reserve		5.9	5.9
Profit brought forward		217.9	139.1
Net profit for the year		47.2	132.3
Total equity		**564.7**	**571.0**
Liabilities			
Liabilities to credit institutions	12	738.2	709.4
Total long-term liabilities		**738.2**	**709.4**
Liabilities to credit institutions	12	30.0	30.0
Accounts payable		9.3	7.5
Liabilities to Group companies	18	296.4	261.1
Other liabilities	14	1.2	1.5
Accrued expenses and prepaid income	15	12.7	12.6
Total current liabilities		**349.6**	**312.7**
Total equity and liabilities		**1,652.5**	**1,593.1**

Pledged assets and contingent liabilities for parent company, SEK m	Not	2014	2013
Pledged assets	17	none	none
Contingent liabilities	17	145.3	135.7

Statement of changes in parent company's equity

	Restricted equity		Unrestricted equity		
SEK m	Share capital	Reserve	Premium reserve	Profit/loss brought forward	Total equity
Opening balance 1 Jan. 2013	**1.2**	**292.5**	**5.9**	**184.9**	**484.5**
Net profit for the year				132.3	132.3
Other comprehensive income					
Total other comprehensive income					
Total comprehensive income				**132.3**	**132.3**
Transactions with Group's owners					
Dividends				-46.9	-46.9
Share-related remuneration				1.1	1.1
Closing balance 31 Dec. 2013	**1.2**	**292.5**	**5.9**	**271.4**	**571.0**
Opening balance 1 Jan. 2014	**1.2**	**292.5**	**5.9**	**271.4**	**571.0**
Net profit for the year				47.2	47.2
Other comprehensive income					
Total other comprehensive income					
Total comprehensive income				**47.2**	**47.2**
Transactions with Group's owners					
Dividends				-46.7	-46.7
Share-related remuneration				-0.1	-0.1
Share buy-backs				-6.7	-6.7
Closing balance 31 Dec. 2014	**1.2**	**292.5**	**5.9**	**265.1**	**564.7**

Parent company's cash flow statement

SEK m	Notes	1 January – 31 December 2014	2013
Operating activities			
Operating profit		-57.9	-69.9
Adjustment for items not included in cash flow	20	6.1	8.9
Dividends received		83.0	157.8
Interest received and other financial items		11.4	12.1
Interest paid and other financial items		-17.1	-19.3
Income tax paid		0.8	0.0
Cash flow from operating activities before changes in working capital		**26.3**	**89.6**
Cash flow from changes in working capital			
Increase (-)/Decrease(+) of operating receivables		17.1	9.4
Increase (+)/Decrease (-) of operating liabilities		2.7	2.8
Cash flow from ongoing business activities		**46.1**	**101.8**
Investing activities			
Capital expenditure for tangible fixed assets		0.0	-1.2
Capital expenditure for intangible fixed assets		-5.5	-5.7
Acquisition/capital contribution, subsidiaries		9.8	-45.2
Cash flow from investing activities		**4.3**	**-52.1**
Financial activities			
New loans			50.0
Repayment of loans/Change in interest-bearing receivables/ liabilities		42.0	-6.6
Dividend paid		-46.7	-46.9
Cash flow from financing activities		**-4.7**	**-3.5**
Cash flow for the year		**45.7**	**46.2**
Cash and cash equivalents at the beginning of the year		59.7	13.5
Cash and cash equivalents at the end of the year		**105.4**	**59.7**

1 Other operating income

SEK m	2014	2013
Management charges, debited to subsidiaries	25.7	40.3
	25.7	**40.3**

2 Other operating expenses

SEK m	2014	2013
Currency losses on operating receivables/liabilities	-9.8	-3.3
	-9.8	**-3.3**

3 Employees and employee expenses

Average number of employees	2014			2013		
	Women	Men	Total	Women	Men	Total
Sweden	11	12	23	23	28	51
Total, parent company	**11**	**12**	**23**	**23**	**28**	**51**

Distribution according to gender in senior management, percentage of women	2014	2013
Board	29%	29%
Other senior executives	25%	20%

Expenses for remuneration to employees, SEK m	2014	2013
Salaries and other remuneration	22.9	35.1
Social security expenses	13.6	20.9
(of which, pension expenses)	(3.3) 1)	(4.7) 1)

1) Of the parent company's pension costs SEK 1.2m (1.2) concern the CEO for the parent company. There are no outstanding pension obligations to the Group's Board of Directors, CEO and senior executives.

