BULTEN

ANNUAL REPORT 2014

"A YEAR WITH VERY STRONG ORGANIC GROWTH!"

Tommy Andersson, President and CEO

CONTENT

BULTEN IN BRIEF

VISION

Supporting the global automotive industry with state of the art fastener technology and services.

BUSINESS CONCEPT

Bulten shall:

- be the leading business partner and the most cost-effective supplier of fasteners and services to the automotive industry.
- with empowered and dedicated people continuously develop its full service concept and actively launch innovations.
- develop long-term relations based on professionalism and good business ethics.

BULTEN IS A LEADING SUPPLIER OF FASTENERS TO THE INTERNATIONAL AUTOMOTIVE INDUSTRY. THE TURNOVER IN 2014 AMOUNTED TO SEK 2,414 MILLION AND THE NUMBER OF EMPLOYEES AT YEAR-END WAS 1,175. THE SHARE IS LISTED ON NASDAQ STOCKHOLM SINCE 2011.

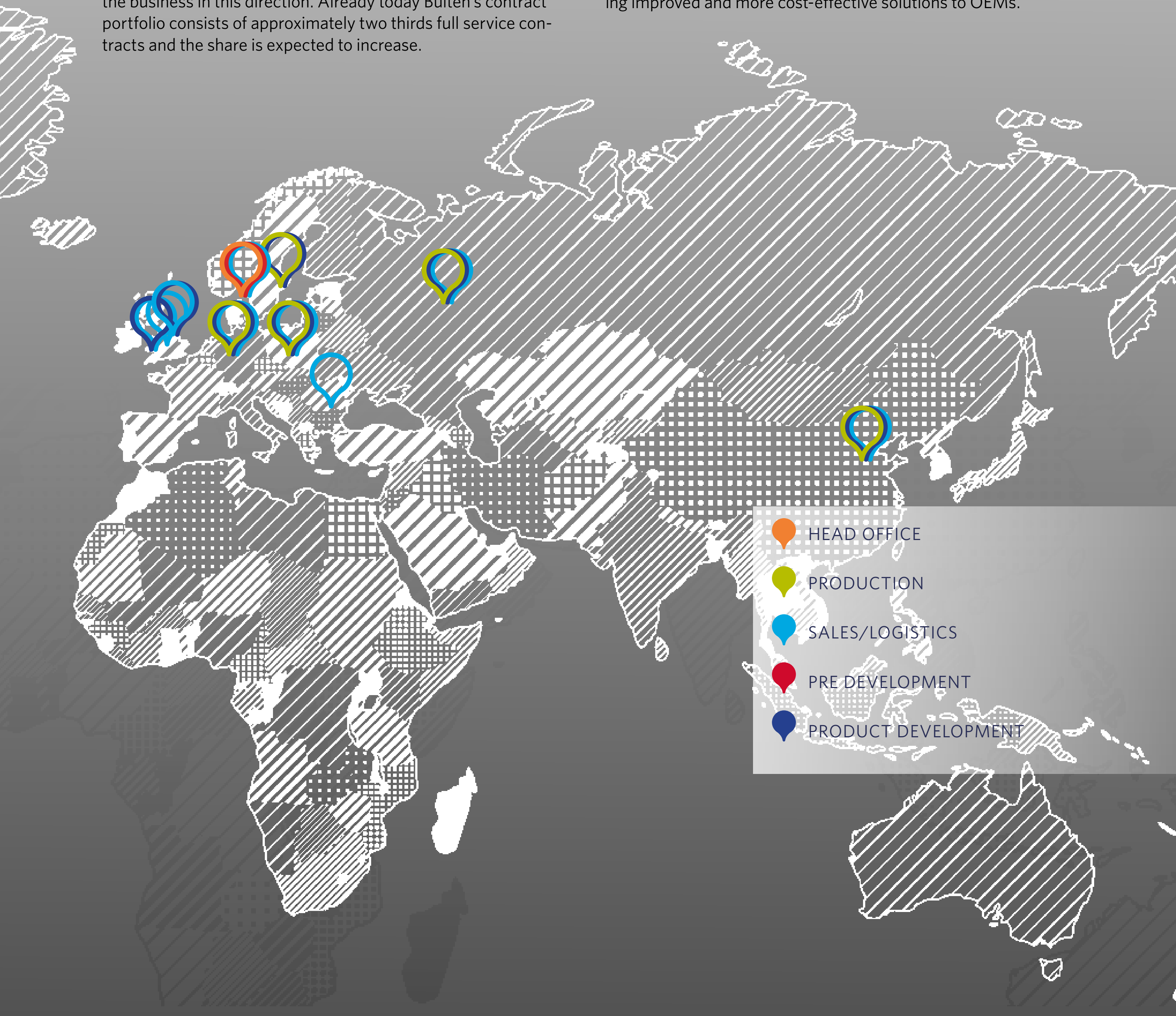
STRATEGY

Bulten has a clear focus on **organic growth** in Europe, Russia and China. During 2013, Bulten won several new significant contracts that were implemented during 2014 and the prospects for Bulten to grow organic on the global automotive market are continued good.

Bulten shall be a **preferred full service provider** and provide everything from development, production and logistics to final delivery at the customer's assembly line. This has been a successful concept and the strategy is to continue developing the business in this direction. Already today Bulten's contract portfolio consists of approximately two thirds full service contracts and the share is expected to increase.

Bulten's strategy is based on offering competitive products and services. This will be achieved by having **advanced production processes at low costs with geographical proximity to the customer.** Bulten is constantly working to retain its expertise and must offer its customers the best possible quality at the best possible price.

Part of Bulten's strategy is also to constantly develop the **innovative and technological know-how** needed to create new products together with licensors and customers, and thus offering improved and more cost-effective solutions to OEMs.



2014 IN BRIEF

NET SALES

SEK 2,414 MILLION

OPERATING EARNINGS

SEK 133 MILLION

OPERATING MARGIN

5.5 %

ORGANIC GROWTH

33.7 %

	Q1	Q2	Q3	Q4
Net sales	SEK 581 MILLION	SEK 618 MILLION	SEK 593 MILLION	SEK 621 MILLION
Operating earnings	SEK 33 MILLION	SEK 37 MILLION	SEK 25 MILLION	SEK 38 MILLION
Operating margin	5.7%	6.0%	4.2%	6.2%
Organic growth	38.8%	29.0%	36.2%	31.6%
Significant events	• The work that began in 2013 with a split of the Group is intensified. • The restructuring of the foundry business is completed and the Swedish aluminum business divested. • Deliveries to a new significant FSP contract start.	• The company focuses entirely on fasteners for the automotive industry and division Finnveden Metal Structures is divested to American Shiloh Industries Inc. • Deliveries to another new significant FSP contract start.	• The company changes its name from Finnveden-Bulten AB to Bulten AB. • Tommy Andersson is appointed new President and CEO. • Production in the newly established business in Russia starts.	• Additional volumes from an existing customer with an annual value of approximately SEK 150 million are received. • The factory in Russia is officially inaugurated. • The Board of Directors proposes a dividend of SEK 3.00 per share, an increase of 50% and a share buyback program of up to a total value of 150 million.

FINANCIAL SUMMARY (SEK M)

(CONTINUING OPERATIONS)	2014	2013	2012
Net sales	2,414.3	1,805.9	1,711.9
Gross profit	454.6	341.8	294.4
Earnings before depreciation (EBITDA)	179.8	152.2	115.0
Operating earnings (EBIT)	133.4	109.2	73.1
Operating margin, %	5.5	6.0	4.3
Adjusted operating earnings (EBIT)	122.2	109.2	73.1
Adjusted operating margin, %	5.1	6.0	4.3
Earnings after tax	84.4	100.4	30.8
Adjusted earnings after tax	75.7	73.3	49.9
Order bookings	2,556.8	2,011.5	1,670.2
Return on capital employed, %	9.6	8.1	5.7
Adjusted return on capital employed, % *	8.8	8.1	5.7

** The balance sheets for 2012 and 2013 include discontinued operations*

FINANCIAL TARGETS

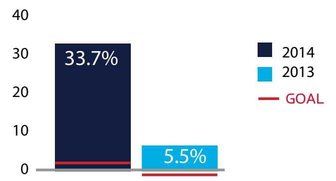
LONG-TERM FINANCIAL TARGETS / TARGET PERFORMANCE

Organic growth
The Group's target is to achieve profitable organic growth and to grow more strongly than the industry average.

Definition on page 78.

Organic growth in 2014 was 33.7% (5.5). Weighted for Bulten's exposure, average growth in the industry* was 1.5% (-0.7).

**) Average growth in the industry is defined as Production volume in Europe in accordance with LMC Automotive, December 2014.*

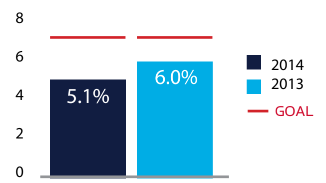


Operating margin (adjusted)
The Group's target is to achieve an operating margin of at least 7 percent.

Definition on page 78.

The operating margin amounted to 5.5% (6.0) in 2014. The adjusted operating margin* amounted to 5.1% (6.0) in 2014.

**) Adjusted for non-recurring items.*

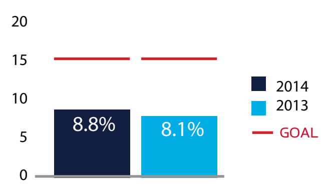


Return on capital employed (ROCE)
The Group's target is to achieve a return on average capital employed of at least 15 percent.

Definition on page 78.

Return on capital employed amounted to 9.6% (8.1). Adjusted return on capital employed amounted to 8.8% (8.1).

**) Adjusted for non-recurring items.*

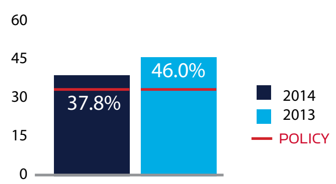


Dividend
The Group's policy over time is to pay out a dividend of one third of net earnings after tax. Consideration is given, however, to the company's financial position, cash flow and outlook.

Shareholder information on page 26-27.

The Board has proposed to the Annual General Meeting a dividend of SEK 3.00 per share for the financial year, representing a dividend of 37.8%* (46.0)* of net earnings after tax.

**) Adjusted for non-recurring items.*



CEO'S STATEMENT

2014 WAS UNDOUBTEDLY A SIGNIFICANT YEAR FOR BULTEN. GROWTH ACCELERATED AND WE MADE ADVANCES ON MANY LEVELS. WE REFINED OUR BUSINESS BY SELLING THE FINNVEDEN METAL STRUCTURES DIVISION AND STRENGTHENED THE COMPANY'S FINANCIAL POSITION CONSIDERABLY.

Some years stand out more than others in a company's history. For the Group, 2014 was definitely one of those years. By the end of 2013 it had become clear that the divisions, Finnveden Metal Structures and Bulten, faced different challenges and opportunities. The former division was working hard to improve profitability through structural measures, while Bulten at that point had just won two of the largest orders in the company's history. At the start of 2014 the Board therefore announced that it was assessing whether to divide the company and in June Finnveden Metal Structures was sold to the American company, Shiloh, for SEK 487 million on a debt-free basis.

In connection with the sale and the refining of the business, and after many years as head of the Bulten division, I accepted the offer to become President and CEO of the company. During the autumn the company also changed name, from Finnveden-Bulten to Bulten to reflect the future direction of the business.

"IN SUMMARY, 2014 WAS THE YEAR WHEN BULTEN TOOK A BIG STRIDE FORWARD. WE HAVE HAD A VERY STRONG GROWTH, STRENGTHENED OUR POSITIONS FINANCIALLY, GEOGRAPHICALLY AND IN TERMS OF CONFIDENCE AMONG CUSTOMERS, AND HAVE HAD A GOOD SHARE PRICE DEVELOPMENT."

STRONGER FINANCIAL AND GEOGRAPHIC PLATFORM FOR GROWTH

The sale of the Finnveden Metal Structures division did not mean any major operational change as the divisions had previously operated as separate units. Bulten's already strong financial position was further strengthened through the sale. During the year Bulten has successively expanded its global market presence for both production and logistics. Bulten's financial strength is a good base for continued growth and our customers in the auto industry value good finances as one of several parameters they assess when selecting suppliers.

RAMP-UP OF FSP CONTRACTS TO FULL VOLUME

The year also saw strong and accelerating growth of 34% with increased market shares. From an industrial perspective we succeeded in a very short time in managing a significant increase in volumes with highly satisfied customers as a result.

Already by the end of Q2 and before schedule, the two new FSP contracts won in the autumn 2013 were up to full delivery volumes worth an annual value of SEK 500 million.

Our good performance has strengthened confidence in Bulten among the international automotive industry. Clear evidence of this was the additional business we received in the autumn – an order from an existing customer worth an annual value of around SEK 150 million on full production in 2016.

FOCUS ON OPTIMISATION OF NEW BUSINESS

Our operating profit (EBIT) for 2014 rose to SEK 133.4 million. This result for the year was affected by establishment and start-up costs and by negative currency effects. During the ramp-up phase of the new FSP contracts our main priority was high delivery performance and good quality. A sharp focus was then put on optimising the business and improving profitability, which will lead to successive margin improvements as part of our plan to achieve an operating margin of 7%.

FIRST DELIVERIES FROM OUR RUSSIAN PLANT

At the end of September production started at our new Russian plant, initially at a modest level but with plans for volume increases in stages. The plant was officially inaugurated in October and it is Russia's first modern production unit for fasteners for the automotive industry. Bulten and GAZ have managed in a highly cost-effective way to create a modern production plant with great potential. The geopolitical situation in the country remains uncertain, but has not changed our belief in this business and interest from our customers remains very large.

2014 – A SUCCESSFUL YEAR

In summary, 2014 was the year when Bulten took a big stride forward. We have had a very strong growth, strengthened our positions financially, geographically and in terms of confidence among customers, and have had a good share price development.

I would like to end by sending a special thank you to Bulten's dedicated and competent staff whose efforts have been an essential part of our success.

A SCREW.
HOW DIFFICULT CAN IT BE?

A SCREW'S MISSION IS TO BE PART OF A FASTENING APPLICATION. A FASTENING APPLICATION CONSISTS OF A SCREW, A FEMALE PART, POSSIBLY A WASHER OR A NUT AND THE MATERIAL THAT NEEDS TO BE FASTENED. EVERY PART HAS ITS OWN FUNCTION TO PERFORM – A FUNCTION UNIQUE TO THE PARTICULAR FASTENING APPLICATION IT'S A PART OF.

The screw is the most important part in an application because it creates the force that holds together the components, ie the clamping force. The fastener must bend or contract exactly as calculated depending on heat, cold or vibrations. Also, a screw should never be too strong. If it doesn't break under certain circumstances, something else, and far more important or expensive, might be disabled instead.

Then there's the matter of surface treatment and one must consider to what extent the fastening application will be exposed to the elements, moisture, extreme heat and friction. Besides the obvious, that the screw cannot rust, it might also be visible from outside the vehicle, in which case it must also be pleasing to the eye and harmonize with the surroundings.

The surface treatment also controls the fasteners' assembly friction which ultimately determines the important clamping force. Without the correct clamping force the screw joint will loose up or break.

Today, a fastening application often consists of hybrids in which the fastener's steel or aluminium is combined with a component in composite. This provides new opportunities to streamline assembly and design but it also places even greater demands on manufacturers and suppliers.

The requirements for a screw to exactly live up to the demands placed on it are extremely high. To design and manufacture a screw that will be included in a vehicle put demands on technology, quality and expertise at the highest level – something that Bulten master fully.

Philip Lejon,
Development Manager, Sweden

HOW MUCH MIGHT A SCREW COST?

It's virtually impossible to say just how much a screw costs. The purchase price is just one factor. What it costs in additional service is another. Finding the right balance between performance and cost, is one indicator of quality. Another is the ability to see if a set of demands are too low in relation to the strain our customer expect a fastener to withstand.

A CLEAR PURCHASE STRATEGY

Bulten's purchasing strategy is based on well-established procedures and purchases are made through a central purchasing department. The strategy is ensured through the purchase of raw materials and components of carefully selected and qualified suppliers.

When ordering, it is clear from the starting point where the component and the steel will be used. If it's a critical joint, only the highest quality is good enough while a less challenging task can be handled by a more cost-effective solution. All decisions are based on a carefully prepared specification.

FULL SERVICE PROVIDER

As a Full Service Provider Bulten offers services from the entire value chain, from concept to delivery. What Bulten doesn't manufacture itself, is bought from a network of suppliers in order to deliver complete solutions. The suppliers are categorized by quality, but also by delivery precision, volumes and product range.

DELIVERY PRECISION

Once that it is done with what, how and how much, it is time to think about when. Logistics is the final leg of our production cycle, and the final factor in our assessment of overall quality. The financial and logistic considerations make time an important factor. With proper project planning, it is easy to see exactly when the customer will need exactly what parts, and this makes it possible to get the best possible deal to the best possible cost.

ESSENTIAL QUALITY

Quality and safety are of the utmost importance and is always in focus. For a fastener to survive in a critical joint the quality process must work perfectly all the way, which is ensured by well-established production and project systems.

"WE ARE A TECHNOLOGY LEADER TODAY THANKS TO OUR ABILITY TO IDENTIFY AND DEVELOP NEW AND EXISTING PRODUCT TECHNOLOGY"

"Bulten has over 140 years experience of developing fasteners. Today we are a technology leader thanks to our ability to identify and develop new and existing product technology such as engine screws, stainless steel, Taptite® and B14."

"Fasteners in a vehicle's driveline are exposed to extreme stresses in terms of loads and high temperatures. Breakdowns are of course unacceptable, which sets very high demands and prompts us to continuously improve our products and processes. Modern drivelines are increasingly made of light metals and it would be impossible to make them without stainless materials. Not only do these materials avoid rusting, they are also very suitable in hot applications."

"We have met the need for more cost-effective and robust fasteners with Taptite® – a screw that forms its own counter thread when the screw is fitted in place. This is a product that has revolutionised the fastener industry, but it's also a technology that we have been working on for some time, and we consider ourselves to be the most complete manufacturer of this product."

"Another example of how innovative we are and how our high quality products help the world's best engine manufacturers to reach new levels is B14, our ultra high durability material. Among other benefits it enables higher power to be generated by small engines without increasing weight. That means smaller drivelines, and therefore lower emission levels."

"As a technology leader we want to share our know how. A good example of this is Bulten's technology manual, written back in the 1960s. It has been produced in many editions, the most recent in 2014. Many of the country's university colleges have used it in their course literature. It's mostly engineers using the manual, but it frequently wins praise for being easy to read and because it collates key information about international standards."

"Another example is our FastCalc app that helps users to calculate fastener parameters. The idea came when our staff asked for calculation templates that were easier to use and which the general public could also use. The app was developed by Bulten's engineers and is now available as a platform-neutral web application – available to anyone with a smartphone, tablet or computer."

STRATEGIC FRAMEWORK

OUR OBJECTIVES ARE

TO MEET OUR OPERATIONAL AND FINANCIAL TARGETS TO CREATE A SUSTAINABLE AND PROFITABLE GROWTH FOR OUR SHAREHOLDERS, EMPLOYEES AND CUSTOMERS.

OUR STRATEGIC FOCUS AREAS ARE

- ORGANIC GROWTH
- PREFERRED FULL SERVICE PROVIDER
- COMPETITIVE COST STRUCTURE AND GEOGRAPHIC PROXIMITY
- INNOVATIVE AND TECHNOLOGICALLY ADVANCED PRODUCTS

OUR SUCCESS IS BASED ON

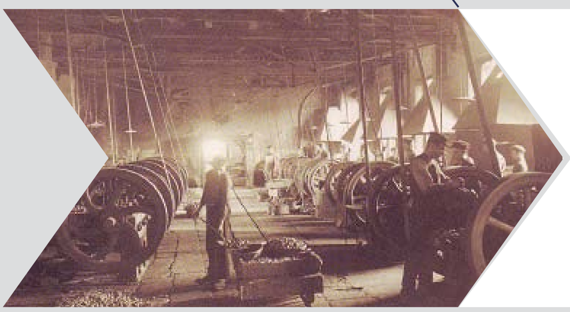
- FSP CONCEPT
- VALUE CREATION AND INNOVATIVE TECHNOLOGIES
- QUALITY THAT MEETS THE HIGH EXPECTATIONS FROM CUSTOMERS
- EXPERIENCED MANAGEMENT AND DEDICATED EMPLOYEES
- GEOGRAPHICAL PRESENCE
- FINANCIAL PLATFORM

OUR CORE VALUES ARE

- PROFESSIONAL
- INNOVATIVE
- DEDICATED
- EMPOWERED

MORE THAN 140 YEARS OF FASTENERS EXPERIENCE

BULTEN WAS FOUNDED.



1873

In 1873 Bulten was founded through Bultfabriks AB Hallstahammar. Hot-forging machines were bought in England and were driven by water power from the river beside the factory. Ever since the beginning Bulten produced high quality fasteners.

During the 1980's and 1990's, Bulten grow, mainly by acquisitions in Sweden, Germany, Poland and China. In the 1990's Bulten started to focus on the automotive industry.

STRATEGIC FOCUS AREAS

ORGANIC GROWTH

During 2014, Bulten has grown stronger than the market in average with an organic growth of 33.7%. This should be compared with the average growth in the automotive industry in Europe that is estimated at around 1.5% by LMC Automotive, one of the leading provider of global automotive forecasts.

Bulten has a clear focus on organic growth in Europe, Russia and China. During 2013, Bulten won several new significant contracts, mainly within the frame of the FSP concept. In Russia there is a lot of interest from potential new customers.

The prospects for Bulten to grow organic on the global automotive market are continued good.

Besides the organic growth strategy, Bulten also sees opportunities for growth through acquisitions or joint ventures. Bulten currently has joint ventures in both the UK and Russia and has good experience of entering new markets in this way.

PREFERRED FULL SERVICE PROVIDER

Bulten is one of few European fastener producers with comprehensive know-how and many years of experience of supplying turnkey solutions for OEMs through its full service concept.

Bulten's growth strategy will be fulfilled by continue offering turnkey solutions for OEMs.

Bulten shall be a preferred full service provider and provide everything from development, production and logistics to final delivery at the customer's assembly line. This has been a successful concept and the strategy is to continue developing the business in this direction. Already today Bulten's contract portfolio consists of approximately two thirds full service contracts and the share is expected to increase.

COMPETITIVE COST STRUCTURE AND GEOGRAPHIC PROXIMITY

Bulten's strategy is based on offering competitive products and services. This will be achieved by having advanced production processes at low costs with geographical proximity to the customer. Bulten is constantly working to develop its expertise and to offer its customers the best possible quality at the best possible price.

INNOVATIVE AND TECHNOLOGICALLY ADVANCED PRODUCTS

The innovative and technologically advanced products that Bulten produces based on licenses and OEM technology are all intended to reduce the total cost of fasteners including among others costs related to production and assembly.

Part of Bulten's strategy is to constantly develop the innovative and technological know-how needed to create new products together with licensors and customers, and thus offering improved and more cost-effective solutions to OEMs.

BULTEN STARTED TO FOCUS ON THE FSP CONCEPT AND WON SEVERAL SIGNIFICANT CONTRACTS.

BULTEN HAS GROWN WITH THE SWEDISH AUTOMOTIVE INDUSTRY INTO A LARGE PLAYER IN THE EUROPEAN MARKET.

2000's

2014

In the 2000's and 2010's Bulten started to focus on the FSP concept and gain markets shares. Major contracts were signed with Autoliv, Ford, Volvo Car, etc. In 2013 Bulten signed two new significant FSP contracts with annual value of approximately SEK 500 m.

Bulten has grown strongly with a clear focus on organic growth in Europe, Russia and China. In the coming years, Bulten sees good opportunities for continued organic growth on the global automotive market.

MARKET

THE EUROPEAN MARKET FOR FASTENERS FOR THE AUTOMOTIVE INDUSTRY HAS HISTORICALLY GROWN BY ABOUT FOUR PERCENT PER ANNUM OVER A BUSINESS CYCLE AND IS EXPECTED TO CONTINUE TO GROW AT AN AVERAGE ANNUAL RATE OF APPROXIMATELY FIVE PERCENT OVER THE NEXT THREE YEARS.

MARKET POSITION

Bulten is one of the leading manufacturers and suppliers of fasteners to the international automotive industry, with an especially strong position in northern Europe. In terms of sales, Bulten has in recent years developed into the largest FSP supplier in Europe.

Based on statistics from European Industrial Fasteners Institute (EIFI), Bulten's management assesses the total value of the fastener market at approximately SEK 16 billion.

The management team estimates that Bulten's market share is around 14% of the European market for fasteners for the automotive industry and 56% of the corresponding market for FSP business. This estimate is based on data about the European automotive industry's purchasing of fasteners in 2014 according to EIFI.

THE AUTOMOTIVE INDUSTRY

There is intense competition in the global automotive industry. For this reason, OEMs attach great importance to efficiency enhancement efforts and cost cutting rationalisation. In addition, for a long time there has been widespread consolidation in the automotive industry in order to create larger and more cost-effective organisations.

Realising economies of scale is an important aspect of the work of reducing product development, purchasing and production costs. Therefore, OEMs are developing platforms and engine families which will form the foundation for a number of models. In addition, OEMs are increasingly expecting suppliers to take a more active role in component and system development from the concept phase to final assembly.

This increases the degree of refinement and places increased demands on suppliers and indicates increased consolidation in the market.

"GOOD PROSPECTS FOR STABLE GROWTH OVER MANY YEARS."

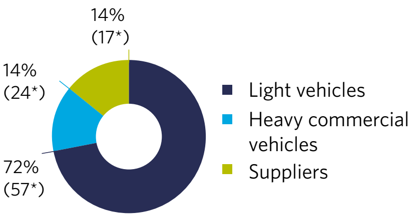
"When we opened in Russia we started on a small scale. We wanted to get the business going, establish working methods and train our staff properly. Meanwhile we prepared for expansion through volume increases, mainly via vehicle makers already established in the country."

"Our production unit is the first one in Russia for high quality fasteners for the automotive industry, which paves the way for sales development for several years. Companies and manufacturers that were previously forced to import can now buy locally made fasteners from us, which is both cost-effective and simpler for them. Just like every other country where Bulten is established, we will also provide logistics services, technical support and quality support – a type of service that has not existed in Russia before."

"We have created a modern production plant mostly thanks to our collaboration and business with GAZ, which also reduced our requirement for capital when we started up. Now we have production in a building right next to what is currently our largest customer, so there are good prospects for stable growth over many years."

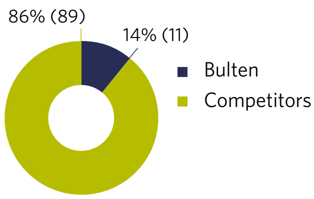
Range Rover Evoque *Volvo XC90*

SALES PER CUSTOMER SEGMENT

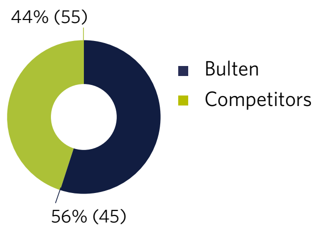


2013 includes discontinued operation

SHARE OF TOTAL MARKET FOR FASTENERS TO THE AUTOMOTIVE INDUSTRY IN THE EU IN 2014



SHARE OF THE TOTAL MARKET FOR AUTOMOTIVE-RELATED FSP-BUSINESS IN THE EU IN 2014



Juri Fridman, President, Bulten Rus LLC, Russia

"Initially we will focus on the local market, but in future we will look at opportunities for exports on a supplier basis in Russia."

"Our establishment has meant that many new customers have opened their eyes for Bulten. I am convinced that it will not only strengthen our global position and competitiveness but also Bulten's brand as supplier to the global automotive industry."

CUSTOMERS

Bulten's customers are active in the automotive markets mainly in Europe, Asia and the US. The customers are mainly manufacturers of cars but some of them also of commercial vehicles and suppliers.

Bulten's customer base includes virtually every vehicle manufacturer in Western Europe. Some of the largest are Autoliv, Ford, Jaguar Land Rover and Volvo Cars. The major part of sales goes to production of cars, and to some extent commercial vehicles, in Europe. A portion is exported to other markets around the world.

TRENDS AND DRIVING FORCES

The trend among suppliers to the automotive industry is that auto makers are reducing the number of suppliers. At the same time, vehicle design is developing and engines are becoming more complex. Weight reduction has remained a major focus area and increased demands in combination with new, more efficient drivelines. Overall, the demands on the components are increasing. These trends have meant that customer relations are becoming more and more important and the remaining, specially selected suppliers are taking a more integrated and complete responsibility for their products.

A clear trend in the automotive industry is increased establishment of production on growth markets. According to production statistics from LMC Automotive, e.g. China has passed both the US and Europe in the number of cars produced. Between 2014 and 2018, Chinese production is expected to grow by approximately 7%.

Since a significant part of the European vehicle production is exported, the European manufacturers are also favoured by that the growth in for example North America and the BRIC (Brazil, Russia, India and China) countries are expected to be relatively good.

Over the longer term, it is likely that automotive makers will require their suppliers to be established locally on the markets being served.

On the European automotive market the trend is towards continued transfer of production from Western Europe to Eastern Europe, where Bulten is represented with production facilities in Poland and Russia.

COMPETITORS

There are some hundred suppliers of fasteners in Europe, but many of them are small or supply other industries besides the automotive industry. Moreover, many of the European fastener manufacturers mainly supply bulk and standard products, which are not Bulten's main area of focus.

The price pressure from small distributors importing fasteners from non-European low-cost countries has moderated recently due to import duties to the EU.

Bulten's two principal competitors are the suppliers offering the full service concept in Europe, Nedschroef and Kamax through Facil.

2014 has been a turbulent year for fastener manufacturers and several competitors has suffered financial difficulties. Bulten has managed this situation better than many of its competitors much thanks to its strong FSP offer and a large proportion of production in low cost countries. It is thus well-positioned to gain additional market shares.

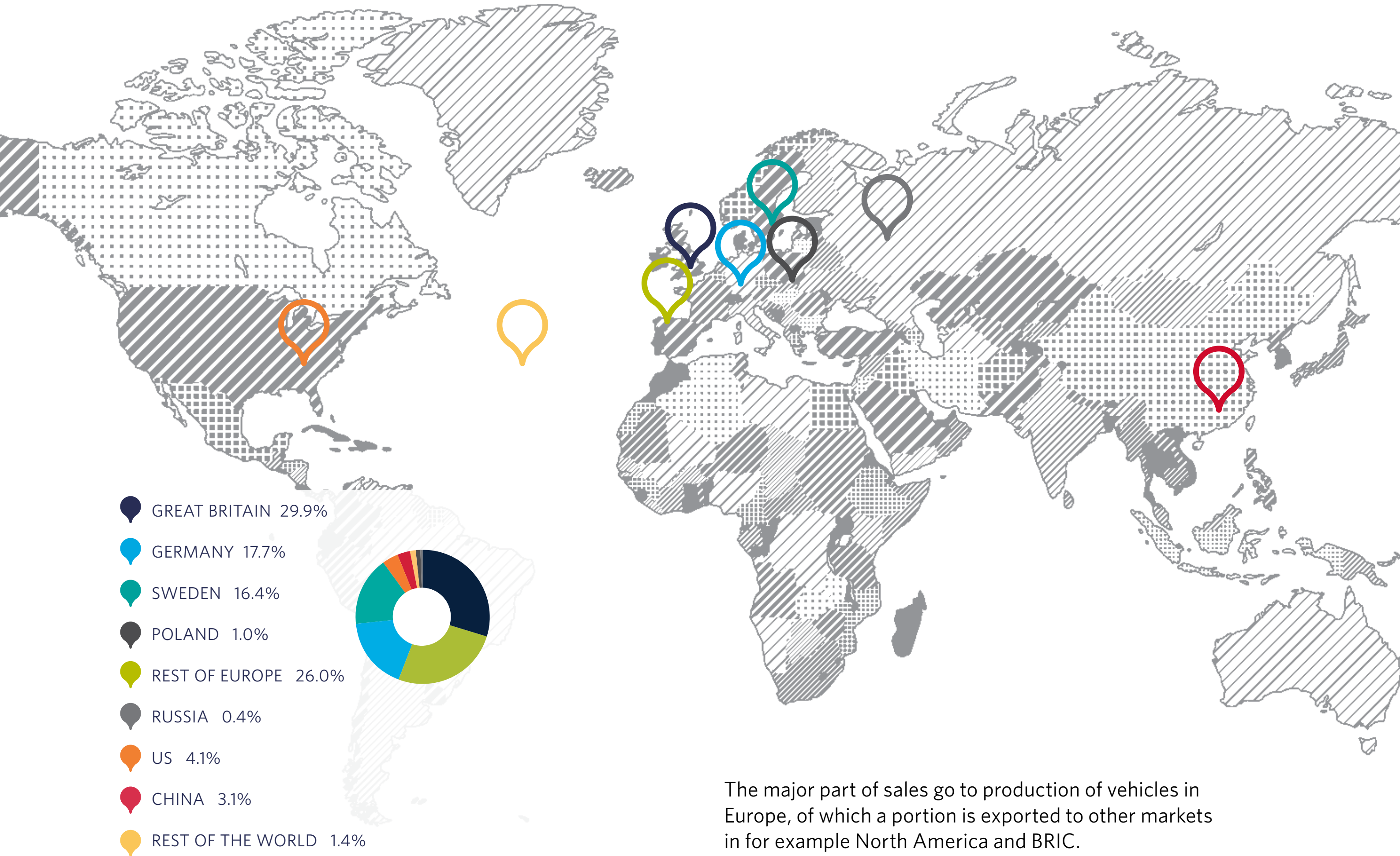
"DURING THE YEAR, WE HAVE IMPLEMENTED TWO SIGNIFICANT FSP CONTRACTS IN A VERY SHORT TIME."

"During 2014, we have implemented two significant FSP contracts with two major global automotive manufacturers in a very short time. What made it possible was primarily our professional and dedicated team with extensive experience from FSP projects. We also had a rigorously thorough plan for the implementation as well as massive support from the Bulten manufacturing and purchasing functions."

"The implementation was an impressive team effort where everyone contributed far beyond the expected. Since the start, we have delivered flawlessly and received praise from both customers for our work and our service. Through one of the contracts we also received an additional deal worth 150 MSEK. "

"FSP contracts, where we as a supplier take full responsibility for our customers' total value chain are growing in our industry. They give us a unique opportunity to meet each customer's specific requirements. As fasteners have the highest number of commodity part numbers per vehicle (usually between 300 and 450), they represent a real challenge to the customers. One missing part number on the production line can cause a line delay or a stop with all the implications that this means, both in terms of lost production and ensuing costs arising. Therefore, to use Bulten as an experienced FSP dedicated to automotive fasteners means that the customer is handing responsibility over to a competent and dedicated supplier and minimizing risks as well as challenges on a complex, high volume commodity."

NET SALES PER GEOGRAPHIC MARKET



The major part of sales go to production of vehicles in Europe, of which a portion is exported to other markets in for example North America and BRIC.

Neal Thomas, Managing Director, Bulten LTD, Great Britain

"With both existing and potential customer companies in the global automotive market, we see good opportunities of increasing the share of FSP contracts in our contract portfolio. They are vital for our growth and highlight our extensive expertise."

"An important element of our FSP contracts is deliveries to various emerging markets. As our customers' operations grow globally, our deliveries to new countries and new customer plants along with their local suppliers grow as well. We see new opportunities for growth, for example, in China and South America."

SUCCESS FACTORS

BULTEN HAS EXCEEDED THE GROWTH OF THE AUTOMOTIVE INDUSTRY IN EUROPE THANKS TO A STRONG BUSINESS MODEL BASED ON OUR IMPORTANT SUCCESS FACTORS.

FULL SERVICE PROVIDER (FSP)

Bulten is one of few in Europe that offers complete responsibility throughout the entire value chain for fasteners, from product development to final delivery to the customers' production lines.

That means that Bulten, through its FSP concept, can take responsibility for a whole vehicle platform, car model or factory. Fasteners are high volume components that are complex in purchasing and logistics and the customer has much to gain by letting Bulten take full responsibility.

Bulten's advanced products are intended to reduce total costs (so-called in-place-cost, IPC) for the customer. IPC is the total cost until the fastener is mounted and performs its function.

The cost of the physical fastener normally amounts to about 15% of the total cost. By using Bulten's innovative solutions and value-added technologies the customer can achieve cost reductions of IPC while maintaining – and in many cases improve – performance. This is done, for example by standardization, simplified assembly and reduction of indirect costs such as development costs.The remaining costs stem from such aspects as product development, purchasing, warehousing, logistics and assembly.

The FSP concept therefore provides an opportunity for Bulten to integrate forward and take a larger share of the value chain and for the customers to reduce their costs.

GEOGRAPHIC PROXIMITY

Early on, Bulten realised the importance of having its own low cost production and supplemented its factory structure with production units in China in 1996 and in Poland in 1998. In 2014, production in the new unit in Russia started, which also is Russia's first modern manufacturing unit of fasteners for the automotive industry.

Today some 51 % of Bulten's labour force works in low-cost countries and contributes strongly to Bulten's competitive cost structure.

The manufacturing units in Poland, China and Russia together with the units in Sweden and Germany also have an important geographically proximity to the customer. By an active presence in these markets, Bulten is enabled to continue competing for new contracts with OEMs.

Bulten aims to create an optimised sales process, in which short lead times, efficient component flows to customers and low levels of stocks play a crucial role. The logistics flow of Bulten's product range is complex. The fasteners produced in the production units are seldom sent directly to the customer but usually pass through one or more of Bulten's logistics centres.

There is also a comprehensive flow of semi-manufactures and components between the various production units, logistics centres and sub-suppliers. In many cases, further product refinement is performed at the logistics centres through the integration of Bulten's fasteners with components from external suppliers. The fasteners which Bulten does not produce include, for example, nuts, washers, clips and plastic components, are purchased from third parties. The end product is distributed to the customer from one of these logistics centres, in many cases located near the customers' facilities.

FINANCIAL PLATFORM

Bulten has a strong financial platform to support further growth in existing and new markets.

Bulten has in 2014 had a strong organic growth with many parallel activities that have impacted operating profit. A clear plan for the optimization of operations exists, which will gradually enhance business performance.

Bulten has a lot of flexibility based in both in-house production and trading which enables efficient utilization of resources.

An important factor in getting future major projects in the automotive industry is to have a good financial position. Bulten's financial goals are to achieve profitable organic growth and grow stronger than the industry average, to reach an operating margin of at least seven percent and that return on capital employed is at least fifteen percent.

QUALITY LEADER

Quality is the key to Bulten's financial results and strong growth as well as a decisive factor in winning new orders.

Vehicle structures and engines are constantly evolving and becoming more complex, resulting in increased demands on the components.

A car consists of approximately 30,000 parts, of which 1,500–2,000 are fasteners, representing approximately 60 percent of all part numbers. Inadequate or faulty components can lead to costly recalls of parts or all of the cars sold by the affected car model. For today's global automotive manufacturer that has most of the world as their market withdrawal may have very serious consequences and result in significant economic and prestige-related losses. Bulten's ability to deliver high and consistent quality is therefore of utmost importance.

EXPERIENCED MANAGEMENT AND EMPOWERED EMPLOYEES

Bulten has a strong corporate culture with an open and creative environment. The co-workers are dedicated with great driving force to create new business opportunities and innovative solutions with high technical level, aiming at contributing to both Bulten's and its customers success.

Bulten strive for long-term and close cooperation with its customers and take pride in a high ethical standard. Business-critical decisions are often made close to the customer and an important part of Bulten's success is its empowered employees and their professionalism.

TECHNOLOGY LEADER

Bulten produces everything from standardized to technologically advanced fasteners for the automotive industry. The products are customer specifically designed and in some cases also developed together with the customer.

The innovative and technically advanced products that Bulten produces, based on licenses and own technologies, aims to reduce the total cost of a fastener, including costs related to production and assembly. In many cases, they also improve the ergonomics for the operator.

Bulten's strategy is to continuously develop innovative and technological know-how to work together with licensors and customers to create new products, thus offering vehicle manufacturers better and more cost-effective solutions.

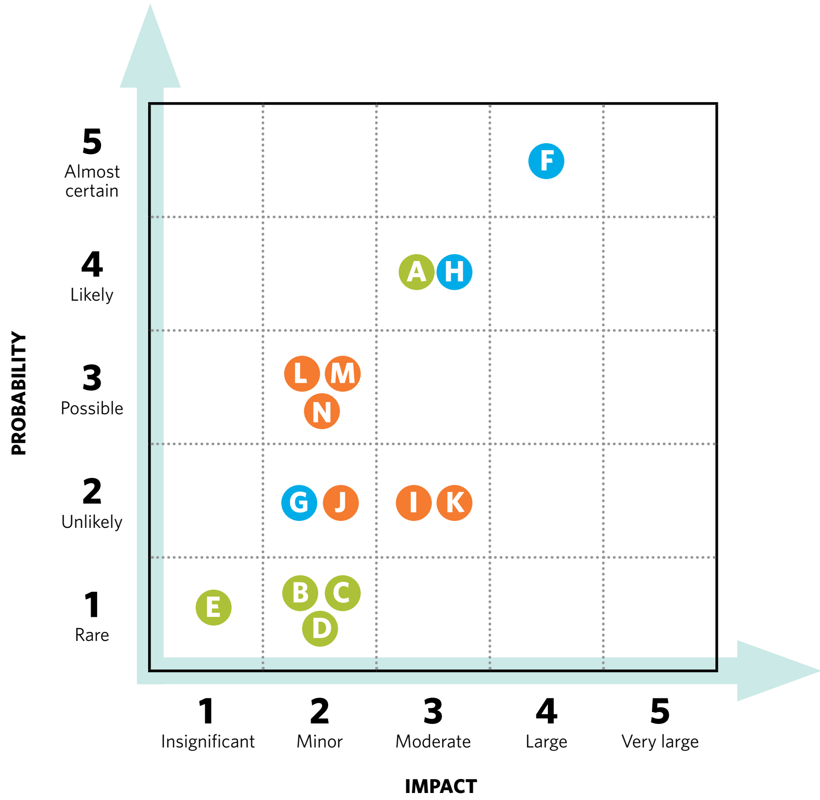
Several of these technologies can be designed in various ways and combined with different materials and integrated with components sourced from third parties, which means that the total product range is very wide. Bulten's total product range includes approximately 2,000 articles which approximately 700 are in series production.

RISK FACTORS

EXPOSURE TO RISK IS A NATURAL PART OF BUSINESS AND THIS IS REFLECTED IN BULTEN'S APPROACH TO RISK MANAGEMENT.

The aim of the risk management is to identify risk and prevent risk arising as well as limiting any damage that arises from risks.