Salaries and other remuneration allocated between the board of directors and other employees, SEK m	2014	2013
Board of Directors, CEO and senior executives	4.9	4.3
(of which variable compensation)		(-0.7)
Other employees	18.0	30.8
	22.9	**35.1**

4 Auditor's fees and compensation

SEK m	2014	2013
KPMG		
Audit assignment	0.8	0.9
Other audit assignment		
Tax advice		
Other assignments		

Audit assignments refer to the statutory audit of annual and consolidated accounts, the administration of the board of directors and CEO, and auditing and other verifications as agreed.

Other audit assignments include other duties incumbent on the company's auditors and advice or other assistance required by the findings in the audit or performance of other tasks.

5 Net financial items

SEK m	2014	2013
Dividend	83.0	157.8
Impairment of book value of shares in subsidiaries	-0.6	
Result from investments in subsidiaries	**82.4**	**157.8**
Other interest income	0.1	0.1
Other financial income, Group companies	11.3	12.0
Exchange rate changes	0.0	1.6
Interest income and similar items	**11.4**	**13.7**
Interest expenses, other	-16.8	-19.1
Other financial expenses, Group companies	-0.3	-0.2
Interest expenses and similar items	**-17.1**	**-19.3**

6 Allocations

SEK m	2014	2013
Group contribution	21.5	50.0
	21.5	**50.0**

7 Taxes

Reported in income statement. SEK m	2014	2013
Current tax expense (-)		
Tax expense for the period	0.0	0.0
Adjustment of tax relating to previous years		
	0.0	**0.0**
Deferred tax expense (–) /tax income (+)		
Deferred tax concerning changes temporary differences		
Deferred tax concerning changes in tax rate		
Deferred tax assets in the year capitalised tax value in loss carry-forward	6.9	
Total reported tax expenses in parent company	**6.9**	

Reconciliation of effective tax. SEK m	2014	2013
Profit before tax	40.3	132.3
Tax according to the applicable tax rate for the Parent company	-8.9	-29.1
Non-tax deductible expenses	-0.2	-0.1
Non-taxable income	18.3	34.7
Effect of changed tax rate		
Increase of loss carryforwards without corresponding capitalisation of deferred tax/temporary differences		
Reported effective tax	-2.4	-5.5
Redovisad effektiv skatt	**6.9**	**0.0**

8 Intangible fixed assets

	2014			2013		
SEK m	Development activities	Software	Total	Development activities	Software	Total
Accumulated cost						
Opening balance	0.0	19.6	19.6		15.7	15.7
Internally developed assets	1.2	3.1	4.3	7.3		7.3
Year's capital expenditure	1.2		1.2		3.9	3.9
Sold and scrapped				-1.9		-1.9
Reclassification				-5.4		-5.4
Closing balance	**2.4**	**22.7**	**25.1**	**0.0**	**19.6**	**19.6**
Accumulated depreciation and impairment						
Opening balance	0.0	-10.4	-10.4		-6.6	-6.6
Sold and scrapped				2.8		2.8
Depreciation for the year	0.0	-4.1	-4.1	-2.8	-3.8	-6.6
Closing balance	**0.0**	**-14.5**	**-14.5**	**0.0**	**-10.4**	**-10.4**
Book value						
Opening balance	0.0	9.2	9.2		9.1	9.1
Closing balance	**2.4**	**8.2**	**10.6**	**0.0**	**9.2**	**9.2**

Depreciation and impairments, SEK m	2014	2013
Depreciation is included in the following lines in the income statement		
Cost of sold goods	0.0	-2.8
Sales costs	0.0	
Administrative expenses	-4.1	-3.8
	-4.1	**-6.6**

9 Tangible fixed assets

	2014		2013	
SEK m	Equipment, tools and fittings	Total	Equipment, tools and fittings	Total
Accumulated cost				
Opening balance	6.7	6.7	5.5	5.5
Capital expenditures	0.0	0.0	1.2	1.2
Closing balance	**6.7**	**6.7**	**6.7**	**6.7**
Accumulated depreciation				
Opening balance	-4.1	-4.1	-2.5	-2.5
Depreciation for the year	-1.4	-1.4	-1.6	-1.6
Closing balance	**-5.5**	**-5.5**	**-4.1**	**-4.1**
Book value				
Opening balance	2.6	2.6	3.0	3.0
Closing balance	**1.2**	**1.2**	**2.6**	**2.6**