Risk can be categorised as external and business cycle risk, operational risk and financial risk. For a more detailed description of how the Group handles risks in its business, see note 3.



PROBABILITY THAT RISK WILL OCCUR
1. Rare 2. Unlikely 3. Possible 4. Likely 5. Almost certain

IMPACT IF IT HAPPENS
1. Insignificant 2. Minor 3. Moderate 4. Large 5. Very large

RISK AREA	DESCRIPTION	Probability	Impact	OPPOSING FACTORS
FINANCIAL RISK				
A **Currency risk**	• Bulten operates internationally and is exposed to currency risk in the form of currency exposure, mostly in EUR, PLN, GBP, USD and RUB.	4	3	• Bulten manages currency risk primarily by trying to change the operational conditions in the business by getting revenues and costs in currencies other than SEK to match each other.
B **Liquidity risk**	• The risk that the Group cannot meet payment commitments due to insufficient liquidity or problems in raising credit from external creditors.	1	2	• Bulten's management team continually monitors the Group's liquidity reserves that comprise unutilised credit and liquid funds.
C **Interest rate risk**	• The Group's interest rate risk arises through current and long-term loans and a sharp rise in interest rates can affect the company's position and earnings.	1	2	• Bulten's interest rate risk is low due to the low level of loans. As of 31 December 2014 the Group's net liquidity was SEK 137.3 million.
D **Credit risk**	• Credit risk covers liquid funds and holdings at banks and financial institutions as well as credit exposure including outstanding receivables and contracted transactions.	1	2	• The Group's accounts receivable are spread across a large number of customers and historically the Group's bad debts have been very low.
E **Capital risk**	• Risk that the Group does not have the right capital structure to keep costs and capital down.	1	1	• Bulten has a clear dividend policy and the management team continually monitors refinancing requirements for current activities.

RISK AREA	DESCRIPTION	PROBABILITY THAT RISK WILL OCCUR 1. Rare 2. Unlikely 3. Possible 4. Likely 5. Almost certain	IMPACT IF IT HAPPENS 1. Insignificant 2. Minor 3. Moderate 4. Large 5. Very large	OPPOSING FACTORS
BUSINESS CYCLE AND EXTERNAL RISK				
F Market and macroeconomic risks	• Bulten operates on a global and cyclical market and customers are affected by macroeconomic factors. Price pressure is a natural part in Bulten's sector. • Bulten operates in a competitive market, and high demands are set for quality, delivery accuracy, precision, technology and customer service. • Bulten is dependent on a number of raw materials and additives for production, and cancelled deliveries or high price volatility would affect Group earnings	5	4	• Bulten meets these risks by operating on different markets and segments, such as cars and commercial vehicles. • Bulten works continuously to add value for the customer and have the capability to meet the industry's demand for cost reductions. • Bulten meets risk associated with competition through its FSP concept. This means that Bulten is always focused on high competence in production, quality, logistics, technology and service. • Bulten equalises risk connected to raw materials and additives through proactive and professional procurement and consolidation and standardisation of purchased volumes and long-term relations with suppliers. Customers compensate Bulten for price volatility in materials.
G Force majeure	• Global just-in-time logistics have made global trade more sensitive for disruptions such as natural disasters and strikes.	2	2	• Capacity planning and good relations with customers and suppliers reduce the risk of global production and logistics disturbances.
H Legal and political risks	• Bulten operates within various jurisdictions and is subject to local regulations and laws within each jurisdiction in addition to general international rules. Changes in local and international rules and laws could impact on the Group's business. • Bulten operates in countries where instances of corruption and geopolitical risks are higher than in Sweden. Political unpredictability can also mean greater business risk in these jurisdictions.	4	3	• Bulten meets these risks through continual risk assessment and by using external expertise as necessary within each identified area of risk. Bulten's code of conduct, together with internal controls for financial reporting, form the basis for its business ethics and aim to ensure correct financial reporting. • Political risk can also be limited somewhat through collaboration with locally based businesses.
OPERATIONAL RISK				
I Organization and competence	• Bulten depends on being able to attract and keep the right staff for continued operation.	2	3	• It is the responsibility of Group management and the subsidiaries to identify and secure the retention of the right people and that they develop together with the company by, for example, offering competitive salaries, offering a good working environment, possibilities for training and pursuing a fulfilling career with the company.
J Products and technology	• The global auto industry is characterised by awareness of the environment, competition and costs and by high tech research and development. The development of new products and materials could change Bulten's competitiveness.	2	2	• The Group closely follows research in the auto sector, customer development and market trends. • By conducting its own development activities within, for example, new materials and application areas the risk of reduced competitiveness is reduced.
K Product responsibility, warranties and recalls	• Bulten has product responsibility and can be exposed to warranty claims in case products supplied by the Group cause damage to persons or property.	2	3	• Bulten meets this risk through comprehensive testing during the design and development phases and by implementing quality, management and control measures throughout production
L Disruption to business activities and damage to property	• Damage to production equipment could have negative impact, both due to direct damage to property and in terms of disrupting activities.	3	2	• Bulten performs routine maintenance on production equipment and has strong internal and external support networks in industry. Bulten also has full insurance cover for disruption in activities caused by damaged property.
M Environmental risks	• Bulten conducts activities that are liable to permit and reporting restrictions in several jurisdictions and thus has an environmental responsibility.	3	2	• Bulten meets these risks by ensuring that the company has all of the permits and contracts that are required and that it fulfils established security, reporting and control requirements.
N IT-related risk	• Bulten is dependent on IT systems and hardware to conduct its business. Breakdowns in systems or hardware would risk disrupting production and possibilities to meet delivery requirements to customers.	3	2	• Through high competence and good relations with external suppliers, Bulten has developed an IT environment that can be quickly replicated in the event of a breakdown.

LONG-TERM SUSTAINABLE BUSINESS

BULTEN'S BUSINESS WILL BE CONDUCTED RESPONSIBLY BY TAKING FULL ECONOMIC, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY. GOOD ETHICS, HIGH BUSINESS STANDARDS AND TRUST ARE IMPORTANT CONCEPTS THAT PERMEATE THE GROUP'S CORPORATE CULTURE AND THE WAY TO INTERACT WITH EMPLOYEES, SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND ALL OTHER. FOR BULTEN THIS IS THE PLATFORM FOR LONG-TERM AND SUSTAINABLE BUSINESS.

SUSTAINABILITY WORK

To be a sustainable employer is about more than to take account of the environment. Sustainability is also about ethics, employee development, diversity, and not least on social responsibility outside the office walls. Bulten's overall objective regarding sustainability is that it should be a natural part of all activities through an economic, environmental and social responsibility throughout the Group. On its own initiative, Bulten has chosen to support the Ten Principles on respect for human rights, working conditions, environmental responsibility and anti-corruption embodied in the United Nations Global Compact.

GOVERNING DOCUMENTS

Governing guidelines and policies are the basis for the sustainability work. The code of conduct is the foundation for all decisions made within the company. The code covers all employees and regulates which business principles employees shall observe in contacts with business partners and other parties. It also regulates communication and financial reporting, which environmental principles we follow and how the Group strives for fair working conditions and respect for human rights.

In addition to the Code there are several policies and guidelines that govern in a more detailed way the Group's efforts towards achieving long-term, sustainable business. In 2014, we continued to focus on our policies and guidelines for anti-corruption in the Group.

ENVIRONMENT

Bulten's environmental activities aim to ensure that production is carried out with as little environmental impact that is practically possible while remaining economically viable. Environmental activities should be preventive and involve all employees as well as continually improving products, processes and plants in order to minimize the impact on the environment. This work is led by the Group's head of environmental issues who are responsible for development and improvements. Units within the Group have integrated environmental management, quality control and, in some cases, health and safety issues included in the management system. Bulten's factories are working in the energy management system according to ISO 50001 and in 2014 Bulten's factory in Germany was certified.

In production, it is primarily energy consumption that affects the environment, but also the use of chemicals and emissions to water and air has a significant environmental impact.

All significant environmental aspects are measured at each site and reported to the authorities as well as internally for records and follow-up. The fact that Bulten has well-functioning environment management systems and dedicated employees is verified by external environmental auditors through regular visits and by the Group's customers. All of the Group's units have ISO 14001 environmental certification, which also is a requirement from our customers.

REDUCED ENVIRONMENTAL IMPACT IN 2014

Bulten and its customers are active in an industry that is continually under the spotlight with regard to environmental impact. During the year the Group's units paid special attention to energy and waste. Improvements were achieved through investment in energy efficient production equipment, increased recycling and improved treatment equipment. Competence in energy issues was also further developed to help the company make the right choices in the future.

An active environmental work is carried out at all units. Within Bulten the focus, among other areas, has been on using better purification equipment to improve the treatment of process wastewater. One example is the surface treatment facility at our factory in China that meets very strict environmental requirements. Other focus areas include reducing energy consumption and monitoring external suppliers' processes and the potential environmental impact. In addition, work is underway to follow up on transportation and its environmental impact.

Bulten was engaged already in the development phase of the fuel-efficient and powerful 1.0-liter EcoBoost engine, available in the Fiesta and nine other models from Ford.

REDUCED WEIGHT CONTRIBUTES TO LOWER CO_2 EMISSIONS

As a manufacturer of automotive components Bulten can also contribute to reduced environmental impact by providing solutions that reduce the weight of vehicles and thus cut fuel consumption, which in turn means lower CO_2 emissions.

Bulten works actively to help customers reduce the numbers of fasteners in their vehicles in order to reduce weight and to develop and propose alternative solutions. Moreover, the Group has made good progress in implementing B14, a high-tech, high durability material. The material enables reduced dimensions of the fasteners. A smaller dimension also enables a reduction in the components surrounding the fastener, leading to more weight reduction. The material is already being used in a number of applications and at the Bulten development and technology centres further development projects are being carried out together with customers.

EMPLOYEES

To ensure long-term sustainable development of the Group, Bulten works continually with employee development, the working environment and work conditions. Great emphasis is placed on having open and honest communication.

Every employee of Bulten is expected to take an active role in creating a safe, secure, quality-aware and efficient workplace characterised by an open and friendly working climate.

COMPETENCE DEVELOPMENT

Bulten works continually to develop its organization and its managers to support the Group's development and growth. The aim is to utilize internal competence and give the employees possibilities to develop and take greater responsibility within the company. To develop within the company is encouraged and internal recruitments are a natural part of the corporate culture.

GOOD WORKING CONDITIONS AND HUMAN RIGHTS

Bulten aims to be an attractive employer with a good working environment where commitment, responsibility and participation create the conditions for developing the Group and all employees. Offering a workplace without risking employee safety and health has high priority in all of Bulten's units. The Group continually strives to identify and address potential safety risks while implementing preventive measures that guarantee good health and safety for all employees.

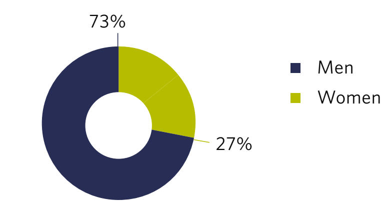
All members of staff shall have equal rights, obligations and opportunities in terms of employment and working conditions, training, education and development in accordance with the laws and regulations of the country in which they work.

EQUALITY AND DIVERSITY

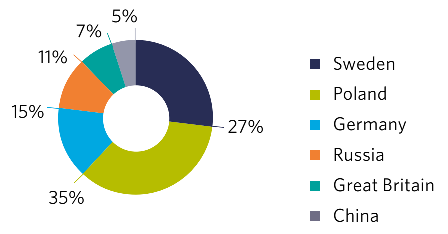
Bulten works to achieve equality and aims to achieve diversity in recruitment. During 2014, Bulten had activities in five countries with 1,175 employees at the turn of the year. Most of these people work with production. The engineering industry remains male dominated and this is also reflected at Bulten, where 73% of employees are men and 27% women.

KEY FIGURES	2014	2013
Net sales per employee, SEK 000	2,054.7	1,905.0
Operating earnings per employee, SEK 000	113.5	115.2
No. of employees on closing date	1,175	948

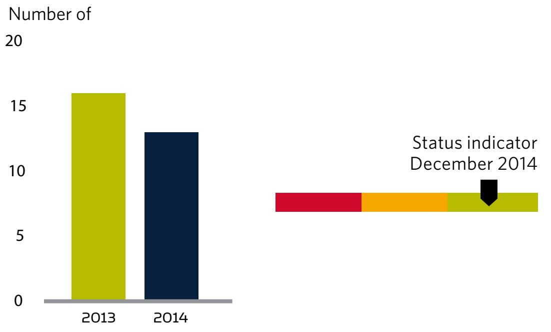
GENDER DISTRIBUTION



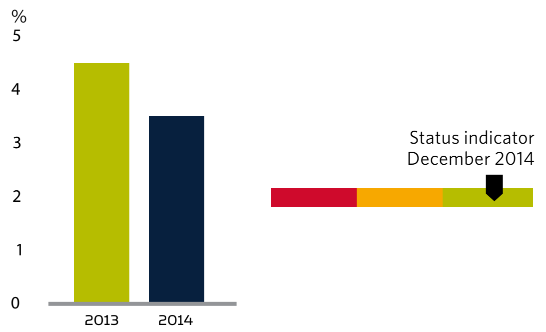
GEOGRAPHICAL DISTRIBUTION EMPLOYEES



WORK-RELATED INJURIES



SICK LEAVE



QUALITY

In 2014, Bulten has received awards from customers for excellent quality. An effective quality programme is a necessary precondition for a long-term and sustainable business. Bulten works systematically to improve quality at every stage of the value chain and to a large extent this work focuses on ensuring that faults and non-compliance do not occur and the benefits have been followed for a longer time. Giving quality highest priority means that the expectations of the Group and of its customers and owners are more likely to be met.

Bulten's reputation for quality, quality results and certificates have played an important role in winning new orders and projects which shows that customer expectations and requirements are met in terms of quality.

All Bulten's sites have ISO 9001/ISO-TS 16949 certification and also meet specific customer quality requirements. Furthermore, Bulten works for external suppliers of direct materials not only meet the so-called basic requirements, as quality and environmental management, but also our customers' specific additional requirements.

EFFECTIVE QUALITY PROGRAMME AND WELL-ESTABLISHED SYSTEMS

High levels of production efficiency require regular follow-up and evaluation. To ensure this, Bulten has well-established production and project systems. These systems feature principles, work methods and tools where the focus is on creating value and optimizing use of resources. The work is carried out in cross-functional teams and prevention and continuous improvements are always a key area.

QUALITY OBJECTIVES

Ambitious targets have helped the organization achieve major improvements. Internally, Bulten continually measures and follows up key indicators for production, markets and purchasing. The Group also regularly assesses external suppliers and quality outcomes.

PURCHASING

Purchasing is performed at central purchasing department. A significant part of the purchased volume is raw material, with steel representing the largest material. Bulten also trade components that the division does not make itself but which are included in the total commitment supplied to customers.

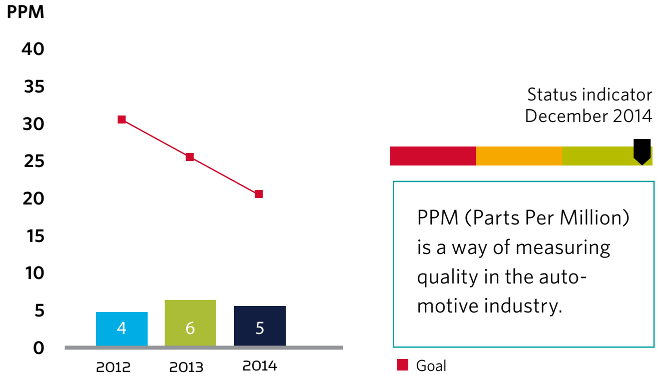
Procurement of raw materials is made with a selected supplier base. In 2014, the length of the contracts increased compared to previous years since no party wanted to commit to more than a quarter.

The Group aims to achieve transparency, good communication and long-term collaboration with all its suppliers. This is part of the Group's guidelines for responsible business management, for the significance of high quality for products and services and for a sustainable society through minimal environmental impacts.

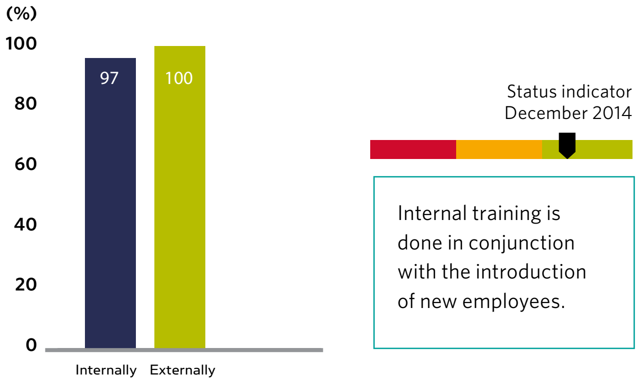
The Group's purchasing decisions are always based on objective factors such as the quality of products and services, cost-efficiency and delivery precision. In addition, suppliers must meet the demands based on the principles in the Group's code of conduct in terms of working environment, respect for human rights and the environment and shall comply with the Ten principles of respect for human rights, labour, environmental and anti-corruption in the UN Global Compact.

Suppliers must also meet quality and environmental demands as described in the ISO 9001/ISO-TS 16949 and ISO 14001 international standards. On top of these requirements, suppliers must have processes and procedures that ensure disruption-free deliveries.

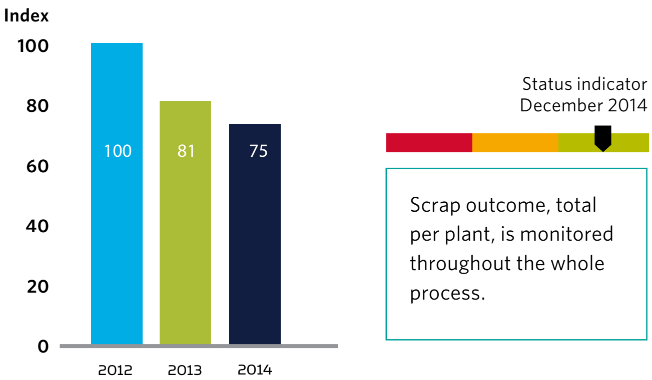
PPM (DELIVERIES TO EXTERNAL CUSTOMER)

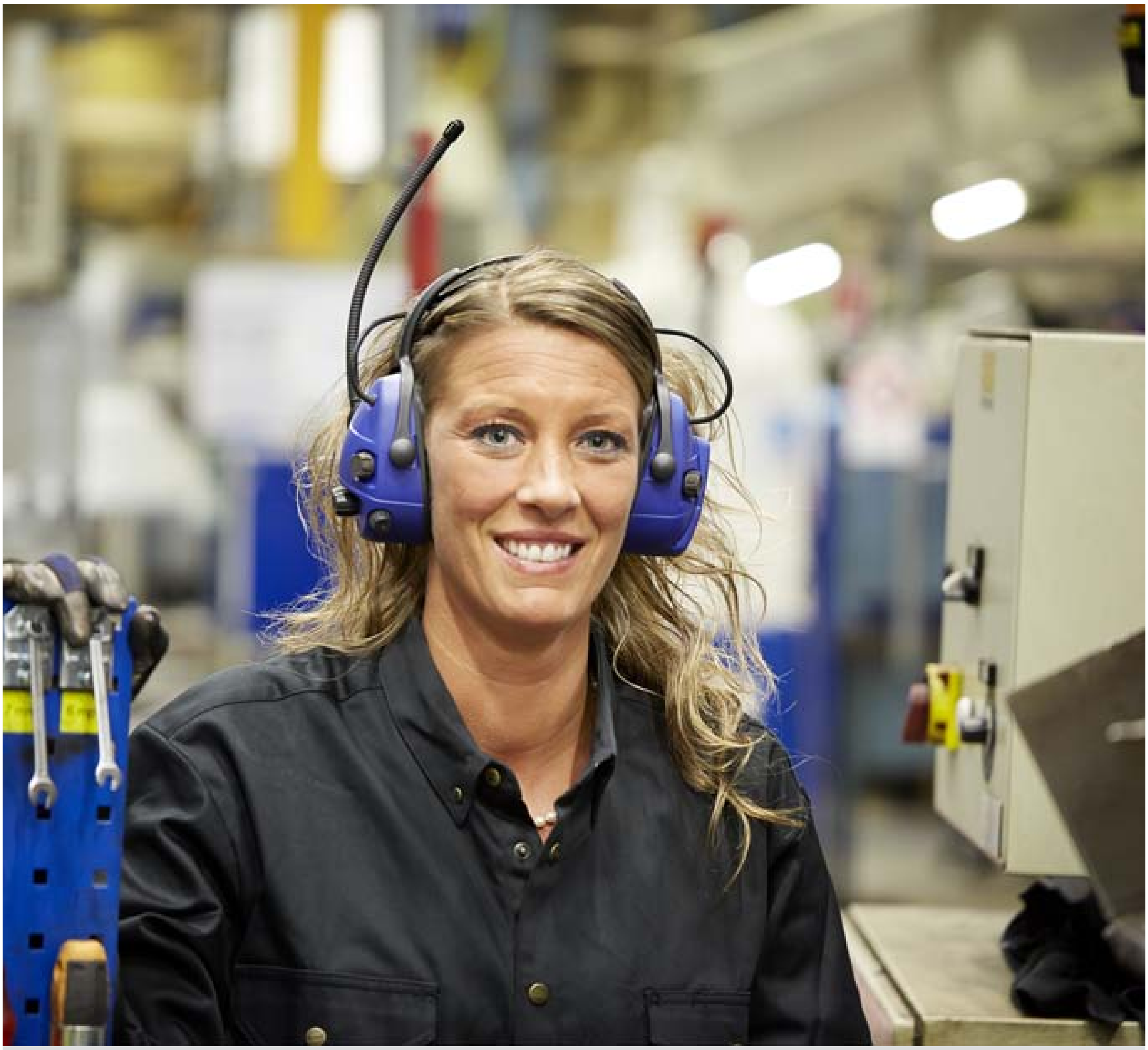


COMPLETED TRAINING IN BULTEN'S CODE OF CONDUCT



SCRAP COST IN RELATION TO TURNOVER





CODE OF CONDUCT

Bulten's Code of Conduct has been adopted with the aim of expressing the fundamental principles that form the basis for Bulten's relations with personnel, shareholders and other stakeholders. All personnel shall be aware of and follow the Code of Conduct. The code, along with our various Group policies, forms the basis for how we work within the Group.

Bulten also urges its suppliers, consultants and other business partners to apply the principles.

All employees and members of the board of directors of Bulten have an individual responsibility to report conflicts of interest, and breaches or infringements of this Code of Conduct.

Any reports should be made to the immediate manager or his/her superior in accordance with Bulten's internal communication and reporting channels. Bulten will not accept any discrimination or reprisal against employees who report a suspected infringement in good faith.

OUR CORE VALUES

BULTEN'S CORE VALUES ORIGINATE IN THE COMPANY'S HISTORY AND ARE THE FOUNDATION OF OUR CORPORATE CULTURE. THEY DEFINE THE WAY WE WORK AND BEHAVE AND INSPIRE AND SUPPORT US IN OUR EFFORTS TO CONTINUE BUILDING A SUCCESSFUL AND SUSTAINABLE BUSINESS.

PROFESSIONAL

We take full responsibility throughout the value chain, delivering quality at every stage and making sustainability a natural part of all activities of our company. In the relation with our customers we are responsive, friendly and accountable.

INNOVATIVE

We are constantly pushing the boundaries of our business. With proven and new technology and creative ideas we are striving to improve fastener applications, quality and enhance cost-efficiency.

DEDICATED

We are passionate about the fastening business and will always go that extra mile to meet the expectations of our clients. We are proud to carry forward the long heritage of Bulten into a challenging and exciting future.

EMPOWERED

At Bulten you'll meet highly skilled and motivated people, empowered to make decisions and drive progress. Thus, you can be certain we will keep our promises and provide you with the strongest possible solution for your fastening demands.

SHAREHOLDER INFORMATION

Bulten AB (publ) was listed on NASDAQ Stockholm on 20 May 2011. The company is on the Small Cap list under the BULTEN ticker. The trading amount is one share.

The share capital is SEK 10,520,103.50 divided among 21,040,207 shares with a nominal value of SEK 0.50 per share. Each share gives one vote and an equal participation in the company's capital and earnings.

SHARE PERFORMANCE

During 2014, NASDAQ Stockholm rose by 11.9% (23.0). Bulten's sector index, Stockholm Automobiles & Parts rose by 35.0% (32.0). Bulten's rose by 33.3% (68.1) from a rate at the start of the year of SEK 50.25 SEK (29.90) to SEK 67.00 (50.25). An increase of market value by SEK 352.4 million (428.2). The lowest price, SEK 50.25 was noted on 3 January 2014 and the highest, SEK 86.50 on 2 June 2014. The market value of Bulten at the end of 2014 was SEK 1,409.7 million (1,057.3).

SHARE TURNOVER

Bulten's total share turnover in 2014 was 27.4 (12.0) million shares, corresponding to an average turnover of 109.9 (48.2) thousand shares per day over 249 (250) trading days.

The turnover rate, calculated as the number of traded shares in relation to the total number of shares in the company, was 130.0% (57.3).

SHAREHOLDERS

As of 31 December 2014, Bulten had 5,289 (3,153) shareholders. The number of registered shareholders abroad was 26.6% (35.4), of which 12.5% (7.6) are held by owners in the UK, 5.5% (1.1) by owners in USA and 2.6% (23.7) by owners in Luxemburg.

The five largest shareholders as of 31 December 2014 had a total of 42.0% (54.3) of the capital and votes, with the three largest holding 35.8% (48.0).

Senior management of the Group and elected board members' shareholdings was at the end of the year 4.4% (6.7).

On 5 March 2014 the ownership structure changed when Nordic Capital Fond V sold its holding in the company.

DIVIDEND POLICY AND DIVIDEND

Bulten's target over time is to pay out a dividend of approximately one third of net earnings after tax. Consideration is given, however, to the company's financial position, cash flow and outlook. For 2014 the Board intends to propose to the Annual General Meeting that the dividend shall be SEK 3.00 (2.00) per share.

FINANCIAL INFORMATION

Bulten publishes four interim reports each year and an annual report. These reports are available in both printed and electronic formats on the company's website, www.bulten.com.

2015 ANNUAL GENERAL MEETING

The Annual General Meeting of Bulten AB (publ) will be held on Wednesday 29 April at 17.00 at Swedish Exhibition & Congress Centre (Sw. Svenska Mässan), in Gothenburg, Sweden.

OWNERSHIP STRUCTURE, 31 DECEMBER 2014

SHARE INTERVAL	NO. OF OWNERS	NO. OF SHARES	SHAREHOLDING,%
1-500	3,702	566,845	2.69
501-1,000	735	644,570	3.06
1,001-5,000	662	1,573,237	7.48
5,001-10,000	80	613,384	2.92
10,001-15,000	24	304,938	1.45
15,001-20,000	13	239,644	1.14
20,001-	73	17,097,589	81.26
TOTAL	5,289	21,040,207	100.00

Source: Euroclear Sweden AB's register, 31 December 2014.

BULTEN'S FIVE LARGEST SHAREHOLDERS, 31 DECEMBER 2014

NAME	NO. OF SHARES	SHARE OF VOTES AND CAPITAL, %
Volito AB	4,399,056	20.9
Öresund Investment AB	1,959,210	9.3
JP Morgan	1,181,452	5.6
Handelsbankens Fond AB	700,210	3.3
Catella Fondförvaltning	615,846	2.9
Summa fem största ägarna	8,855,774	42.0
Summa övriga ägare	12,184,433	58.0
Summa totalt	21,040,207	100.0

Source: Euroclear Sweden AB's register, 31 December 2014.

NUMBER OF SHARES

	REGISTRATION DATE	CHANGE IN NUMBER OF SHARES	NUMBER OF SHARES AFTER ISSUE
New share issue [1]	2011-05-25	1,842,777	21,040,207
New share issue [2]	2011-05-20	7,197,430	19,197,430
New share issue	2010-01-27	8,000,000	12,000,000
New share issue	2009-01-20	3,000,000	4,000,000
Decrease	2006-02-01	-321,500	1,000,000
New share issue	2006-02-01	321,500	1,321,500
New share issue	2005-01-24	999,000	1,000,000
Start-up	2004-10-12	1,000	1,000

1) New share issue in kind
2) New share issue through offset of shareholder loan

SHARE DATA – CONTINUING OPERATIONS

PRICE-RELATED SHARE DATA	2014	2013
Share price at year-end (final pay price), SEK	67.00	50.25
Highest share price during year (final pay price), SEK	86.50	52.50
Lowest share price during year (final pay price), SEK	50.25	26.80
Market value at year-end	1,409.7	1,057.3
P/E	15.50	10.53
P/E, adjusted for non-recurring items	17.14	14.42
Direct yield, %	4.48	3.98
Data per share		
Earnings before depreciation (EBITDA)	8.54	7.24
Operating earnings (EBIT)	6.34	5.19
Earnings after net financial items (EAFI)	5.63	4.89
Earnings for the year	4.32	4.77
Earnings for the year adjusted for non-recurring items	3.91	3.49
Shareholders' equity	59.54	51.73
Cash flow from operating activities	-2.84	9.35
Cash flow for the year	-12.47	2.36
Proposed dividend	3.00	2.00
Total outstanding ordinary shares, 000s		
Weighted total	21,040.2	21,040.2
At year end	21,040.2	21,040.2

AT THE END OF THE YEAR THE FOLLOWING ANALYSTS WERE FOLLOWING BULTEN'S DEVELOPMENT

COMPANY	ANALYST
Carnegie	Kenneth Toll Johansson
Erik Penser Bankaktiebolag	Johan Dahl
Handelsbanken Capital Markets	Carl Bertilsson
Swedbank	Mats Liss

PRESS RELEASES

Q1

Jan	140120	Invitation to conference call regarding FinnvedenBulten's Full year report 2013
Feb	140205	FinnvedenBulten divests its Swedish aluminium business, increased focus on magnesium
Feb	140206	FinnvedenBulten's Full Year Report 2013
March	140326	Notice to attend Annual General Meeting of FinnvedenBulten AB (publ)

Q2

April	140407	FinnvedenBulten's Annual Report for 2013 released
April	140407	Invitation to conference call regarding FinnvedenBulten's Q1 report 2014
April	140429	FinnvedenBulten's Q1 report 2014
April	140430	Press release from the Annual General Meeting of FinnvedenBulten AB (publ) April 29, 2014
May	140522	FinnvedenBulten focuses entirely on fasteners for the automotive industry and divests Finnveden Metal Structures to American Shiloh
June	140624	Invitation to conference call regarding FinnvedenBulten's Q2 report 2014
June	140630	FinnvedenBulten's divestment of Finnveden Metal Structures completed
June	140630	New President and CEO and new executive management in FinnvedenBulten

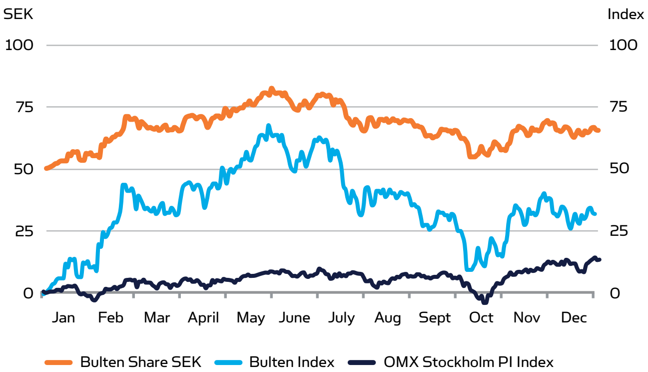
Q3

July	140710	Notice to attend extraordinary general meeting of FinnvedenBulten AB (publ)
July	140711	FinnvedenBulten's Q2 report 2014
Aug	140819	Press release from Extraordinary General Meeting of FinnvedenBulten AB (publ), under name change to Bulten AB (publ), 19 August 2014
Sept	140901	FinnvedenBulten AB changes company name to Bulten AB

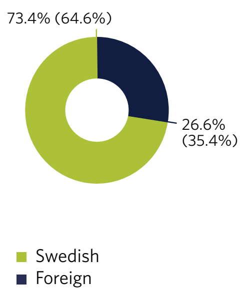
Q4

Oct	141007	Invitation to conference call regarding Bulten's Q3 report 2014
Oct	141023	Bulten AB (publ):s Nomination Committee for 2015 AGM appointed
Oct	141023	Bulten's Q3 report 2014
Oct	141028	Bulten officially inaugurates its Russian production facility

THE SHARE 2014 (%)

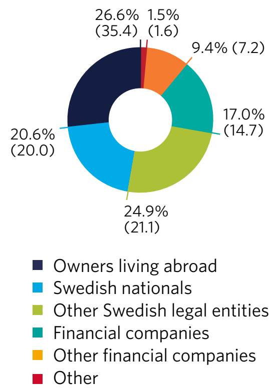


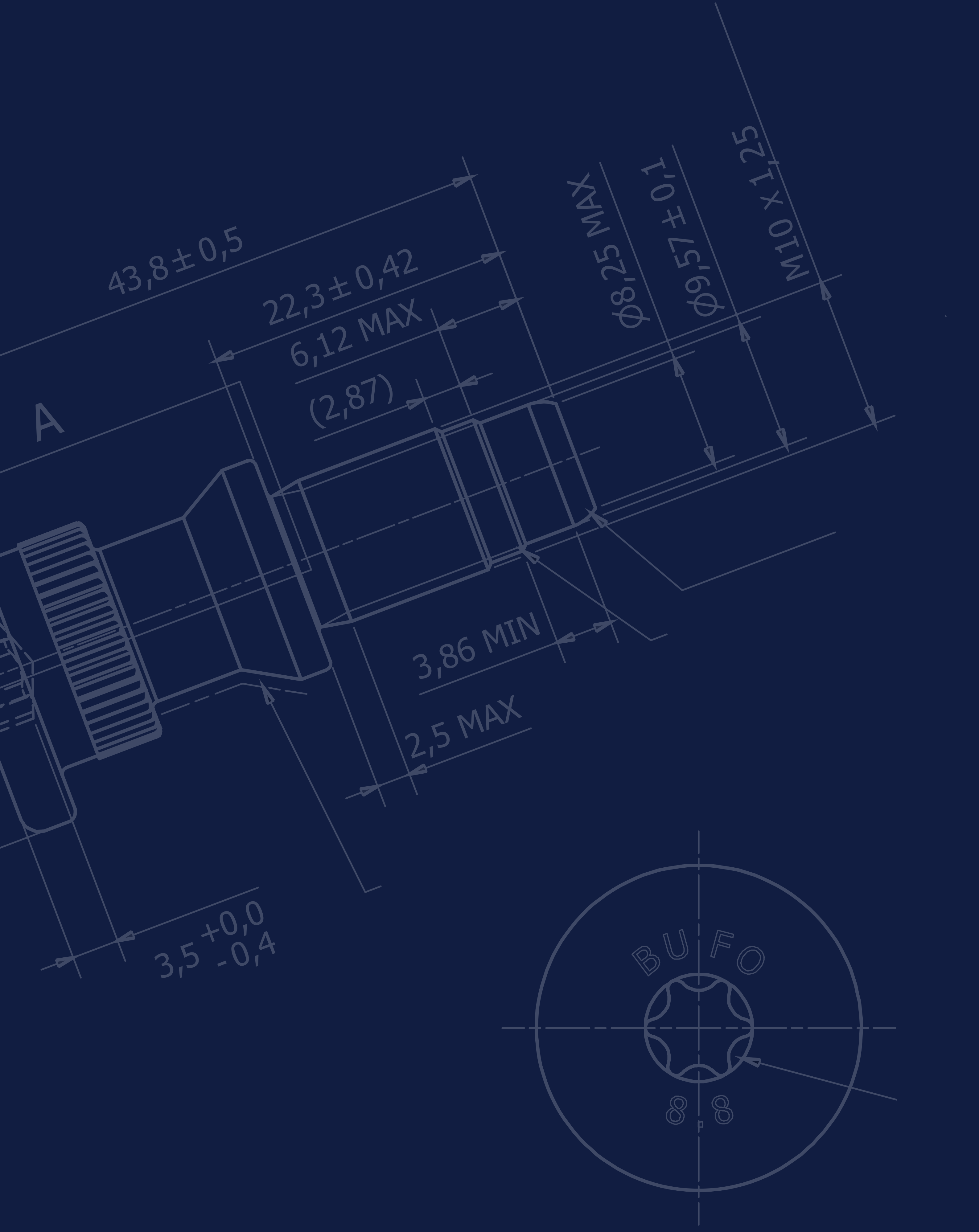
SWEDISH AND FOREIGN OWNERSHIP



Source: Euroclear Sweden AB's register, 31 December 2014

OWNERSHIP STRUCTURE




43,8 ± 0,5
22,3 ± 0,42
6,12 MAX
(2,87)
A
Ø8,25 MAX
Ø9,57 ± 0,1
M10 x 1,25
3,86 MIN
2,5 MAX
3,5 +0,0 -0,4
BUFO
8.8

FINANCIAL INFORMATION

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BOARD OF DIRECTORS' REPORT

The Board and President hereby submit the annual report and consolidated financial statements for Bulten AB (publ), corporate registration number 556668-2141, for the 2014 financial year.

Ownership structure

At the end of the year, Bulten AB (publ) was listed on NASDAQ Stockholm. The largest shareholders were Volito AB 20.9% (17.7), ÖInvestment AB Öresund AB 9.3% (7.1) and JP Morgan 5.6% (3.9).

Organization

On 30 June 2014 the Group completed the divestment of the Finnveden Metal Structures division and consequently Finnveden Metal Structures is reported as divested business separate from continuing operations.

CONTINUING OPERATIONS

Bulten develops and manufactures fasteners and supplies products, technology, service and system solutions for the automotive industry. The Group acts as a business partner to international customers in the manufacturing industry, mainly in the automotive industry. Customers are mostly based in Europe, Asia and the US.

Bulten is one of few companies in Europe that provide full-service responsibility throughout the chain of value for fasteners, from development of the product to final delivery onto the customer's production line.

Production mostly takes place in Europe, although the Group also operates production plants for fasteners in China and at a new plant in Russia.

At the end of 2014, Bulten's business was in seven countries with 1,175 (948) full-time employees, an increase of 23.9% from the end of 2013.

The Group's invoiced sales in 2014 were SEK 2,414.3 (1,805.9) million, an increase of 33.7% compared with the previous year.

Year in brief

Bulten reported strong growth during the year with significant volume increases attributable to two new FSP contracts. Bulten has won additional market shares and notes continued strong demand. Bulten has received additional volumes relating to an existing customer's expansion on growth markets. This extra business is worth SEK 150 million on full production in 2016. Optimisation to improve profitability started in 2014 and will continue in 2015. As optimisation measures have effect, profitability is expected to improve.

Limited production started at the Russian plant at the end of the year. The plant is being ramped up and has significant potential for the future. It was officially inaugurated in October and is Russia's first modern production unit for fasteners for the automotive industry.

At the end of June the Finnveden Metal Structures division was sold and a new President and CEO, Tommy Andersson, was appointed together with a new deputy President and management team, who took charge of Bulten as of 1 July 2014.

The parent company changed name from FinnvedenBulten AB to Bulten AB as of 1 September 2014.

Order bookings and net sales

Order bookings for the full year were SEK 2,556.8 million (2,011.5), which was 27.1% higher compared with the previous year.
Net sales for the full year totalled SEK 2,414.3 million (1,805.9), an increase of 33.7%

According to LMC Automotive (LMC), production of light vehicles in Europe increased by 2.7% and production of heavy vehicles climbed by 6.2% in 2014 compared with 2013. Weighted for Bulten's exposure, this means that average growth in the sector was around 1.5% in 2014.

Earnings and profitability

The Group's gross profit was SEK 454.6 (341.8) million, corresponding to a gross margin of 18.8% (18.9).
Earnings before depreciation (EBITDA) were SEK 179.8 (152.2) million, corresponding to an EBITDA margin of 7.4% (8.4).

Earnings (EBIT) were SEK 133.4 (109.2) million, corresponding to an operating margin of 5.5% (6.0). During the period an insurance payment of SEK 11.2 million was received relating to damage caused to a machine by a fire. Adjusted for this insurance payment of SEK 11.2 (-) million, the operating margin was 5.1% (6.0).

Key financial indicators

CONTINUING OPERATIONS	2014	2013 1)	2012 1)
Net sales	2,414.3	1,805.9	1,711.9
EBITDA margin, %	7.4	8.4	6.7
EBIT margin (operating margin), %	5.5	6.0	4.3
Adjusted EBIT margin (operating margin), % *	5.1	6.0	4.3
Capital turnover, times	1.7	1.3	1.3
Return on capital employed, % %	9.6	8.1	5.7
Return on equity, %	15.0	8.3	4.2
Net debt/equity ratio, times	0.1	-0.2	-0.2
Interest coverage ratio, times	8.7	15.4	10.2
Equity/assets ratio, %	67.5	52.7	54.9
Number of employees	1,175	948	902

* Adjusted EBIT margin. Operating earnings adjusted for non-recurring costs as a percentage of net sales for the year.
1) Balance sheets for 2013 and 2012 include discontinued operations.

A

Start-up costs during the year relating to new business amounted to around SEK -15.0 million and costs for the start-up in Russia to around SEK -12.9 million.

EBIT was affected negatively by currency changes amounting net to SEK -13.1 million when converting operating capital on the closing date. Currency gains in the previous year were SEK 2.6 million.

Net financial items in the Group were SEK -14.9 million (-6.3). Financial income was SEK 0.5 million (0.9), of which SEK - million were currency gains (0.5). Financial costs were SEK -15.4 million (-7.2) and mainly comprise interest costs amounting to SEK -7.7 million (-5.9), currency losses of SEK -4.9 million (-) and other financial costs of SEK -2.8 million (-1.3).

The Group's profit before tax was SEK 118.5 million (102.9) and the profit after tax was SEK 84.4 million (100.4).

The tax cost for the period was SEK -34.1 million (-2.5). Last year's figures included a deferred tax asset of SEK 27.1 million relating to additional loss deductions in accordance with a verdict from the Swedish administrative court of appeal.

Investments

Investments in intangible and tangible fixed assets were SEK 113.2 million (66.5). SEK 112.8 million (66.4) of the investments relate to machinery and equipment. The corresponding sum for intangible fixed assets was SEK 0.4 million (0.1). Depreciation for the period was SEK -46.4 million (-43.1).

Cash flow, capital tied up and financial position

Cash flow from operating activities before changes in working capital totalled SEK 136.7 (126.0) million, which equates to 5.7% (7.0) of net sales. Cash flow effects of the change in working capital amounted to SEK -196.5 (70.8) million. Inventories rose in the year by SEK 25.4 (63.4) million, while operating receivables decreased by SEK 11.1 (increase of 0.8) million.