Depreciation and impairment, SEK m	2014	2013
Depreciation is included in the following items in the income statement		
Administration costs	-1.4	-1.6
	-1.4	**-1.6**

10 Long-term receivables and other receivables

SEK m	2014	2013
Other receivables which are current assets		
VAT receivable	7.0	4.8
	7.0	**4.8**

11 Prepaid costs and accrued income

SEK m	2014	2013
Computer/license costs	2.2	2.1
Insurance	1.2	
Bank costs	0.1	0.7
Other	2.0	0.6
	5.5	**3.4**

12 Credit institution liabilities

SEK m	2014	2013
Long-term liabilities		
Bank loans	738.2	709.4
	738.2	**709.4**
Current liabilities		
Bank loans	30.0	30.0
	30.0	**30.0**

13 Pensions

Defined-contribution plans

In Sweden the Group has defined-contribution pension plans paid in full by the companies. Payments into these plans are continual in accordance with the rules for each plan.

SEK m	2014	2013
Costs for defined-contribution pension plans	0.7	1.4

For more information about handling of pensions, see note 20.

14 Other liabilities

SEK m	2014	2013
Pension-related liabilities	1.2	1.5
	1.2	**1.5**

15 Accrued costs and prepaid income

SEK m	2014	2013
Employee-related expenses	10.2	11.5
Audit expenses	0.1	0.5
Other	2.4	0.6
	12.7	**12.6**

16 Operational leasing

Leasing contracts where the company is the lessee

Future payments for non-cancellable leasing contract amount to:

SEK m	2014	2013
Within one year	0.4	0.7
Between one and five years	0.5	0.6
More than five years		
	0.9	**1.3**

Expenses for operating leases:

SEK m	2014	2013
Minimum leasing fees	0.6	0.9
Variable fees		
Total leasing costs	**0.6**	**0.9**

17 Pledged assets and contingent liabilities

SEK m	2014	2013
Pledged assets		
Pledged assets for debts and provisions		
Shares in subsidiaries	none	none
Total pledged assets	**none**	**none**
Contingent liabilities		
FPG/PRI	0.7	0.7
Guarantees on behalf of subsidiaries	144.6	135.0
Total contingent liabilities	**145.3**	**135.7**

18 Related parties

Closely related relationships

The parent company has a closely related relationship with its subsidiaries, see note 19.

No member of the Board of Directors or senior executives have or have had any direct or indirect participation in any business transaction with Group companies which is or was of an exceptional character with regard to terms and conditions that occurred during the year or in any previous year. Nor has any Group company provided any loan, given any guarantees or entered into any surety relationships for any of the members of the Board of Directors or senior executives. For intercompany transactions see, accounting principles note 1. Loans to subsidiaries are made on market terms.

Summary of transactions between closely related parties

Close relations, subsidiaries, SEK m	2014	2013
Other operating income	25.7	40.3
Dividends received	83.0	157.8
Group contribution received	21.5	50.0
Financial income	11.3	12.0
Financial expenses	-0.3	-0.2
Receivables December 31	624.1	611.1
Liabilities December 31	296.4	261.1

TRANSACTIONS WITH KEY PERSONS IN LEADING POSITIONS

Regarding the salaries and other remuneration, costs and commitments for pensions and similar benefits, and severance payment agreements, for Board members, the CEO and other senior executives, see note 20.