Accounts receivable during the past year averaged SEK 524.9 (538.8) million, which equates to 21.7% (29.8) of net sales. Average inventories have risen and were SEK 476.2 (510.5) million, corresponding to an inventory turnover of 4.1 (2.9) times.

Consolidated cash and cash equivalents were SEK 255.5 (100.6) million at year-end. In addition, the Group had approved but unutilised overdraft facilities of SEK 315.5 (361.8) million, which means that disposable cash and cash equivalents were SEK 571.0 (462.3) million. Disposable cash and cash equivalents therefore were about 23.7% (25.6) of net sales.

Consolidated total assets at year-end were SEK 1,884.9 (2,093.6) million. Equity in the Group was SEK 1,272.7 (1,103.5) million at the end of the financial year. In addition to net income for the year of SEK 169.0 (88.2) million, translation differences totalling SEK 28.0 (11.9) million and transactions with shareholders totalling SEK -26.3 (-27.1) million have had an impact on equity.

On the closing date net cash (+)/net debt (-) was SEK 137.3 (-188.7) million.

The equity/assets ratio was 67.5% (52.7). Group goodwill at the end of the financial year was SEK 202.1 (196.3) million, or 10.7% (9.4) of total assets.

Risks and risk management

Exposure to risk is a natural part of a business and this is reflected in Bulten's approach to risk management. This aims to identify risks and prevent any risks occurring or to limit any damage resulting from these risks.

Risks can be categorised as financial risks, business cycle and external risks and operational risks. For a description of how the Group manages these risks in the business, see Note 3.

Permits and the environment

Bulten engages in manufacturing at five facilities, located in Sweden, Germany, Poland, China and Russia. At the end of 2014, the Swedish plant in Hallstahammar was subject to permit requirements under the Swedish Environmental Code.

The permit requirements are due to the nature of the operations, which principally comprise activities involving sheet metal processing, finishing (heat and surface treatment) and assembly. The primary environmental impact derives from the manufacturing processes in the form of emissions to water and air, waste generation, resource utilisation, noise and transport.

Bulten has a stated strategy for reducing the environmental impact of, among other areas, its process water, energy consumption, transport, chemicals and waste. Manufacturing units outside Sweden adapt their operations, apply for the necessary permits and report to the authorities as required by local legislation. A new license application was submitted in the autumn 2013 for the business at Hallstahammar prior to an increase in volumes and changed activities. This permit was granted in 2014.

DISCONTINUED OPERATIONS

As of 30 June 2014 the Group completed the divestment of the Finnveden Metal Structures division and consequently Finnveden Metal Structures is reported as discontinued operations separate from continuing operations. The final purchase amount for all the shares was SEK 374 million, representing a purchase amount of SEK 487 debt-free.

Earnings after tax

In 2014 earnings after tax for discontinued operations was SEK 84.6 million (-12.2), including earnings from the business for the period 1 January to 30 June 2014 of SEK 31.0 million and consolidated profit from the sale of Finnveden Metal Structures amounting to SEK 53.6 million.

Cash flow

For the January-December period, cash flow for discontinued operations including cash flow effects from the sale of Finnveden Metal Structures, was SEK 411.2 million (-0.5).

PARENT COMPANY

Bulten AB (publ) owns, directly or indirectly all the companies in the Group.

The equity/assets ratio was 72.5% (80.2). Equity was SEK 1,140.2 (1,188.0) million.

Disposable cash and cash equivalents in the parent company totalled SEK 0.6 (4.1) million. The company had seven employees on the closing date.

Total number of shares

The total number of ordinary shares as of 31 December 2014 was 21,040,207.

Board activities

The Board has adopted a set of working procedures and a number of policies that define the allocation of responsibilities between the Board, President and Group management. The Board has the ultimate responsibility for the Group's operations and organisation, and ensures that the President's duties and the financial operations are carried out in compliance with established principles. The board held 13 meetings during the year.

From its membership, the Board has appointed an audit committee and a remuneration committee. During the year, the audit committee held six meetings and the remuneration committee seven meetings.

Guidelines for remuneration to senior management

The 2014 Annual General Meeting reached a decision on the following guidelines for remuneration and other employment terms and conditions for senior executives. The guidelines cover remuneration and other employment terms and conditions for Bulten's President and other senior executives.

Salaries and other terms and conditions of employment shall be adequate for Bulten to constantly attract and retain skilled senior managers at a reasonable cost to the Company. Remuneration in Bulten shall be based on principles of performance, competitiveness and fairness. The salaries of senior executives are made up of a fixed salary, bonuses, pension and other benefits. Every senior manager shall be offered a fixed salary in line with market conditions and based on the senior manager's responsibility, expertise and performance. In addition, the AGM may resolve to offer long-term incentive programs such as share and share price-related incentive programs. These incentive programs are intended to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees.

All senior managers may be offered cash bonuses now and again. In the case of the CEO such bonuses may amount to a maximum of 60 percent of the annual fixed salary. In the case of the other senior managers bonuses may not exceed 40 percent of their annual fixed salaries. Bonuses shall primarily be based on developments in the Group as a whole or developments in the division or unit which the person in question is responsible for. For further information about remuneration to senior managers, see note 7 of this annual report.

Prior to the 2015 AGM the Board is proposing to maintain in principle the same guidelines adopted at the 2014 AGM for remuneration to senior managers.

Corporate governance report

Bulten is submitting a separate corporate governance report, which is included in this annual report on pages 79-83.

Significant events after the end of the financial year

No significant events took place after the end of the year.

Outlook for 2015

Of Bulten's net sales, around 86% is attributable to light vehicles and 14% to commercial vehicles, with 86% of total net sales going in direct deliveries to vehicle producers (OEMs) and the remainder to their sub-suppliers and to other sectors.

Bulten has noted continued strong demand and increased its market shares. The management team estimates that Bulten's market share in 2014 was around 14% of the European market for fasteners for the auto sector, an increase of 3 percentage pints compared with 2013. On the corresponding market for FSP business, Bulten's market share is estimated to have increased to 56%, up 11 percentage points on 2013. This estimate is based on data about the European auto industry's purchasing of fasteners in 2014 according to the European Industrial Fasteners Institute (EIFI). Bulten's underlying market is also showing growth. According to the LMC Automotives forecast in Q4, annual production of light vehicles in Europe is expected to have increased by 1.5% in 2014 compared with 2013, while annual production of commercial vehicles will have risen by 4.7%. Weighted for Bulten's business exposure, this means a rise of around 1.9%.

In Russia Bulten sees signs that demand for qualitative local production will increase even though the Russian auto sector has weakened due to the geopolitical situation. Among other signs, an additional European vehicle maker announced its interest in establishing on the Russian market.

Bulten considers that OEM expansion on growth markets will continue to favour the company and continues to sees good prospects to expand through new and existing contracts.

Proposed disposition of earnings

Bulten's objective over time is to share around one third of net earnings after tax. Consideration is however given to the company's financial position, cash flow and future prospects

The following profit in the Parent Company (SEK) is at the disposal of the Annual General Meeting:

Share premium	1,132,950,039
Profit brought forward	-102,899,776
	1,030,050,263

The Board of Directors and the President propose that these funds be distributed as follows (SEK):

Board proposal for dividend (SEK 3.00 per share)	63,120,621
To be carried forward to new account	966,929,642
Total	1,030,050,263

It is proposed that 4 May 2015 be the settlement date for the dividend. If the AGM agrees to the Board's proposal, payment via Euroclear Sweden AB is expected to be completed by 7 May 2015. The company has 21,040,207 shares, all of which bear entitlement to receive the dividend.

Statement of the Board concerning the proposed dividend

The equity/assets ratio on 31 December 2014 was 72.5% for the parent company and 67.5% for the Group. No part of the parent company's equity or the Group's equity relates to market values of financial instruments. The currently proposed dividend of SEK 63,120,621 means that the parent company's equity/assets ratio will fall to around 71.4% and the Group's equity/assets ratio will fall to around 66.4%.

It is the Board's assessment that the long-term earnings capability of the parent company and the Group is secure and that from this perspective the dividend is appropriate. It is further judged that the liquidity of the parent company and Group can be maintained at secure levels.

The Board considers that the proposed dividend is appropriate in relation to the demands that the type, scope and risks of the business place upon the amount of equity in the parent company and Group, and with regard to the consolidation requirements, liquidity and general financial position of the parent company and Group.

CONSOLIDATED INCOME STATEMENT

B

SEK M	NOTE	2014	2013
CONTINUING OPERATIONS			
Net sales	5	2,414.3	1,805.9
Cost of goods sold	6	-1,959.7	-1,464.1
Gross profit		**454.6**	**341.8**
Other operating income	10	55.8	52.8
Selling expenses	6	-180.4	-124.9
Administrative expenses	6	-182.2	-154.4
Other operating expenses	10	-14.1	-1.7
Share of profit in joint venture	33	-0.3	-4.4
Operating earnings	7, 8, 9 ,11	**133.4**	**109.2**
Financial income	12	0.5	0.9
Financial expenses	12	-15.4	-7.2
Earnings before tax		**118.5**	**102.9**
Tax on year's earnings	14	-34.1	-2.5
Earnings after tax continuing operations		**84.4**	**100.4**
DISCONTINUED OPERATIONS			
Earnings after tax from discontinued operations	40	84.6	-12.2
Earnings after tax including discontinued operations		**169.0**	**88.2**
Attributable to			
Parent company shareholders		175.6	88.3
Minority interests		-6.6	-0.1
		169.0	**88.2**
Earnings per share attributable to parent company shareholders			
Earnings per share, continuing operations, SEK [1]		4.32	4.77
Earnings per share, discontinued operations, SEK [1]		4.02	-0.57
Earnings per share, Group total, SEK [1]	15	**8.34**	**4.20**
Earnings per share, continuing operations, adjusted for non-recurring items, SEK [1]	38	3.91	3.49

[1] Both before and after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	NOTE	2014	2013
Earnings after tax		169.0	88.2
Other comprehensive income			
Items that will not be reclassified to income statement			
Revaluation of defined-benefit pension plans, net after tax		-1.5	0.8
Items that may be reclassified subsequently in income statement			
Derivative instruments, cash flow hedging, net after tax		–	-0.9
Exchange rate differences		28.8	12.1
Other comprehensive income attributable to joint venture	33	-0.8	-0.2
Total other comprehensive income		**26.5**	**11.8**
Total comprehensive income for the year		**195.5**	**100.0**
Attributable to			
Parent company shareholders		206.3	100.1
Minority interests	26	-10.8	-0.1
Total comprehensive income for the year		**195.5**	**100.0**
Attributable to			
Continuing operations		111.1	110.4
Discontinued operations		84.4	-10.4
Total comprehensive income for the year		**195.5**	**100.0**

CONSOLIDATED BALANCE SHEET

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SEK M	NOTE	31-12-2014	31-12-2013*
ASSETS			
Fixed assets			
Intangible fixed assets			
Goodwill	16	202.1	196.3
Other intangible fixed assets	16	0.8	19.6
Total intangible fixed assets		**202.9**	**215.9**
Tangible fixed assets			
Buildings and land	17	35.7	29.3
Plant and machinery	17	231.2	293.0
Equipment, tools, fixtures and fittings	17	40.9	43.7
Construction in progress and advances for tangible fixed assets	17	20.6	78.9
Total tangible fixed assets		**328.4**	**444.9**
Financial assets			
Other securities held as fixed		–	0.1
Other long-term receivables	18, 23	5.2	23.1
Total financial assets		**5.2**	**23.2**
Deferred tax receivables	14	86.4	123.8
Total fixed assets		**622.9**	**807.8**
Current assets			
Inventories	19	425.8	526.5
Current receivables			
Accounts receivable	20, 23	486.2	563.6
Current tax receivables		4.1	5.1
Other receivables	21	41.5	36.5
Prepaid costs and accrued income	22	48.9	53.5
Total current receivables		**580.7**	**658.7**
Cash and cash equivalents	23, 35	255.5	100.6
Total current assets		**1,262.0**	**1,285.8**
Total assets		**1,884.9**	**2,093.6**

*) Includes discontinued operations as of 31-12-2013

SEK M	NOTE	31-12-2014	31-12-2013*
EQUITY AND LIABILITIES			
Equity			
Share capital	24	10.5	10.5
Additional contributed capital	24	1,262.9	1,262.9
Other reserves	25	7.7	-23.0
Retained earnings		-28.3	-161.8
Equity attributable to parent company shareholders		**1,252.8**	**1,088.6**
Minority interests	26	19.9	14.9
Total equity		**1,272.7**	**1,103.5**
Liabilities			
Non-current liabilities			
Provisions for pensions and similar commitments	27	21.1	20.9
Other interest-bearing liabilities	23, 28	98.6	225.0
Deferred tax liabilities	14	–	3.7
Total non-current liabilities		**119.7**	**249.6**
Current liabilities			
Other interest-bearing liabilities	23, 28	2.2	46.0
Accounts payable	23	326.0	486.9
Current tax liabilities		9.0	7.0
Other liabilities		46.0	27.2
Accrued expenses and deferred income	30	101.1	154.5
Other provisions	31	8.2	18.9
Total current liabilities		**492.5**	**740.5**
Total equity and liabilities		**1,884.9**	**2,093.6**

Pledged assets	29	1,404.1	1,491.5
Contingent liabilities	32	49.0	50.0

*) Includes discontinued operations as of 31-12-2013

B

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

B

		ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS						
SEK M	NOTE	SHARE CAPITAL	ADDITIONAL CONTRIBUTED CAPITAL	OTHER RESERVES	RETAINED EARNINGS	TOTAL	MINORITY INTEREST	TOTAL EQUITY
Opening balance, 1 January 2013		**10.5**	**1,262.9**	**-34.8**	**-208.0**	**1,030.6**	**–**	**1,030.6**
Comprehensive income								
Earnings after tax		–	–	–	88.3	88.3	-0.1	88.2
Other comprehensive income								
Items that will not be reclassified to income statement								
Revaluation of defined-benefit pension plans, net after tax [2]		–	–	0.8	–	0.8	–	0.8
Items to be returned in income statement at a later date								
Derivative instruments, cash flow hedging, net after tax [2]	25	–	–	-0.9	–	-0.9	–	-0.9
Exchange rate differences		–	–	12.1	–	12.1	–	12.1
Other comprehensive income attributable to joint venture	33	–	–	-0.2	–	-0.2	–	-0.2
Total comprehensive income		**–**	**–**	**11.8**	**88.3**	**100.1**	**-0.1**	**100.0**
Transactions with shareholders								
Minority interest via acquisition	26	–	–	–	–	–	15.0	15.0
Dividend to parent company shareholders (SEK 2.00 per share)		–	–	–	-42.1	-42.1	–	-42.1
Total transactions with shareholders		**–**	**–**	**–**	**-42.1**	**-42.1**	**15.0**	**-27.1**
Closing balance, 31 December 2013		**10.5**	**1,262.9**	**-23.0**	**-161.8**	**1,088.6**	**14.9**	**1,103.5**
Comprehensive income								
Earning after tax		–	–	–	175.6	175.6	-6.6	169.0
Other comprehensive income								
Items not to be returned in income statement								
Revaluation of defined-benefit pension plans, net after tax [2]		–	–	-1.5	–	-1.5	–	-1.5
Items to be returned in income statement at a later date								
Exchange rate differences		–	–	33.0	–	33.0	-4.2	28.8
Other comprehensive income attributable to joint venture	33	–	–	-0.8	–	-0.8	–	-0.8
Total comprehensive income		**–**	**–**	**30.7**	**175.6**	**206.3**	**-10.8**	**195.5**
Transactions with shareholders								
Minority interest via acquisition	26	–	–	–	–	–	15.8	15.8
Dividend to parent company shareholders (SEK 2.00 per share)		–	–	–	-42.1	-42.1	–	-42.1
Total transactions with shareholders		**–**	**–**	**–**	**-42.1**	**-42.1**	**15.8**	**-26.3**
Closing balance, 31 December 2014		**10.5**	**1,262.9**	**7.7**	**-28.3**	**1,252.8**	**19.9**	**1,272.7**

1) Specification of Other reserves is in note 25
2) Tax effects are explained in note 14.

CONSOLIDATED CASH FLOW STATEMENT

B

SEK M	NOTE	2014	2013
CONTINUING OPERATIONS			
Operating activities			
Earnings after financial items		118.5	102.9
Adjustments for items not included in cash flow	35	43.8	46.6
Taxes paid		-25.6	-23.5
Cash flow from operating activities before changes in working capital		**136.7**	**126.0**
Cash flow from changes in working capital			
Increase(–)/Decrease(+) in inventories		-78.7	-36.0
Increase(–)/Decrease(+) in operating receivables		-154.8	-9.6
Increase(+)/Decrease(–) in operating liabilities		37.0	116.4
Cash flow from operating activities		**-59.8**	**196.8**
Investing activities			
Acquisition of intangible fixed assets		-0.4	-0.1
Acquisition of tangible fixed assets		-112.8	-66.4
Divestment of tangible fixed assets		0.4	0.3
Change in financial assets		-19.2	–
Cash flow from investing activities		**-132.0**	**-66.2**
Financing activities			
Loans assumed		44.9	–
Amortisation of borrowings		-40.0	-3.1
Change in overdraft facilities and other financial liabilities		-33.4	-35.8
Dividend to parent company shareholders		-42.1	-42.1
Cash flow from financing activities		**-70.6**	**-81.0**
Cash flow from continuing operations		**-262.4**	**49.6**
DISCONTINUED OPERATIONS			
Cash flow from operating activities		25.9	17.9
Cash flow from investing activities		389.1	-8.0
Cash flow from financing activities		-3.8	-10.4
Cash flow for the year from discontinued operations		**411.2**	**-0.5**
Cash flow for the year		**148.8**	**49.1**
Change of cash and cash equivalents		**148.8**	**49.1**
Cash and cash equivalents at start of financial year		100.6	50.5
Exchange rate difference in cash and cash equivalents		6.1	1.0
Cash and cash equivalents at year end	35	**255.5**	**100.6**

CONSOLIDATED NET CASH/NET DEBT COMPOSITION

SEK M	NOTE	31-12-2014	31-12-2013
Long-term interest-bearing liabilities		-98,6	-225,0
Provisions for pensions		-21,1	-20,9
Current interest-bearing liabilities		-2,2	-46,0
Financial interest-bearing receivables		3,7	2,6
Cash and cash equivalents		255,5	100,6
Net cash (+) / net debt (-)	28	**137,3**	**-188,7**

NOTES, THE GROUP

All amounts in SEK million unless otherwise stated. Figures in brackets refer to the previous year.
Some figures are rounded up, so amounts might not always appear to add up when summarised.

NOTE 1 GENERAL INFORMATION

Bulten AB (publ) (the parent company), Corp. Reg. No. 556668-2141 and its subsidiaries (jointly the Group) manufacture and distribute automotive components.

The parent company conducts operations in the legal form of a limited liability company, with its registered office in Göteborg, Sweden. The company's postal address is Bulten AB, Box 9148, SE-400 93 Göteborg, Sweden.

These consolidated financial statements were approved by the Board on 26 March 2015 for publication and will be presented to the annual general meeting of shareholders on 29 April 2015.

C

NOTE 2 SUMMARY OF IMPORTANT ACCOUNTING POLICIES AND DISCLOSURES

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and in accordance with the Council for financial reporting's recommendation, RFR 1, Supplementary accounting rules for groups, and the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method, except for derivative instruments, which are assessed at fair value.

In addition to these standards, both the Swedish Companies Act and the Annual Accounts Act require certain supplementary disclosures to be made. The accounting policies applied in the preparation of the consolidated financial statements are disclosed in the respective notes in order to provide greater understanding of the respective accounting field. See the table below for reference to the note in which each significant accounting policy is used and the applicable IFRS considered to have significant influence.

ACCOUNTING PRINCIPLE	NOTE		IFRS-STANDARD
Company acquisition	2	Consolidated financial statements	IFRS 3
Segment	4	Reporting of segment	IFRS 8
Income	5	Income	IAS 18
Operating costs	6	Operating costs	IAS 1
Operational and financial leasing	11	Leasing	IAS 17
Financial income and expenses	12	Financial income and expenses	IAS 39
Incomes taxes	14	Tax on income for the year	IAS 12
Earnings per share	15	Earnings per share	IAS 33
Intangible fixed assets	16	Intangible fixed assets	IAS 36, IAS 38
Tangible fixed assets	17	Tangible fixed assets	IAS 16, IAS 36
Inventories	19	Inventories	IAS 2
Accounts receivable	20	Accounts receivable	IAS 18, IAS 32, IAS 39, IFRS 7
Accounts payable	23	Financial instruments per category	IAS 32, IAS 37, IAS 39, IFRS 7
Derivative instruments and hedging instruments	23	Financial instruments per category	IAS 32, IAS 39, IFRS 7, IFRS 13
Minority interest	26	Minority interest	IFRS 10, IFRS 12
Pensions and similar commitments	27	Provisions for pensions and similar commitments	IAS 19 Revised
Borrowings	28	Interest-bearing liabilities	IAS 32, IAS 37, IAS 39, IFRS 7
Allocations	31	Other provisions	IAS 28, IAS 37, IFRS 11
Joint venture	33	Investment in joint venture	IFRS 11, IAS 28, IFRS 12
Transactions with related parties	34	Transactions with related parties	IAS 24
Cash flow statement	35	Cash flow	IAS 7
Fixed assets held for sale and divested business	40	Discontinued operations	IFRS 5, IFRS 13

Critical accounting estimates and assessments for accounting purposes

Preparing financial reports in accordance with IFRS requires important accounting estimates to be made. The management also needs to make certain assessments in applying the company's accounting policies. The areas subject to a high degree of assessment or complexity, or areas in which assumptions and estimates are of considerable importance to the consolidated financial statements, are indicated in the following table. The estimates and assumptions are regularly reviewed, and the effect on the amounts recognised are accounted for in the income statement.

ESTIMATES AND ASSESSMENTS	NOTE
Reporting of income	5 Income
Classification of leasing	11 Leasing
Valuation loss carry forward	14 Tax on profit for the year
Impairment of goodwill	16 Intangible assets
Inventory obsolescence	19 Inventories
Transfer of accounts receivable	20 Accounts receivable
Legal risks, compensation demand	31 Other provisions

Estimates and assessments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The estimates for accounting purposes that result from these assumptions, by definition, seldom equal the related actual results.

New and revised accounting standards applied by the Group in 2014

Outlined below are the standards applied by the Group for the first time for the financial year starting 1 January 2014, and which have a material impact on the Group's financial statements:

- IFRS 11 "Joint Arrangements" focuses on the rights and obligations of the parties in a joint arrangement, rather than on the legal form of the arrangement. There are two types of joint arrangements, joint operations and joint ventures. Joint operations arise when a party to a joint activity has rights to the assets and commitments to the liabilities of the joint arrangement. In such an arrangement assets, liabilities, income and expenses are reported based on the holder's share of them. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method, and the proportional method is no longer allowed. This change means that the Group's joint venture (currently 60% of BBB Services Ltd. and its subsidiaries) is reported using the equity method instead of the proportional method. See Note 39 for the effects on the financial statements.

- IFRS 12 "Disclosure of interests in other companies" includes the disclosure requirements for all forms of interests in other entities, such as subsidiaries, joint arrangements, associates and unconsolidated structured companies.

Other standards, amendments and interpretations that come into effect for the fiscal year beginning 1 January 2014 have no material impact on the consolidated financial statements.

Consolidated financial statements

Subsidiaries

A subsidiary is any company in which the Group has a controlling influence. The Group controls a company when it is exposed to or has the right to variable returns from its holdings in the company and has the ability to affect returns through its influence on the company.

Subsidiaries are included in the consolidated financial statements from the day on which controlling influence passes to the Group. They are excluded from the consolidated financial statements from the day on which this controlling influence ceases.

The purchase method is used in accounting for the Group's business combinations. The cost of an acquisition comprises the fair value of assets provided as remuneration, equity instruments issued and arisen or assumed liabilities on the transfer date. The acquisition cost also includes the fair value of all assets and liabilities arising from any agreement about conditional purchase sums. Costs relating to an acquisition are capitalised as they arise. For each acquisition the Group determines whether any minority interest in the acquired business shall be reported at fair value or using the proportional share of the acquired company's net assets. The amount by which the purchase sum, any minority interest and the fair value on the acquisition date of previous shareholdings exceeds the fair value of the Group's proportion of identifiable acquired net assets is recognised as goodwill. If the cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the income statement.

When the Group no longer has a controlling influence, each remaining shareholding is assessed at fair value at the time when the controlling influence is terminated. The change on the reported amounts is reported in the income statement. Fair value is used as the first reported value and forms the basis for continued reporting of the remaining holding as an associate company, joint venture or financial asset. All amounts concerning the divested unit that were previously reported in other comprehensive income, are reported as if the Group had directly sold the attributable assets or liabilities. This may mean that amounts previously reported in other comprehensive income are reclassified as earnings.

Elimination of transactions between Group companies

Intra-Group transactions and balance sheet items, as well as unrealised gains on transactions between Group companies, are eliminated. Unrealised losses are also eliminated, unless the transaction is proof of an impairment requirement for the transferred asset. Unrealised gains and losses arising from transactions between the Group and its associated companies and joint ventures are eliminated in relation to the Group's holding in those companies. The accounting policies for subsidiaries, associated companies and joint ventures have been changed where appropriate to ensure consistent application of the Group's policies.

C

Translation of foreign currencies

Items in the financial statements for the various Group units are measured in the currency used in the economic environment where each company primarily operates (the functional currency). In the consolidated financial statements the Swedish krona (SEK) is used, which is the parent company's functional and reporting currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rates in force on the transaction date. Exchange gains and losses arising from settlement of such transactions and recalculation of monetary assets and liabilities in foreign currencies at the closing day rate are accounted for in the income statement. Exchange gains and losses attributable to loans and cash and cash equivalents are reported as financial incomes and expenses. All other exchange gains and losses are reported as 'Other operating income' or 'Other operating costs'.

The results and financial position of all Group companies are translated into the Group's reporting currency. Assets and liabilities are translated at the closing day rate, income and expenses are translated at the average rate and any resulting exchange rate differences are recognised as a separate portion of equity. Fair value adjustments and goodwill arising from the acquisition of a foreign operation are recognised as assets and liabilities in that operation and translated at the closing day rate.

The following exchange rates have been used when translating results of foreign subsidiaries:

	AVERAGE EXCHANGE RATE		CLOSING RATE	
	2014	2013	2014	2013
CNY	1.11	1.06	1.26	1.07
EUR	9.10	8.65	9.52	8.94
GBP	11.29	10.19	12.14	10.73
PLN	2.17	2.06	2.21	2.15
RUB	0.18	0.20	0.14	0.20
USD	6.86	6.51	7.81	6.51

Classification

Fixed assets and long-term liabilities consist essentially of only those amounts expected to be recovered or paid after more than 12 months of the balance sheet date. Current assets and current liabilities consist essentially of only those amounts expected to be recovered or paid within 12 months of the balance sheet date.

Non-recurring items

Non-recurring items are reported separately in the financial statements when it is necessary to explain the Group's results. Non-recurring items refer to significant income or expense items that are reported separately because of the importance of their nature or amount.

New standards and interpretations not yet applied by the Group

A number of new standards and interpretations will come into effect for fiscal years beginning after 1 January 2014 and they have not been applied in preparing this financial report.

- IFRS 9 "Financial Instruments" covers the classification, measurement and recognition of financial assets and liabilities. The full version of IFRS 9 was issued in July 2014. It replaces the parts of IAS 39 that concern the classification and measurement of financial instruments. The standard is effective for fiscal years beginning 1 January 2018. Earlier application is permitted. The Group has not yet assessed the impact of the introduction of the standard.

- IFRS 15 "Revenue from Contracts with Customers" regulates reporting of revenue. The principles on which IFRS 15 is based will provide users of financial statements more useful information about the company's revenue. The expanded disclosure requirements mean that information about the type of revenue, the date of settlement, uncertainties related to revenue recognition and cash flow attributable to the company's customer contracts shall be provided. According to IFRS 15, revenue should be recognized when the customer obtains control of the sold goods or services and has the opportunity to use and receive the benefits of the product or service.

  IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and related SIC and IFRIC. IFRS 15 shall enter into force on 1 January 2017. Earlier application is permitted. The Group has not yet assessed the impact of the introduction of the standard.

None of the other IFRS and IFRIC interpretations that have not yet entered into force are expected to have a material impact on the Group.

NOTE 3 RISKS AND RISK MANAGEMENT

FINANCIAL RISKS

In its operations, Bulten is exposed to various financial risks. Examples of these are currency, liquidity, interest rate, credit and capital risks. It is the Board that sets policies for risk management. Financial activities in the form of risk management, liquidity management and borrowing are managed for the whole Group by the parent company. The Group's overall risk management focuses on the unpredictability of the financial markets, and strives to minimise potential unfavourable effects on the Group's finances.

Currency risk

The Group operates internationally and is exposed to currency risks arising from various currency exposures, primarily for EUR, PLN, GBP, USD and RUB. Currency risks arise from future commercial transactions, flow exposures in the form of deposits and payments in different currencies, recognised assets and liabilities, the translation of foreign subsidiary income and net investments in foreign operations.

Changes in currency exchange rates can also affect the Group's own or its customers' competitiveness and, indirectly, Group sales and earnings. The Group is exposed to changes in multiple currencies, where the change in EUR has the greatest impact on Group earnings.

The Group's policy for handling currency risks focuses on transaction-related currency risks. Currency risks are primarily handled by trying to change the operative conditions in the business by matching income and expenses in other currencies than SEK. Hedging may however be used in special circumstances. Currency flows shall only be hedged that fulfil criteria for hedge reporting in accordance with IAS 39. Application of hedge reporting is however determined in each individual case when the hedge is established.

If the Swedish krona had weakened/strengthened by 10% against the EUR with all other variables constant, the change in gross profit would be around SEK 64 (46) million. A 10% change in the exchange rate for PLN would have affected gross profits by SEK -12 (-13) million. A 10% change in GBP would have had an SEK -16 (-6) million effect and for RUB around SEK -1 (-) million. Given current exposure the net effect would have been a net improvement of SEK 35 (26) million if SEK had changed in value by 10% against EUR, PLN, GBP and RUB. The corresponding effect on equity would have been SEK 69 (53) million.

Group currency flows were distributed as follows during the financial year:

	2014			2013		
CURRENCY *	INCOME	COSTS	OPERATING P/L	INCOME	COSTS	OPERATING P/L
SEK	252	-506	-254	261	-488	-227
EUR	1,988	-1,351	637	1,352	-892	460
PLN	19	-136	-117	20	-154	-134
GBP	53	-209	-156	58	-120	-62
Other currencies	102	-79	23	115	-43	72
Total	**2,414**	**-2,281**	**133**	**1,806**	**-1,697**	**109**

* Expressed in SEK million.

The Group has holdings in foreign businesses whose net assets are exposed to currency changes. Currency exposure that results from assets in the Group's foreign activities is primarily handled through loans in the relevant foreign currencies.

Distribution of financial liabilities per currency

AS OF 31 DECEMBER 2014, SEK M	INTEREST-BEARING LIABILITIES 1)	ACCOUNTS PAYABLES	TOTAL
SEK	–	43.2	43.2
EUR	23.3	213.3	236.6
GBP	75.7	33.7	109.4
PLN	0.3	21.9	22.2
RUB	–	7.2	7.2
USD	–	4.0	4.0
Other currencies	–	2.7	2.7
Total	**99.3**	**326.0**	**425.3**

1) Excluding pensions and similar commitments

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Liquidity risk

The liquidity risk is the risk that the company cannot make its payments due to insufficient liquid assets and/or difficulty in securing loans from external lenders. Liquidity risk is managed by the Group holding sufficient cash and cash equivalents and short-term investments with a liquid market and having financing available through the agreed credit facilities. Management closely monitors rolling forecasts for the Group's liquidity reserve composed of unused credit lines and cash and cash equivalents based on the expected cash flows. This occurs at two levels in the Group; at a local level in the Group's operating companies, and at Group level.

In connection with the sale of Finnveden Metal Structures the Group renegotiated its financing agreement and adapted it to continuing operations on fundamentally unchanged terms. The credit facility was reduced from SEK 575 million to SEK 400 million and runs to July 2016.

Covenants associated with this credit facility are presented in more detail in note 28. All covenant conditions were met during the year. The Group transfers ongoing accounts receivable within the framework of a block purchase agreement. The agreement means that the buyer of accounts receivable assumes the principal credit risks associated with the receivable. The criteria whereby the accounts receivable shall not be reported on the balance sheet have been met. The Group is therefore dependent on the buyer's ongoing assessment of the credit rating of customers. At the end of 2014 transferred accounts receivable were SEK 54.2 (132.6) million. The total capacity of the agreement covering purchases of accounts receivables is SEK 68 (171) million.

At the end of 2014, the available liquidity reserve for the Group was SEK 574.7 (465.8) million, which corresponds to 23.8% (15.2) of net sales. The Group's policy stipulates that the available resources, namely cash and cash equivalents and available credit, must exceed 5% of net sales, and that the funds available at any time exceed SEK 100 million. Temporary over-liquidity shall be placed in investments with short maturities and minimal credit risk, e.g. in bank accounts or short bonds issued by Swedish banks or the Swedish state.

The table below analyses the Group's financial liabilities broken down according to the time remaining until the contractual maturity date at the closing day (including any interest payments where established). The amounts indicated in the table are the contractual, undiscounted cash flows.

AS OF 31 DECEMBER 2014 (INCLUDING INTEREST PAYMENTS)	LESS THAN 1 YEAR MORE THAN 5 YEARS	1-5 YEARS	MORE THAN 5 YEARS
Bank loans and overdrafts	–	110.2	–
Accounts payable and other liabilities	490.3	–	–
Liabilities for financial leases	0.7	1.8	–
Total	**491.0**	**112.0**	–

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AS OF 31 DECEMBER 2013 (INCLUDING INTEREST PAYMENTS)	LESS THAN 1 YEAR MORE THAN 5 YEARS	1-5 YEARS	MORE THAN 5 YEARS
Bank loans and overdrafts	36.8	203.3	–
Accounts payable and other liabilities	694.6	–	–
Liabilities for financial leases	8.8	37.3	–
Total	**740.2**	**240.6**	–

Interest rate risk

The Group's interest rate risk arises from short and long-term borrowing. Borrowing made at variable interest rates exposes the Group to a cash flow interest rate risk, which is partly neutralized by having cash and cash equivalents with variable interest. Borrowing made at fixed rates exposes the Group to an interest rate risk relating to fair value.

The Group's policy to manage the interest rate risk reflects the rate of change in the Group's financing. In recent years this has meant a short lock-in period. The financial policy sets the fixed term of interest rates for external loans at an average of six months, with the right to deviate +/– 3 months if the market assessment changes. The average fixed-rate term at the end of both 2014 and 2013 for external loans was around six months.

The Group had, at the end of the financial year, no financial contracts for changing the interest rate risk in relation to what the existing loan agreement regulates. In 2014 and 2013 Group borrowing with variable interest was in SEK, EUR, GBP and PLN. If the interest rates on borrowing in Swedish kronor in 2014 were 1% higher/lower with all other variables constant, after-tax earnings for the financial year would have been SEK 2.0 (3.0) million lower/higher.

Credit risk

Credit risk is managed at a Group level. Credit risks arise from cash and cash equivalents and balances with banks and financial institutions and credit exposures, including outstanding receivables and agreed transactions.

Individual assessments of customer's creditworthiness and credit risk are made where the customer's financial position is taken into account, along with past experience and other factors. Management does not expect any losses due to default by counterparties in addition to what has been reserved as doubtful receivables, see note 20.

Capital risk

The Group's objective with regard to the capital structure is to secure the Group's ability to continue trading, so that it can generate returns to shareholders and benefits for other interested parties and to maintain an optimal capital structure in order to keep down the cost of capital.

To maintain or adjust the capital structure the Group can choose to change the dividend paid to shareholders, pay back capital to shareholders, issue new shares or sell assets to reduce debts.

The management team continually monitors requirements for refinancing of external loans with the objective of renegotiating credit facilities at the latest 12 months before the due date. The Group's existing financing agreement runs to July 2016. The maturity structure for existing loans is shown in note 28.

One of the Group's financial targets is to achieve a return on average capital employed (equity and interest-bearing net liabilities) above 15%. For 2014, average capital employed was SEK 1,395.0 (1,363.3) million. Return, defined as earnings after financial items plus financial costs, on average capital employed was 9.6% in 2014 and 8.1% in 2013.

The consolidated equity/assets ratio was 67.5 (52.7)%, compared with the target of 45%. The target for net debt in relation to EBITDA shall be under 3. The outcome for 2014 was -0.8 (1.2). The target for EBITDA in relation to net financial items is above 3. The outcome for 2014 was 12.1 (24.4).

EQUITY/ASSETS RATIO	2014	2013
Equity	1,272.7	1,103.5
Balance sheet total	1,884.9	2,093.6
Equity/assets ratio, %	**67.5**	**52.7**

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

DEBT/EQUITY RATIO	2014	2013
Total borrowings	-100.8	-271.0
Provisions for pensions	-21.1	-20.9
Minus Interest-bearing assets	3.7	2.6
Minus Cash and cash equivalents	255.5	100.6
Net cash (+) / net debt (-)	**137.3**	**-188.7**
Total equity	1,272.7	1,103.5
Net debt/equity ratio, times	0.1	-0.2

The net cash/net debt/equity ratio is calculated as net cash/net debt divided by equity including minority interests. Net cash/net debt is calculated as total interest-bearing liabilities (including short-term borrowing and long-term borrowing, and interest-bearing pension liabilities in the consolidated balance sheet) minus cash and cash equivalents and interest-bearing assets.

For continuing operations, average interest on borrowing liabilities amounted to 3.7% (2.0%).

BUSINESS CYCLE AND EXTERNAL RISKS

Market and macroeconomic risks

Bulten operates mainly in markets where customers are affected by macroeconomic factors and political decisions. Demand for the Group's products is dependent on transport demands, which in turn is driven by global trade and economic growth around the world. Bulten primarily operates in markets for commercial vehicles and passenger cars. The Group's sales are diversified and spread over a number of customers, platforms, models and factory plants which usually dampens the effects of individual changes to demand. The use of production forecasts and close relationships with customers means that the Group is well informed about the customers' production schedules. The financial results in the business are dependent on the Group's capability to react swiftly to changes in demand for the Group's products and adapt production levels and operating costs thereafter.

Price pressure

Price pressure is a natural part of activities in the automotive industry. To meet price pressure and its consequences, the Group is working continuously on improvements to reduce costs and to offer customers added value through new products and services. Cost reductions can be achieved, for example, through standardisation, simpler assembly and reduction of indirect costs. This primarily takes place within the framework for Bulten's Full Service Provider concept (FSP).

Competition

Bulten operates as a supplier in the automotive industry which is a competitive market. The industry is characterised by overcapacity and high demands from customers for quality, reliable delivery, technology and overall customer service. The Group's long-term success is therefore dependent on a favourable market positioning, a good competitive position and high operating efficiency in all parts of the Group.

Raw materials and commodity prices

The Group is dependent on a number of raw materials and intermediate goods and demand for them on global markets. Exposure is greatest in the different grades of steel and changes in prices may affect the Group's earnings. The price of raw materials is adjusted periodically to reflect current market levels based on price developments over the period. The Group's strategy is to offset these risks by an active and professional purchasing process, with consolidation and standardisation of the volumes purchased and long-term relationships with qualified suppliers and through transparent pricing for customers.

Force majeure

As global warming increases, natural disasters may occur. At the same time, globalization and "Just-in-time" logistics make global trade more susceptible to disruption. In recent years, natural disasters have occurred that affected the automotive industry, but thanks to capacity planning and good customer and supplier relationships within the industry, production has been able to continue.

Legal and political risks

Bulten's business is conducted in several jurisdictions and is subject to local rules and laws that are applicable in each jurisdiction as well as general international laws. Changes in rules, customs regulations and other trade barriers, pricing and currency controls and other public guidelines in countries where Bulten is active may affect the Group's business.

The Group is exposed to legal risks when the activity is influenced by a large number of commercial and financial agreements with customers, suppliers, employees and other parties, as well as licenses, patents and other intellectual property rights. This is normal for a business such as the Group's. Legal risks arise occasionally and at present there are a number of cases being pursued but these are of a minor nature. Bulten is established on markets and in new countries where the Group has been active for a limited period. New start-ups, especially in growth countries, may involve unforeseen costs. In some of the countries where the Group now operates corruption is more prevalent than is the case in, for example, Sweden. Bulten's code of conduct together with the Group's system of internal control over financial reporting, as outlined in the Corporate Governance Report on pages 79-83, provides the basis for an ethical approach and accurate financial reporting. In some emerging countries, there is also an increased risk of both central and local government decisions being made on political grounds which may cause a certain unpredictability in the business. Through collaboration with locally based companies, the political risk is mitigated somewhat. Even geopolitical concerns could create a risk for the company. The Group is addressing these risks by continuously working on risk assessments and, if necessary, using external expertise in each identified risk area.

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OPERATIONAL RISKS

Organization and competence procurement

It is important to be able to attract staff and management. Key personnel are very important for Bulten's future success. If key personnel leave Bulten or if the Group is unable to attract qualified personnel this may have an adverse effect on its business, its financial condition and results. The management of the Group and its subsidiaries are responsible for identifying and ensuring that the right people stay and develop together with the Group. This is done by offering competitive salaries, a good working environment, preventive health care, and the opportunity for education and careers within the Group.

Products and technology

The automotive industry is characterized by environmental, competitive and cost awareness. The industry is high-tech, so research and development is therefore important. Development of new materials can alter Bulten's competitiveness. The Group closely monitors market trends and works closely with customers in order to understand requirements as they change over time. The risk of loss of competitiveness is expected to decrease by performing research and development in new materials and applications.

Product liability, warranty and recall

The Group is exposed to product liability and warranty claims in cases where the Group's products cause injury to any person or damage to property. If a product is defective, the Group may have to participate in a recall. Bulten has historically not been affected by any major recalls or product liability. Bulten is insured against damages applicable to product liability and recalls. Bulten minimises risks related to product liability, warranty insurance and damages through extensive testing in the design and development phase as well as in production by continuously implementing quality management and control measures.

C

Suspension of operations and property damage

Damage to production equipment, as a result of factors such as fire, may have a negative impact, both in direct property damage and in business interruption, which makes it harder to fulfil the Group's obligations to the Group's customers. This in turn could encourage customers to use other suppliers. The effect of such damage to production equipment can be characterised as high. Continuous efforts are being made to improve the Group's forward planning and preventative security measures. The Group also has full insurance cover against business interruption.