19 Group companies

Parent company's shareholdings and participations in subsidiaries, 2014

Subsidiary	Organization number	Domicile / Country	Number of shares	Percentage of shares	Book value SEK m
AB Ph. Nederman & Co	556089-2951	Helsingborg, Sweden	550,000	100.0%	229.7
Nederman S.A.S.	434134615	Paris, France		100.0%	
Nederman Distribution Sales AB	556272-9854	Helsingborg, Sweden		100.0%	
Nederman Ibérica	A79441762	Madrid, Spain		100.0%	
Nederman Logistics North America Ltd	426065-1	Mississauga, Canada		100.0%	
Nederman Pty Ltd		Bayswater, Victoria, Australia		100.0%	
Töredal Verkstad AB	556199-7601	Kvänum, Sweden		100.0%	
Nederman (Shanghai) Co Ltd	67113929X	Shanghai, China		100.0%	
Nederman International Trading Shanghai Co. Ltd	688759399	Shanghai, China		100.0%	
Nederman Magyarorszag Kft	01-09-874950	Budapest, Hungery		100.0%	0.2
Nederman Nordic AB	556426-7358	Helsingborg, Sweden	2,000	100.0%	110.6
Nederman Norge, Filial til Nederman Nordic	914149762	Skedsmo, Norway			
Nederman Danmark, Filial af Nederman Nordic AB	36414642	Mariager, Denmark			
Nederman N.V.	428727	Bryssel, Belgium	4,000	100.0%	30.4
Nederman GmbH	HRB225315	Stuttgart, Germany		100.0%	19.2
Nederman GmbH (Austria)	FN2315530k	Wien, Austria		100.0%	
Nederman Ltd	1393492	Preston, UK	10,000	100.0%	49.3
Nederman Filtration Ltd	562216	Preston, UK		100.0%	
Nederman CR s.r.o.	25634364	Prag, Tjeckien	1	100.0%	0.0
Nederman Holding USA Inc	465-416	Thomasville, USA		100.0%	106.5
Nederman Manufacturing and Logistics LLC		Thomasville, USA		100.0%	
Nederman LLC		Thomasville, USA		100.0%	
Nordfab LLC		Thomasville, USA		100.0%	
Nederman Shared Services LLC		Thomasville, USA		100.0%	
Environmental Filtration Technologies Holding, Inc.		Wilmington, USA		100.0%	
Pnuemafil Corporation		Wilmington, USA		100.0%	
LCI Corporation International		Charlotte, USA		100.0%	
Menardi Mikropul LLC		Wilmington, USA		100.0%	
Nederman Mikropul Canada Inc.		Wilmington, USA		100.0%	
Nederman S. de R.L. de C.V		Polanco, Mexico		57%*	
Nederman Mikropul LLC		Wilmington, USA		100.0%	
Nederman Canada Ltd	856 876	Mississauga, Canada	1	100.0%	32.1
Nederman do Brasil Comércio de Produtos de Exaustao Ltda	05.880.850/0001-45	Sao Paulo, Brazil	3,365	100.0%	6.1
Arboga-Darenth Ltd	1048823	Preston, UK	10	100.0%	0.0
Nederman India Private Limited	U74900PN2008FTC144278	Pune, India	100,000	100.0%	0.3
Nederman Makine Sanayi Ve Ticaret Limited Sirketi	647743	Istanbul, Turkey		53%*	7.6
Nederman Holding Danmark A/S	28301650	Mariager, Denmark	60,500	100.0%	208.1
Nederman Filtration GmbH	HRB391382	Freiburg, Germany		100.0%	
Nederman Holding Germany GmbH	HRB701805	Freiburg, Germany		100.0%	
Nederman OOO	1082468018511	Moscow, Russia		100.0%	
Nederman Manufacturing Poland Sp. z o.o.	0000050307	Marki, Poland		100.0%	
Nederman Polska Sp. z o.o.	0000109291	Marki, Poland		96%*	
Nederman SEA Co Ltd		Chonburi, Thailand		100.0%	
Nederman (Malaysia) Sdn Bhd.	892768T	Selangor, Malaysia		100.0%	
PT Nederman Indonesia		Jakarta, Indonesia		10.0%*	0.2
Nederman Filtration AB	556609-6177	Malmö, Sweden		100.0%	
Nederman Manufacturing (Suzhou) Co Ltd	782062459	Suzhou, China		100.0%	
Nordfab Europe AS	17011405	Mariager, Denmark		100.0%	
Lebon & Gimbrair Beheer N.V.	31033906	Amersfoort, Netherlands		100.0%	36.7
Lebon & Gimbrair B.V.		Amersfoort, Netherlands		100.0%	
Nederman Nederland BV	58655360	Amersfoort, Netherlands		100.0%	
Mikropul Holding BV		Amersfoort, Netherlands		100.0%	37.4
Mikropul GmbH	HRB 33261	Cologne, Germany		100.0%	
Mikropul Australia Holdings Pty Ltd		Bayswater, Victoria, Australia		100.0%	
Mikropul Australia Pty Ltd		Bayswater, Victoria, Australia		100.0%	
EFT France Holding	429043276	Pontcharra, France		100.0%	
Mikropul France SAS	303573307	Pontcharra, France		100.0%	
Nordfab Ducting Co Ltd		Chonburi, Thailand		51%*	0.2
Nederman Manufacturing SEA		Chonburi, Thailand		51%*	0.3
Total parent company					**874.9**

* 100% owned by the Group

This note continues on the next page.

19 Group companies, continued from previous page

Accumulated cost, SEK m	2014	2013
Opening balance	884.7	839.5
Acquisition of Group companies		45.2
Restructuring within the Group	-101.6	
Merger		
Capital contribution	91.8	
Impairment of book value		
Reported value, 31 December	**874.9**	**884.7**

20 Cash flow analysis

Liquid funds – parent company, SEK m	2014	2013
Subcomponents in cash and cash equivalents:		
Cash and cash equivalents	105.4	59.7
Total according to statement of financial position	**105.4**	**59.7**

Adjustments for items not included in cash flow

SEK m	2014	2013
Depreciation	5.5	8.2
Unrealised translation differences	0.6	0.0
	6.1	**8.9**

Unused credits, SEK m	2014	2013
Unused credit amounts to:	261.6	302.8

Proposed appropriation of profits

The Board of directors and CEO propose that the profits in Nederman Holding AB be appropriated as follows:	
Share premium reserve	5,866,700
Profits brought forward	217,981,486
Profit for the year	47,169,698
Total, SEK	**271,017,884**

Allocated as follows:	
a dividend of SEK 4.00 per share to Shareholders	46,861,360
transferred to the share premium reserve	5,866,700
transferred to profits brought forward	218,289,824
Total SEK	**271,017,884**

The board proposes that the dividend for 2014 be SEK 4.00 per share, the same dividend as in 2013, a total of SEK 46.9m. The dividend will be finally adopted at the Annual General Meeting on 22 April 2015.

The consolidated accounts and the annual report have been drawn up in accordance with international accounting standards as prescribed in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council dated 19 July 2002 concerning the application of international accounting standards and good accounting practice in Sweden, and they give a fair picture of the Group's and parent company's position and results. The Directors' report for the Group and parent company provides a fair overview of the Group's and parent company's activities, position and results and they describe the main risks and uncertainties facing the parent company and Group companies. The annual report and consolidated accounts will be subject to adoption by the Annual General Meeting to be held on 22 April 2015.

Helsingborg, 11 February 2015

Jan Svensson
Chairman

Fabian Hielte
Board member

Ylva Hammargren
Board member

Gunnar Gremlin
Board member

Per Borgvall
Board member

Susanne Pahlén Åklundh
Board member

Sven Kristensson
CEO

Jonas Svensson
Employee representative

Our audit report was issued on 11 March 2015

KPMG AB

Dan Kjellqvist
Authorised public accountant

Auditor's report

To the annual meeting of the shareholders of Nederman Holding AB, Corporate identity number 556576-4205

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Nederman Holding AB for the year 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 40-81.

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

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

Auditor's responsibility

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

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

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

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 then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the income statement and statement of financial position for the group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Nederman Holding AB for the year 2014

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

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 basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Malmö, Sweden on 11 March 2015
KPMG AB

Dan Kjellqvist
Authorised Public Accountant

Board of Directors

Jan Svensson (1956)
Chairman of the board
- President and member of the board of Investment AB Latour.
- Chairman of the board of AB Fagerhult and Oxeon AB.
- Member of the board of Loomis AB, Tomra Systems ASA and AssaAbloy.
- Owns 5,000 Nederman shares.

Per Borgvall (1958)
Elected by AGM
- President and Chief Executive Officer of Gunnebo AB.
- Owns no Nederman shares.

Gunnar Gremlin (1945)
Elected by AGM
- Chairman of the board of Dyckerhoff AG, Gremlin Restaurang & Vin AB and PSM Holding Ltd.
- Member of the board of Lonestar Inc.
- Owns 43,939 Nederman shares.

Ylva Hammargren (1966)
Elected by AGM
- Business Transformation Manager, Business Area Industrial Market, Regional Sales and Service, AB SKF.
- Member of the board of Specma Group AB.
- Owns no Nederman shares.

Fabian Hielte (1975)
Elected by AGM
- Chairman of the board of Platzer Fastigheter Holding AB.
- Member of the board of Ernström & C:o and Ernströmgruppen.
- CEO of Ernström & C:o.
- Owns 1,175,000 Nederman shares via juridicial person. The ownership consists of part-owned indirect holdings.

Sven Kristensson (1962)
Elected by AGM
- President and Chief Executive Officer of Nederman Holding AB.
- Chairman of the board of BK PAC AB, Diedenporten AB and Kristensson Holding AB.
- Owns 104,881 Nederman shares.