Environmental risks

In several jurisdictions, Bulten's business is subject to reporting and permit requirements. All of the Group's production plants are either required to apply for a permit or are regulated by the environmental laws of the country in which they operate. Bulten has received the permits and agreements that are required, and they fulfil given safety, reporting and control requirements. Bulten also focuses on activities that reduce both the internal and external environmental impacts.

IT-related risks

Bulten's operations are dependent on IT systems and hardware that support management of the Group's production, logistics and order processing. A break in a system that supports production, logistics and order management can have a negative impact on the company's production and the ability to meet its delivery commitments. Bulten handles IT-related risks continuously through the Group's central IT department. Bulten reduces risk by ensuring a high level of competence internally and by maintaining good relations with IT suppliers of both services and hardware.

Insurance

Bulten insures its assets against property damage and losses due to stoppages. There is also insurance cover for liability damages.

Sensitivity analysis

Significant factors that affect Group earnings are presented below. The analysis is based on year-end values and the assumptions that all other factors remain unchanged.

- Price fluctuations are the variable with the largest impact on earnings. A change of +/–1% in prices to customers affects earnings by approximately SEK 24 (18) million.
- Development of raw material prices affects Bulten's earnings. A change of 1% to raw material prices, affects earnings by about SEK 15 (11) million, however Bulten, and other actors in this sector, can pass higher raw material costs onto its customers to compensate.
- Payroll costs comprise a major share of Group expenses. An increase of 1% affects earnings by approximately SEK 4 (3) million.
- A one percentage point change in interest rates on the closing net cash/net debt which is attributable to variable interest rates affects earnings by about SEK - (2) million. None of the net cash (+)/net debt (-) of SEK 137.3 (-188.7) million has fixed rates of interest.
- For a description of Bulten's exposure against changes in currencies, see page 41.

NOTE 4 REPORTING OF SEGMENTS

Identification of operating segments

Up to the divestment of the Finnveden Metal Structures division on 30 June 2014 the Group comprised two segments, the Bulten division and the Finnveden Metal Structures division. From 1 July 2014 the Group has only one segment for reporting purposes, Bulten, as it is at this level that the Group's management team has responsibility for the allocation of resources and assessment of results. The Finnveden Metal Structures division is presented in the annual report as Discontinued operations, see note 40.

ACCOUNTING PRINCIPLES

Operating segments are reported in a way that agrees with the internal reporting submitted to the highest executive decision maker. The highest executive decision maker is the role with responsibility for allocating resources and making assessments of the results of the segments. The senior management team of the Group has been identified as having this role. Following the sale of Finnveden Metal Structures the Group has only one segment.

NOTE 5 INCOME

The Group receives most of its income from northern Europe. The table below presents the Group's income from external customers distributed based on the geographic location of the subsidiary.

SEK M	2014	2013
Sweden	840.8	785.9
Germany	584.2	402.0
Great Britain	910.1	548.6
Poland	39.9	40.0
Other countries	39.3	29.4
Total income	**2,414.3**	**1,805.9**

The Group's customers

The Group's customers are almost exclusively based in the automotive industry. The Group has three external customers, each of which generate revenues greater than 10% of total Group sales. Sales to these customers amounted to SEK 881 (685) million, SEK 403 (372) million and SEK 306 (-) million, which together constitute 65.9% (72.1) of sales. Customer agreements cover a wide range of products with various periods of validity and parties.

ACCOUNTING PRINCIPLES

Net sales turnover comprises income from sales of products and services. Income is recognised in the income statement when it becomes likely that the future economic benefits will accrue to the company and these benefits can be calculated in a reliable way. Income includes only the gross influx of economic benefits that the company receives or can receive for itself. Income arising from the sale of goods is recognised as income when the company has transferred the essential risks and benefits associated with ownership of the goods to the purchaser, and the company no longer exercises any real control over the goods sold. Income is recognised at the fair value of what has been received or will be received with deductions for discounts granted. Remuneration is in the form of cash and cash equivalents and income consists of the remuneration. Amounts levied on behalf of another party are not included in the company's income. Income recognition of service assignments takes place when the economic outcome of the service assignment can be reliably calculated and the economic benefits pass to the company.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Customer contracts exist in which pricing of goods and services are based on forecast volumes in accordance with customers' delivery plans. In periods when unexpected volume changes occur the final remuneration may deviate from the invoiced amount, which is then adjusted retroactively. The Group regularly reconciles actual volume outcomes against delivery plans and adjusts remuneration continually.

NOTE 6 OPERATING COSTS

The Group reports its income statement based on functions. The key cost items are presented below.

SEK M	2014	2013
Changes in inventories, costs for sold goods	-1,693.7	-1,234.5
Costs for remuneration to employees and directors (note 7)	-413.1	-348.1
Depreciation (note 9)	-46.4	-43.1
Costs for operational leasing (note 11)	-57.5	-53.0
Other costs	-111.6	-64.7
Total costs for sold goods, sales and administration	**-2,322.3**	**-1,743.4**

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ACCOUNTING PRINCIPLES

The income statement is structured according to function. The functions are as follows:

- Cost of goods sold comprises costs for goods management and manufacturing costs including salary and material costs, services bought, costs of premises and depreciation and impairment of tangible fixed assets used in purchasing and production processes.
- Administrative expenses refer to costs for Boards of Directors, executive management and corporate functions in the Group, and depreciation and impairment of tangible fixed assets used in corporate administration functions.
- Selling expenses comprise costs for the Group's own sales organisation, including costs for logistics centres and depreciation and impairment of tangible fixed assets used in the Group's sales organization. Allocations to, or reversals from, reserves for uncertain accounts receivable are also included in Sales costs in the income statement.

NOTE 7 EMPLOYEES, PERSONNEL COSTS AND FEES TO THE BOARD

NUMBER OF EMPLOYEES	2014	2013	MEN AS PERCENTAGE 2014	MEN AS PERCENTAGE 2013
Parent company	7	8	43	38
Subsidiaries				
Sweden	309	291	77	77
Germany	174	158	79	78
Poland	414	372	73	72
Great Britain	83	67	70	66
China	62	52	61	56
Russia	126	–	66	–
Total, subsidiaries	1,168	940	74	73
Continuing operations	**1,175**	**948**	**73**	**73**
Discontinued operations	845	889	76	77
Group total	**2,020**	**1,837**	**74**	**75**

GENDER DISTRIBUTION IN SENIOR POSITIONS	WOMEN AS PERCENTAGE 2014	WOMEN AS PERCENTAGE 2013
Board *)	11	11
Executive management	29	33

*) Including deputies

SALARIES, OTHER REMUNERATION AND SOCIAL COSTS	SALARIES AND REMUNERATION 2014	SALARIES AND REMUNERATION 2013	SOCIAL COSTS 2014	SOCIAL COSTS 2013
Parent company	13.3	11.6	6.3	6.1
(of which pension costs)	–	–	2.7	2.6
Subsidiaries	302.0	253.0	91.5	77.4
(of which pension costs)	–	–	13.7	20.6
Continuing operations	**315.3**	**264.6**	**97.8**	**83.5**
(of which pension costs)	–	–	16.3	23.2
Discontinued operations	**131.2**	**232.9**	**49.6**	**85.1**
(of which pension costs)	–	–	10.3	18.5
Group total	**446.5**	**497.5**	**147.4**	**168.6**
(of which pension costs)	–	–	26.6	41.7

SALARIES, OTHER REMUNERATION DIVIDED PER COUNTRY AND AMONG SENIOR MANAGERS AND OTHER EMPLOYEES	SENIOR MANAGERS [1] 2014	SENIOR MANAGERS [1] 2013	OTHER EMPLOYEES 2014	OTHER EMPLOYEES 2013
Parent company in Sweden	6.5	5.8	6.8	5.8
(of which, bonus)	0.9	1.0	1.1	0.9
Parent company in Sweden	3.9	5.4	120.2	107.8
(of which, bonus)	0.4	1.3	2.7	2.1
Subsidiaries overseas				
Countries within EU	6.1	4.9	160.0	129.7
(of which, bonus)	1.0	1.0	0.8	1.0
Other countries	2.1	1.0	9.7	3.6
(of which, bonus)	–	–	–	–
Continuing operations	**18.6**	**17.1**	**296.7**	**246.9**
(of which, bonus)	2.3	3.3	4.6	4.0
Discontinued operations	**10.6**	**1.5**	**120.5**	**231.4**
(of which, bonus)	5.2	–	4.5	–
Group total	**29.2**	**18.6**	**417.2**	**478.3**
(of which, bonus)	7.5	3.3	9.1	4.0

Pension costs for the Board and President are SEK 3.6 (3.7) million in the Group.

1) Includes current and former Board members and their deputies, and current and former President and deputy President and directors of the parent company and its subsidiaries.

The Chairman of the Board and Board Members receive fees approved by the Annual General Meeting. The Annual General Meeting approved remuneration to the Board totalling SEK 2.9 (2.1) million, which was distributed in accordance with the Board's decision. The Chairman of the Board received remuneration of SEK 0.7 (0.6) million. No Board fees are paid to employee representatives. Remuneration to the President and other senior executives consists of base salary, variable remuneration, other benefits and pension. Senior executives are defined as those individuals who are members of the executive management. For the President, remuneration is proposed by the remuneration committee and adopted by the Board, with the President determining remuneration for the other senior executives. For the President, the variable remuneration is a maximum of 60% of base salary, and for other senior executives 40%. The variable remuneration is based on the results achieved in relation to their set objectives. The President was paid a base salary of SEK 1.3 (-) million in remuneration for the year, while remuneration including severance pay of SEK 4.9 (2.4) million was paid to the former President. Other senior executives during the year received base salary of SEK 5.7 (3.5) million.

For 2014, the current President earned a variable remuneration of SEK 0.4 (-) million and the former President received variable remuneration of SEK 6.5 (1.0) million, which included a special one-off payment in connection with the sale of the Finnveden Metal Structures division. Other senior executives earned a variable remuneration of SEK 1.9 (1.5) million.

The pension age for the President is 65 years. Pension costs are premium-based and are equal to 35% of base salary. For other senior executives the retirement age is 65 years and the commitment is also premium-based for them. There is a mutual period of termination notice of six months between the company and the President. Compensation in lieu of notice is set off against other income during this period. In the event of termination of employment initiated by the company, severance pay is 12 monthly salaries.

Other income is not deducted from severance pay. There is a mutual period of termination notice of six months between the company and other senior executives resident in Sweden. In some cases the notice period on the company's side is longer, although a maximum of 12 months, and in some cases it is shorter on the employee's side, 4 months. Severance pay, in addition to pay during the notice period, is payable and may together with fixed salary during the notice period amount to a maximum of 18 months of salary.

Individuals resident outside Sweden or resident in Sweden but with significant links to other countries, may be offered periods of notice and severance pay that are competitive for the country where they are resident or with which they have significant links, although these solutions shall preferably match that which applies for senior executives resident in Sweden.

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	2014				2013			
REMUNERATION TO SENIOR EXECUTIVES	BOARD FEE [1]/ BASIC SALARY	VARIABLE REMUNE-RATION	OTHER BENEFITS	PENSION	BOARD FEE [1]/ BASIC SALARY	VARIABLE REMUNE-RATION	OTHER BENEFITS	PENSION
The Group								
The Board								
Roger Holtback	0.7	–	–	–	0.6	–	–	–
Ann-Sofie Danielsson (from 2014-04-29)	0.4	–	–	–	–	–	–	–
Hans Gustavsson	0.4	–	–	–	0.4	–	–	–
Hans Peter Havdal (from 2013-04-26)	0.4	–	–	–	0.3	–	–	–
Arne Karlsson	0.4	–	–	–	0.4	–	–	–
Adam Samuelsson	0.4	–	–	–	0.4	–	–	–
Johan Lundsgård	0.4	–	–	–	0.4	–	–	–
President								
Johan Westman (to 2014-06-30) [2]	4.9	6.5	0.1	0.9	2.4	1.0	0.1	0.9
Tommy Andersson (from 2014-07-01) [3]	1.3	0.4	0.1	0.4	–	–	–	–
Other senior executives, 6 (2)	5.7	1.9	0.4	1.7	3.5	1.5	0.2	1.4

1) Refers to Board and audit committee fees.
2) Remuneration to the former President included notice period salary, severance pay and an exit bonus as variable remuneration.
3) The current President's remuneration for the first half of 2014 and the previous year was included in remuneration for other senior executives.

Until June 30, 2014 the senior management group consisted of three people; President and CEO Johan Westman, Executive Vice President Tommy Andersson and CFO Helena Wennerström. In connection with the divestment of the Finnveden Metal Structures division Johan Westman's employment ended and on 1 July 2014 Tommy Andersson took over as President and CEO of The Group. At the same time the management team composition was also amended to include, in addition to the President, six people (two previously). The table above includes remuneration to the former President and CEO until 30 June 2014. Remuneration to the current President and CEO refers to remuneration received from the date he took over responsibility, i.e. 1 July 2014. Remuneration to the President-elect for the period 1 January – 30 June 2014 is included in the group 'Other senior executives'.

NOTE 8 FEES AND REIMBURSEMENT TO AUDITORS

PRICEWATERHOUSE COOPERS	2014	2013
Audit	2.7	2.6
Other auditing assignments	0.2	0.2
Tax advice	1.4	1.3
Other services	0.3	0.3
Continuing operations	**4.6**	**4.4**
Discontinued operations – total	1.0	2.1
Total	**5.6**	**6.5**

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'Audit' refers to the examination of financial statements and accounting records and the Board's and President's administration, other tasks that might be incumbent on the company's auditors, and advice and other assistance as a result of observations during the audit or the implementation of the other duties referred to. 'Other auditing assignments' mainly comprises a general survey of interim reports. 'Tax advice' includes advice on income tax, including internal pricing issues, and VAT. 'Other services' refer to services not relating to the above categories.

NOTE 9 DEPRECIATION OF TANGIBLE AND INTANGIBLE ASSETS

DEPRECIATION ACCORDING TO PLAN BY CLASS OF ASSET	2014	2013
Intangible assets	-0.2	-0.1
Buildings	-1.9	-1.2
Plant and machinery	-36.4	-35.3
Equipment. tools. fixtures and fittings	-7.9	-6.5
Total depreciation	**-46.4**	**-43.1**

DEPRECIATION ACCORDING TO PLAN BY FUNCTION	2014	2013
Cost of goods sold	-40.8	-40.0
Selling expenses	-2.8	-1.5
Administration expenses	-2.8	-1.6
Total depreciation	**-46.4**	**-43.1**

Assets are primarily machinery and other equipment.

NOTE 10 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME	2014	2013
Exchange gain on receivables/liabilities relating to operations	–	0.8
Currency gain on currency hedging instruments - cash flow model	–	1.8
Profit from sale of fixed assets	0.9	0.3
Income from administrative services	34.8	47.0
Insurance payments [1)]	13.7	–
Other operating income	6.4	2.9
Total other operating income	**55.8**	**52.8**

1) Of which SEK 11.2 million is non-recurring items for damages on machine caused by fire.

OTHER OPERATING EXPENSES	2014	2013
Loss from sale of fixed assets	-0.3	-0.3
Exchange losses on receivables/liabilities relating to operations	-13.1	–
Other operating expenses	-0.7	-1.4
Total other operating expenses	**-14.1**	**-1.7**

REDOVISNINGSPRINCIPER

Other operating income and costs, relate to secondary activities, such as income from sale of IT services and other administrative services, exchange rate differences for items related to operations and capital gains on the sale of tangible fixed assets. On selling subsidiaries or joint ventures, the Group earnings are also recognised here, unless reporting as discontinued operations is applicable.

NOTE 11 LEASING

Operating leases mostly comprise rental agreements for industrial premises in Sweden, Germany and Poland, and to a lesser extent vehicles and machinery. The rental agreements for industrial premises cover a remaining rental period of around 7 years, with a right to extend the agreement for 5 years with unchanged conditions.

OPERATIONAL LEASING	2014	2013
Assets held via operating leases		
Minimum lease fees	58.1	53.2
Variable lease fees paid	–	–
Income from hired-out leases	-0.6	-0.2
Total lease fees for the year	**57.5**	**53.0**
Contractual future minimum lease fees with respect to irrevocable contracts due for payment:		
Within 1 year	60.8	50.8
1-5 years	190.9	160.5
Later than 5 years	85.7	91.7

Financial leasing contracts refer to production equipment, reported at the following amounts among tangible fixed assets.

	ACQUISITION VALUE		ACCUMULATED DEPRECIATION	
FINANCIAL LEASING	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Machinery and plant	40.7	85.3	-32.2	-30.9
Inventory, tools and installations	1.6	2.3	-1.1	-1.4
Total financial leasing contracts	**42.3**	**87.6**	**-33.3**	**-32.3**

Contractual future minimum lease fees have following maturities:

	NOMINAL VALUE		CURRENT VALUE	
FINANCIAL LEASING	2014	2013	2014	2013
Within 1 year	0.7	9.0	0.7	8.4
1-5 years	1.6	18.2	1.5	13.8
Later than 5 years	–	23.7	–	21.2
Total future leasing fees	**2.3**	**50.9**	**2.2**	**43.4**

The present value of the future minimum lease payments are recognized as interest-bearing debt. Earnings include any contingent expenses related to finance leases.

ACCOUNTING PRINCIPLES

Leasing – lessees
Leases are classified in the consolidated financial statements as either financial or operating leases. A financial lease is a lease whereby the economic risks and benefits associated with ownership are in all essentials transferred to the lessee; if this is not the case the lease is an operating lease. Assets leased in accordance with financial leases have been recognised as assets in the consolidated balance sheet. Obligations to pay future lease payments have been recognised as non-current and current liabilities. The leased assets are depreciated according to plan while the lease payments are recognised as interest and debt reduction. The interest expense is distributed over the lease term so that each accounting period is assigned an amount corresponding to a fixed interest rate for the liability recognised in the respective period. Variable fees are charged as expenses in the periods in which they arise.

For operating leases the lease payment is expensed over the lease term starting from initial use, which may differ from what is de facto paid in leasing fees during the year.

If significant conditions change during the agreement term, an assessment is made as to whether these new conditions – if known at year-end – would require a different classification of the agreement at the start of the leasing period, and if this is the case, the agreement is treated as a new one that shall be tested with the parameters valid at the time the new agreement is entered into.

Sale and leaseback
Sale and leaseback transactions have the form of a sale of an asset followed by leasing of the same asset in accordance with a leasing agreement. The factor that determines how sales and leaseback is reported is the classification of the leasing transaction. If a sale and leaseback results in a financial leasing agreement, the profit that arises if the sale price is higher than the asset's reported value is recognized over the leasing period.

If the leasing agreement results in an operational leasing agreement, any profit or loss arising upon sale is reported for the period when the sale took place, provided that the sale price is based on fair value.

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KEY ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

In connection with the Group having substantive leases, an assessment must be made as to whether the agreement is of a financial or operational nature. An assessment of whether the agreement should be classified as operational or financial is made in connection to the signing of the agreement and includes an analysis of key parameters such as discount rate, probability assessments of alternative future decisions and the asset's market value. Different assessments regarding these parameters may lead to different conclusions regarding the classification of the agreement.

NOTE 12 FINANCIAL INCOME AND EXPENSES

FINANCIAL INCOME	2014	2013
Interest income	0.1	0.3
Exchange rate differences on loan	–	0.5
Other	0.4	0.1
Total financial income	**0.5**	**0.9**

FINANCIAL EXPENSES	2014	2013
Interest expenses	-7.7	-5.9
Exchange rate differences on loan	-4.9	–
Other	-2.8	-1.3
Total financial expenses	**-15.4**	**-7.2**

ACCOUNTING PRINCIPLES

Financial income and expenses comprise interest income from bank funds and receivables, interest expenses on borrowing, dividend income and exchange rate differences.

The interest component of financial lease payments is recognised in the income statement in accordance with the effective interest method, whereby interest is divided so that each accounting period is charged with an amount based on the liability recognised during the period in question. Issue expenses and similar direct transaction costs for raising loans are included in the acquisition cost of the borrowing and are expensed in accordance with the effective interest method. Preference shares, which must be redeemed at a certain point in time, are classified as liabilities. Dividends for these preference shares are reported in the income statement as an interest expense

NOTE 13 EXCHANGE RATE DIFFERENCES AFFECTING EARNINGS

	2014	2013
Exchange rate differences affecting operating earnings	-13.1	2.6
Exchange rate differences on financial items	-4.9	0.5
Total	**-18.0**	**3.1**

NOTE 14 TAX ON INCOME FOR THE YEAR

REPORTED TAX	2014	2013
Current tax		
Current tax for the year	-20.6	-20.1
Current tax from previous year	0.1	-0.4
Total current tax	**-20.5**	**-20.5**
Deferred tax expense (-)/tax income (+)		
Change in deferred tax	-13.6	18.0
Total deferred tax	**-13.6**	**18.0**
Total reported taxes	**-34.1**	**-2.5**

RECONCILIATION OF EFFECTIVE TAX, SEK M	2014	2013
Earnings before tax	118.5	102.9
Tax according to applicable tax rate for parent company 22.0%	-26.1	-22.6
Effect of other tax rates for foreign subsidiaries	-3.6	-3.4
Non-taxable income	0.5	0.2
Non-deductible expenses	-4.4	-3.9
Deferred tax for previous years' non-reported other temporary differences	2.2	1.5
Tax losses for which no deferred tax is recognized	-2.7	-0.9
Deferred tax on additional tax loss carry-forwards by Administrative Court of Appeal [1)]	–	27.1
Utilisation of tax losses previously not recognize	–	0.8
Earnings from associated company reported after tax	-0.1	-0.9
Adjustment of previous years' tax	0.1	-0.4
Tax on income for the year according to income statement	**-34.1**	**-2.5**

1) The Administrative Court of Appeal in Stockholm, in a ruling dated 11 April 2013, approved the deduction of interest on the shareholder loan previously denied by the Swedish Tax Agency. The verdict means that the Group may be credited the deduction of SEK 197 million, of which SEK 123 million remained unutilised at 31 December 2013. Consequently, a deferred tax asset amounting to SEK 27.1 million was reported in 2013.