Susanne Pahlén Åklundh (1960)
Elected by AGM
- Director of Equipment division, Alfa Laval
- Owns no Nederman shares.

Jonas Svensson (1958)
Chairman of the local branch of Unionen trade union
- Owns 100 Nederman shares.

Senior executives

Sven Kristensson
President and CEO
- Born 1962.
- Employed by Nederman since 2001.
- Owns 104,881 Nederman shares.

Torbjörn Bäck
Senior Vice President
Head of Division APAC
- Born 1971.
- Employed by Nederman since 2012.
- Owns 1,929 Nederman shares.

Hans Dahlén
Senior Vice President
Head of Division EMEA
- Born 1968.
- Employed by Nederman since 2013.
- Owns no Nederman shares.

Per-Ove Eriksson
Senior Vice President
Duct & Filter elements
- Born 1956.
- Employed by Nederman since 1996.
- Owns 24,099 Nederman shares.

Stefan Fristedt
Senior Vice President
CFO
- Born 1966.
- Employed by Nederman since 2010.
- Owns 1,324 Nederman shares.

Anders Franzén
Senior Vice President
Corporate Development
- Born 1961.
- Employed by Nederman since 2009.
- Owns 1,765 Nederman shares.

Per Lind
Senior Vice President
Head of Division Americas
- Born 1957.
- Employed by Nederman since 2007.
- Owns 3,294 Nederman shares.

Eva Carin Svensson
Senior Vice President HR
- Born 1964.
- Employed by Nederman since 2009.
- Owns 588 Nederman shares.

Definitions

Annual average
Average of year-beginning and year-end balance.

Capital turnover rate
Net sales divided by average operating capital.

Earnings per share (before dilution)
Profit for the year attributable to parent company's shareholders in relation to the average number of outstanding shares.

Earnings per share (after dilution)
Profit for the year attributable to parent company shareholders in relation to the average number of outstanding shares plus the average number of convertibles and options, calculated in accordance with IAS 33.

EBIT
Operating profit after depreciation and amortisation.

EBIT margin
EBIT as a percentage of net sales.

EBITDA
Operating profit before depreciation and amortisation.

EBITDA margin
EBITDA as a percentage of net sales.

Equity/asset ratio
Equity divided by total assets (balance sheet total).

Equity per share
Average shareholders' equity divided by average number of outstanding shares.

Interest coverage ratio
Profit before tax with a reversal of financial expenses in relation to financial expenses.

Net debt
Interest bearing liabilities (including pensions) minus cash and cash equivalents.

Net debt/equity ratio
Net debt divided by shareholders' equity.

Operating capital
Shareholders' equity plus net debt.

Operating cash flow
Cash flow from operating activities excluding acquisition and restructuring costs and gain/loss on divestment of subsidiaries adjusted for net financial items and income tax paid, plus cash flow from investing activities, excluding acquisition of business enterprises.

Return on equity
Net profit for the period divided by average shareholders' equity.

Return on operating capital
EBIT as a percentage of average operating capital.

Articles of association

1 § Company name. The name of the Company is Nederman Holding Aktiebolag. The Company is a public company (publ).

2 § Registered office. The registered office of the board of directors is in Helsingborg municipality.

3 § Company's operations. The object of the Company's operations is to directly or through subsidiaries produce and market products to improve the industrial workplace environment and to own and manage enterprises as well as real estate and personal property, and to engage in compatible operations.

4 § Share capital. The Company's share capital shall not be lower than seven hundred and fifty thousand (SEK 750,000) and shall not exceed three million (SEK 3,000,000).

5 § Number of shares. The number of shares shall be no lower than ten million (10,000,000) and shall not exceed forty million (40,000,000).

6 § VPC-registered company. The Company's shares shall be registered in a CSD register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

7 § Financial year. The Company's financial year shall be the calendar year.

8 § Board of directors. The board of directors shall consist of at least three (3) and not more than eight (8) members with a maximum of three (3) deputies. Board members will be elected annually at the Annual General Meeting for the period extending until the close of the next Annual General Meeting.

9 § Auditor. The firm shall have at least one (1) and no more than two (2) auditors, without or with no more than one (1) deputy auditor. An approved or authorized public accountant or a registered auditing firm shall be appointed auditor and, where appropriate, deputy auditor.

10 § Notice of Annual General Meeting. Notice of the Annual General Meeting and of Extra General Meetings convened to address amendments to the Articles of Association, shall be issued not earlier than six weeks and not later than four weeks prior to the meeting. Notice of other Extraordinary General Meetings shall be issued not earlier than six weeks and not later than two weeks prior to the meeting. Notice of Annual General Meeting shall be given in Post- och Inrikes Tidningar as well as on the company's website. It shall be advertized in Svenska Dagbladet or, if publication is cancelled, in Dagens Industri instead, that notice of the meeting has been given.

11 § Right to participate in Annual General Meeting. Shareholders who wish to participate in proceedings at the Annual General Meeting must be included in the transcript of the entire share register pertaining to the situation no later than five (5) weekdays before the annual general meeting, and they must register with the Company no later than 4 p.m. of the day specified in the notice of the annual general meeting. This day may not be a Sunday, other general holiday, Saturday, Midsummer Eve, Christmas Eve, or New Year's Eve, nor may it fall earlier than the fifth weekday before the annual general meeting. Shareholders or representatives may be accompanied by a maximum of two assistants at a annual general meeting, but only if the shareholder has notified the Company of the number of assistants in accordance with the preceding paragraph.

12 § Location of Annual General Meeting. The Annual General Meeting may be held in Helsingborg or Stockholm.

13 § Annual General Meeting. The Annual General Meeting shall address the following matters:

1. Election of the chairperson of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons to verify the minutes;
5. Determination of whether the meeting has been duly convened
6. Presentation of the annual report and the auditors' report and report on the consolidated accounts;
7. Resolution to adopt the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet;
8. Resolutions on appropriation of the Company's profit or loss according to the adopted balance sheet;
9. Resolution to discharge members of the board of directors and the Chief Executive Officer from liability;
10. Determination of the number of board members and deputies, as well as, where appropriate, auditors and deputy auditors;
11. Establishment of remuneration to the board of directors and, where applicable, the auditors;
12. Election of board members and any deputies and, where appropriate, auditors and any deputy auditors; Other business to be addressed by the annual general meeting in accordance with the Swedish Companies Act or the Articles of Association.

These articles of association were adopted by the Annual General Meeting on 26 April 2011.

Notification to attend the Annual General Meeting

The Annual General Meeting of Nederman Holding AB (publ) will be held at Marina Plaza, Kungstorget 6, 251 10 Helsingborg, on Wednesday, 22 April 2015.

Schedule:
3 p.m. Registration starts
3.30 p.m. Meeting room opens
4 p.m. Meeting starts
Coffee and refreshments will be served before the meeting.

Right to participate at the meeting
Shareholders wishing to participate at the meeting must be recorded in the shareholders' register kept by Euroclear Sweden by Thursday 16 April 2015 and must notify the company of their intention to attend the meeting no later than 4 p.m. on Thursday 16 April 2015. Shareholders whose shares are registered in the name of a trustee must have their shares temporarily registered in their own name in the Euroclear Sweden shareholders' register in order to take part in the meeting. This registration, known as voting right registration, must take place by 16 April 2015, meaning that the shareholder should give notice of his/her intention of taking part at the meeting in due time before that date.

Notification
Notification can be carried out in one of the following ways:
– on Nederman's website: www.nederman.com
– by email: arsstamma@nederman.se
– by telephone +46 42-18 87 00
– by letter to: Nederman Holding AB (publ), "Årsstämma" Box 602, 251 06 Helsingborg.

Notification should include details of name, civic registration number/corporate identity number, address, telephone, registered shareholding and advisors, if any. The information is solely used for the requisite registration and drawing up of the voting list. Where representation is made by proxy, the original proxy form must be sent to the company along with the notification to attend the meeting. Individuals representing a legal entity must have a copy of the registration form or equivalent documentation indicating the authorised signatory. The company will provide proxy forms for shareholders who so wish. The form is also available for downloading on Nederman's website: www.nederman.com.

Dividend
The board and CEO propose a dividend for the 2014 financial year of SEK 4.00 per share.

Reports
Q1 report: January–March 22 April 2015
Q2 report: January–June 13 July 2015
Q3 report: January–September 20 October 2015

Nederman

Nederman Holding AB (publ.)
P.O. Box 602, SE-252 28, Helsingborg, Sweden
Visiting address: Sydhamnsgatan 2
Tel: +46 42 18 87 00. Fax: +46 42 14 79 71
www.nederman.se