Income tax relating to components of other comprehensive income amounts to SEK 0.4 (-) million and relate to revaluation of pension plans of SEK 0.4 (-0.2) million and cash flow hedges of SEK - (0.2) million.

DEFERRED TAX ASSETS AND LIABILITIES

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Machinery and equipment	0.2	3.3	8.0	12.8
Inventories	2.5	2.9	–	–
Accounts receivable	0.3	0.3	–	
Loss carry-forwards in Swedish companies	76.2	114.8	–	–
Loss carry-forwards in foreign companies	3.3	–	–	–
Pensions	11.8	11.5	–	–
Other	0.1	0.1		
Netting of receivables/liabilities in same jurisdiction	-8.0	-9.1	-8.0	-9.1
Total	**86.4**	**123.8**	**–**	**3.7**

Deferred tax assets are recognised for tax loss carry-forwards to the extent that it is likely they can be benefited from through future taxable surpluses. As of 31 December 2014, the accumulated tax losses in the Swedish company are SEK 346 (521) million. The Group has also calculated tax loss carry-forwards amounting to SEK 16.9 (33.1) million attributable to China, for which deferred tax assets are not reported as of 31 December 2014, of which SEK 1.8 million falls due in 2016, SEK 10.3 million in 2017, SEK 1.3 million in 2018 and SEK 3.8 million in 2020.

ACCOUNTING PRINCIPLES

Income tax consists of current tax and deferred tax. Income taxes are entered in the income statement except when the underlying transaction is recognised in other comprehensive income or directly in equity. In such cases the tax is recognised other comprehensive income or in equity.

Current tax is tax due for payment or receipt during the financial year in question. Adjustments to current tax related to earlier periods are also included in this item. Deferred tax is calculated in accordance with the balance sheet method, based on the temporary differences between the carrying amounts and the tax base of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be offset, and by applying the tax rates and tax regulations in effect or publicised on the balance sheet date in the countries where the parent company's subsidiaries and associated companies are active and generate taxable income.

Deductible temporary differences are not taken into consideration with respect to consolidated goodwill nor, in normal cases, to differences attributable to participations in subsidiaries that are not expected to be taxed in the foreseeable future. Deferred tax liabilities are not reported if they occur due to a first reporting of goodwill. Neither is deferred tax reported if it arises due to a transaction that is attributable to the first reporting of an asset or liability that is not a business acquisition and which, at the time of the transaction, affects neither reported earnings or taxable earnings. Deferred tax assets are reported to the extent that it is probable that future taxable surpluses will be available, against which the temporary differences may be utilised.

Untaxed reserves including deferred tax liability are recognised in legal entities. In the consolidated financial statements, however, untaxed reserves are apportioned between deferred tax liability and equity. Deferred tax assets with respect to deductible temporary differences and loss carry-forwards are recognised only as far as it is likely that these items will lead to lower tax payments in the future.

Deferred tax assets and liabilities are offset in the balance sheet where there is a legal offset option for current tax receivables and liabilities and where deferred tax receivables and liabilities are attributable to taxes collected by the same tax authority.

KEY ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The accounting principles describe how the temporary differences in the form of tax assets are to be recognised. In this context it is important that management considers whether the business will recognise the excess close in time for the claim balance to be approved.

In countries where management believes that the Group can benefit from future lower tax receipts in the near future resulting from existing fiscal deficits, the receipts are recognised as deferred tax assets.

As of 31 December 2014, the management's assessment was that it is probable that a fiscal surplus will occur for the Group's Swedish activities. This assessment is based on a fiscal surplus being reported in 2014 and, based on existing business plans, this is expected to continue in coming years. As of 31 December 2014, the Group is reporting a deferred tax asset attributable to deficit deductions and other temporary fiscal differences amounting to SEK 86.4 (123.8) million, of which SEK 82.7 (120.9) million is attributable to Sweden.

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NOTE 15 EARNINGS PER SHARE

EARNINGS PER SHARE	2014	2013
Profit/loss for the year attributable to shareholders of Bulten AB (publ)	175.6	88.3
Average no. of shares [1]	21,040,207	21,040,207
Earnings per share, Continuing operations, SEK [1]	4.32	4.77
Earnings per share, Discontinued operations, SEK [1]	4.02	-0.57
Earnings per share, SEK [1]	**8.34**	**4.20**

1) Figures are valid both before and after dilution.

ACCOUNTING PRINCIPLES

Earnings per share before dilution are calculated by dividing the profit/loss attributable for the period to parent company shareholders by the parent company's weighted average number of shares outstanding for the financial year. Earnings per share after dilution are calculated by dividing the profit/loss attributable for the period to parent company shareholders by the parent company's average number of shares outstanding after dilution.

NOTE 16 INTANGIBLE FIXED ASSETS

	31-12-2014			31-12-2013		
	GOODWILL	OTHER INTANGIBLE ASSETS[1]	TOTAL	GOODWILL	OTHER INTANGIBLE ASSETS[1]	TOTAL
Accumulated cost						
At start of the year	316.3	22.6	338.9	301.4	15.6	317.0
Acquisitions for the year	5.8	4.2	10.0	14.9	6.6	21.5
Reclassification during the year	–	–	–	–	0.4	0.4
Divestments and disposals	–	-23.9	-23.9	–	–	–
Exchange rate differences for the year	–	0.3	0.3	–	–	–
At year end	**322.1**	**3.2**	**325.3**	**316.3**	**22.6**	**338.9**
Accumulated depreciation according to plan						
At start of year	–	-3.0	-3.0	–	-2.7	-2.7
Divestments and disposals	–	1.0	1.0	–	–	–
Depreciation according to plan	–	-0.2	-0.2	–	-0.2	-0.2
Exchange rate differences for the year	–	-0.2	-0.2	–	-0.1	-0.1
At year end	**–**	**-2.4**	**-2.4**	**–**	**-3.0**	**-3.0**
Accumulated impairment						
At start of year	-120.0	–	-120.0	-120.0	–	-120.0
Impairment for the year	–	–	–	–	–	–
At year end	**-120.0**	**–**	**-120.0**	**-120.0**	**–**	**-120.0**
Reported value						
At start of year	196.3	19.6	215.9	181.4	12.8	194.2
At end of year	**202.1**	**0.8**	**202.9**	**196.3**	**19.6**	**215.9**

1) Relates primarily to expenses for licences.

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Impairment test for goodwill

Consolidated goodwill amounted to SEK 202.1 (196.3) million.

The Group carries out an impairment test each year to determine any impairment requirement for goodwill. Goodwill is monitored by management at operating segment level. Following the sale in 2014 of the Finnveden Metal Structures division, the Group reports just one operating segment, Bulten. The recoverable amounts for Bulten have been established by calculating the value in use. Calculations are based on estimated future cash flows from financial plans approved by management, and covering a period of three years.

Significant assumptions in financial planning include turnover growth, productivity developments and operating margins. These assumptions are based on published statistics for the automotive industry's development, customers' model strategy and their long-term delivery plans as well as the assessment of management about the development of Group margins.

Cash flows beyond the three-year period are extrapolated using an estimated growth rate resulting from the assumption of inflation at 2.0% (2.0). The forecast cash flow has been calculated at present value using a discount rate of 8.8% (8.1) before tax.

In both 2014 and 2013 the estimated recoverable amount for Bulten has exceeded the book value, which is why no impairment requirement has been identified.

Alternative calculations were made by changing the assumptions concerning the discount interest rate and sustainable operating margin. A change in these individual assumptions of two percentage points would not result in any impairment requirement for goodwill related to Bulten.

ACCOUNTING PRINCIPLES

Intangible assets

Expenditure on research and development

The Group conducts no research and development of the kind that is to be capitalised as an intangible asset. Expenditure is written off as it arises. The Group only conducts development directly linked to customer orders. This process is preparatory in nature and is generally conducted ahead of planned production start-up.

Goodwill

Goodwill is the amount by which the cost exceeds the fair value of the Group's proportion of the subsidiary/associated company/joint venture's identifiable net assets upon acquisition. Goodwill upon acquisition of subsidiaries is recognised under intangible assets. Goodwill upon acquisition of associated companies/joint ventures is included in the value of holdings in associated companies/joint ventures.

Goodwill is tested annually to identify any impairment requirement and is recognised at cost less accumulated impairments. Impairment of goodwill is not returned.

Gains or losses from the sale of a unit includes the remaining carrying amount of the goodwill pertaining to the divested unit. Goodwill is distributed between cash generating units upon testing to determine any impairment requirement. For business combinations where the cost is less than the net fair value of the acquired assets and assumed liabilities and contingent liabilities, the difference is recognised directly in the income statement.

Other intangible assets

Other intangible assets acquired by the company are recognised at cost minus accumulated depreciation and impairments. Expenditure for internally generated goodwill and trademarks is recognised in the income statement as an expense as it is incurred. The Group's intangible assets include acquired software licences, which are set up as assets on the basis of expenditure arising when the software in question was acquired and started up. The expenditure is capitalised to the extent that the probable economic benefits exceed the expenditure.

Depreciation

Depreciation according to plan is based on the original purchase cost less any residual value. Depreciation is applied on a straight-line basis over the useful life of the asset and is accounted for as an expense in the income statement. Depreciation takes place from the accounting period in which the asset becomes available for use. Depreciation for intangible assets is five years.

KEY ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The impairment of goodwill is assessed annually or more frequently if needed, by calculating the recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. If the calculated value is less than the carrying amount an impairment is made to the recoverable amount. To determine the value in use estimated future cash flows are used, which are based on internal business plans and forecasts. Although management believes that the estimated future cash flows are reasonable, different assumptions regarding such cash flows could materially affect valuations. In examining the goodwill of SEK 202.1 (196.3) million at the end of 2014 and 2013, no impairment was identified.

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NOTE 17 TANGIBLE FIXED ASSETS

	31-12-2014					31-12-2013				
	LAND AND BUILDINGS	PLANT AND MACHINERY[2]	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS[2]	CONTRUCTION IN PROGRESS AND ADVANCES	TOTAL[1]	LAND AND BUILDINGS	PLANT AND MACHINERY[2]	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS[2]	CONTRUCTION IN PROGRESS AND ADVANCES	TOTAL[1]
Accumulated cost										
At start of the year	37.8	826.6	109.9	78.9	1 053.2	29.9	760.1	106.4	44.8	941.2
Acquisitions for the year	11.0	52.7	9.5	81.8	155.0	4.5	42.7	4.2	116.2	167.6
Reclassification during the year	5.6	78.7	5.3	-132.1	-42.5	2.8	34.9	4.1	-42.2	-0.4
Divestments and disposals	-10.4	-536.0	-68.8	-12.2	-627.4	–	-24.3	-9.2	-40.2	-73.7
Exchange rate differences for the year	1.8	16.5	6.2	4.2	28.7	0.6	13.2	4.4	0.3	18.5
At year end	**45.8**	**438.5**	**62.1**	**20.6**	**567.0**	**37.8**	**826.6**	**109.9**	**78.9**	**1 053.2**
Accumulated depreciation according to plan										
At start of year	-8.5	-475.2	-65.6	–	-549.3	-6.5	-427.1	-58.8	–	-492.4
Reclassification during the year	–	–	–	–	–	–	–	–	–	–
Divestments and disposals	1.5	376.9	57.4	–	435.8	–	23.7	9.1	–	32.8
Depreciation according to plan	-2.4	-51.3	-9.6	–	-63.3	-1.7	-61.3	-10.6	–	-73.6
Exchange rate differences for the year	-0.7	-13.7	-3.4	–	-17.8	-0.3	-10.5	-5.3	–	-16.1
At year end	**-10.1**	**-163.3**	**-21.2**	**–**	**-194.6**	**-8.5**	**-475.2**	**-65.6**	**–**	**-549.3**
Accumulated impairment										
At start of year	–	-58.4	-0.6	–	-59.0	–	-44.0	–	–	-44.0
Impairment for the year	–	–	–	–	–	–	-14.4	-0.6	–	-15.0
Divestments and disposals	–	14.4	0.6	–	15.0	–	–	–	–	–
Exchange rate differences for the year	–	–	–	–	–	–	–	–	–	–
At year end	**–**	**-44.0**	**–**	**–**	**-44.0**	**–**	**-58.4**	**-0.6**	**–**	**-59.0**
Reported value										
At start of the year	29.3	293.0	43.7	78.9	444.9	23.4	289.0	47.6	44.8	404.8
At end of year	**35.7**	**231.2**	**40.9**	**20.6**	**328.4**	**29.3**	**293.0**	**43.7**	**78.9**	**444.9**

1) Includes assets in financial leases, see note 11.

TANGIBLE FIXED ASSETS PER COUNTRY

	31-12-2014	31-12-2013
Sweden	100.4	186.1
Germany	36.1	31.1
Great Britain	12.7	6.5
Poland	105.2	176.6
Other countries	74.0	44.6
Total tangible fixed assets	**328.4**	**444.9**

ACCOUNTING PRINCIPLES

Tangible fixed assets are recognised as assets in the balance sheet when, on the basis of available information, it is likely that the future economic benefit associated with its possession will accrue to the Group, and the cost of the asset can be reliably calculated. Tangible fixed assets are recognised at cost less accumulated depreciation and any impairments.

The cost includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Also included are estimated costs for dismantling and removing the assets, as well as restoring the site or area where such costs are generated. The acquisition cost may also include transfers from equity for possible profit/loss in cash flow hedging that meets requirements for hedging accounting.

The cost of fixed assets manufactured in-house includes expenses for materials, remuneration to employees, direct manufacturing costs and the cost of borrowing where a substantial period of time is needed to prepare it for its intended use.

Subsequent costs are added to the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the income statement in the period in which they arise.

The carrying amount for a tangible fixed asset is derecognised from the balance sheet on scrapping or sale, or when no future economic benefits are expected from its use. The net financial gain or loss from the sale or scrapping comprises the selling price and carrying amount of the asset less direct selling expenses. This is recognised as other operating income/expense.

Principles for depreciating tangible fixed assets
Depreciation according to plan is based on the original purchase cost less estimated residual value. Depreciation is carried out on a straight-line basis over the estimated useful life of the asset.

The following depreciation periods are applied:

ACQUIRED TANGIBLE ASSETS	
Buildings	25–40 years
Plant and machinery	5–14 years
Equipment, tools, fixtures and fittings	3–10 years

Impairments
Assets with an indefinite useful life are not depreciated but tested annually to determine any impairment requirement. Assets that are depreciated are assessed in terms of decrease in value whenever an event or a change in circumstances indicates that the carrying amount may not be recoverable. An impairment is made for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less selling expenses, and value in use. On determining the impairment requirement, assets are grouped at the lowest levels at which there are separate, identifiable cash flows (cash generating units).

NOTE 18 OTHER LONG-TERM RECEIVABLES

ACCUMULATED ACQUISITION VALUE	31-12-2014	31-12-2013
At start of year	23.1	2.8
Amortisation, outgoing receivables	-0.5	-1.1
Cancelled through business transfer	-20.5	–
Other additional receivables	3.0	21.4
Translation differences	0.1	–
Reported value at year-end	**5.2**	**23.1**

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NOTE 19 INVENTORIES

	31-12-2014	31-12-2013
Raw materials and consumables	54.5	92.7
Production in progress	114.8	186.4
Completed products and tradable goods	256.5	247.4
Total inventories	**425.8**	**526.5**

The capitalised cost for inventories is included in the item 'Cost of sold goods'.

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ACCOUNTING PRINCIPLES

Inventories are stated at the lower of cost and net selling price. The cost for inventories is based on the first-in first-out principle (FIFO) and includes costs arising upon acquisition of the inventories and their transport to their current location and condition. Net selling price is the estimated sales price in the ordinary course of business, less estimated costs for completing and bringing about a sale. Valuation thereby takes into account the risk of obsolescence. For manufactured goods and work in progress, the cost includes a reasonable proportion of indirect production costs. Valuation has taken into account normal capacity utilisation.

KEY ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group is reporting a total inventory value of SEK 425.8 (526.5) million. An obsolescence provision is recognized if the estimated net realizable value is lower than cost and in connection therewith, the Group makes estimates and assumptions regarding, among other things future market conditions and estimated net realizable values.

NOTE 20 ACCOUNTS RECEIVABLE

	31-12-2014	31-12-2013
Accounts receivable	491.1	568.4
Less provision for doubtful accounts receivable	-4.9	-4.8
Total accounts receivable	**486.2**	**563.6**

Accounts receivable are amounts collectible from customers from the sale of the Group's products and services. In the event that these are expected to be settled after more than 12 months from the balance sheet date they are classified as other long-term receivables.

Carrying amounts as per the currency for the Group's accounts receivable are as follows:

ACCOUNTS RECEIVABLE PER CURRENCY	31-12-2014	31-12-2013
SEK	30.5	168.0
EUR	387.5	269.9
USD	30.6	10.6
GBP	20.0	93.5
PLN	2.4	5.4
Other	15.2	16.2
Total accounts receivable	**486.2**	**563.6**

Credit quality of financial assets

The credit quality of financial assets that are neither due nor requiring impairment have been assessed through external credit rating or, alternatively, through the party's payment record.

On the closing date, non-due or impaired accounts receivable amounted to SEK 429.6 (470.6) million, of which 98 (96)% refers to existing customers with whom the Group has had relations over many years. These customers normally pay on the agreed due date and the Group has a history of very low credit losses.

At 31 December 2014, the accounts receivable were SEK 61.5 (97.9) million due without any impairment requirement considered necessary. These concern a number of independent customers who previously had no payment difficulties. The age analysis of these receivables is as follows:

AGE ANALYSIS, ACCOUNTS RECEIVABLE	31-12-2014	31-12-2013
Less than 3 months	55.0	76.2
3-6 months	0.6	2.8
More than 6 months	5.9	18.9
Total accounts receivable due	**61.5**	**97.9**

At 31 December 2014 the Group recognised accounts receivable where the impairment requirement was SEK –4.9 (–4.8) million, which corresponds to the reserve for doubtful accounts receivable. The age analysis of these is as follows:

AGE ANALYSIS, DOUBTFUL ACCOUNTS RECEIVABLE	31-12-2014	31-12-2013
Less than 3 months	-3.1	-1.6
3-6 months	-0.8	-0.7
More than 6 months	-1.0	-2.5
Total doubtful accounts receivable due	**-4.9**	**-4.8**

Change in reserve for doubtful accounts receivable is as follows:

RESERVE FOR DOUBTFUL ACCOUNTS RECEIVABLE	31-12-2014	31-12-2013
At start of the year	-4.8	-3.4
Provision for doubtful receivables	-0.4	-2.4
Receivables written off during the year that are non-recoverable	–	0.5
Reversal of unused amounts	0.3	0.5
At year-end	**-4.9**	**-4.8**

Other categories of accounts receivable and other receivables, i.e. Prepaid expenses and accrued income and Other receivables do not include assets that require impairment. The same applies for Other long-term receivables.

The maximum exposure to credit risk at the balance sheet date is the fair value of each category of receivable mentioned above. For all these categories of receivable the fair value is calculated to correspond in principle to the reported amount.

KEY ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group regularly transfers a share of outstanding accounts receivable to a third party. The divestments are based on framework agreements and conditions that have been assessed as a whole mean that the risks and benefits associated with the accounts receivable for the most part are transferred to the buyer, based on a test in accordance with IAS 39 – Financial Instruments, recognition and measurement . As of 31 December 2014 the value of transferred accounts receivable was SEK 54.2 (132.6) million.

NOTE 21 OTHER RECEIVABLES

	31-12-2014	31-12-2013
Receivable attributable to VAT	36.7	27.7
Other receivables	4.8	8.8
Total other receivables	**41.5**	**36.5**

NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

	31-12-2014	31-12-2013
Prepaid rents	8.8	14.2
Prepaid licences	0.6	1.2
Prepaid insurance	2.3	2.7
Prepaid personnel expenses	0.6	1.1
Other prepaid expenses	22.9	22.5
Accrued income	13.7	11.8
Total prepaid expenses and accrued income	**48.9**	**53.5**

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NOTE 23 FINANCIAL INSTRUMENTS PER CATEGORY

Financial assets
The Group classifies its financial instruments into the following categories: financial assets at fair value through the income statement, loans and accounts receivable, available-for-sale financial assets and derivatives as hedging instruments. The classification depends on the purpose of acquiring the instrument. Management determines the classification of financial assets at initial recognition. At the end of 2014 and 2013 the only financial assets held were those classified as Loans and Accounts receivable.

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Loans and accounts receivable
Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Characteristically they arise when the Group provides money, goods or services directly to a customer without the intention of trading the resulting receivable. They are included under current assets, with the exception of items maturing more than 12 months after the balance sheet date, which are classified as fixed assets. Where appropriate, loans and accounts receivable are included under Accounts receivable, Other receivables and Other long-term receivables in the balance sheet. Cash and cash equivalents are also included in this category.

On the closing date financial assets classified in this category had the following amounts:

LOANS AND ACCOUNTS RECEIVABLE	31-12-2014	31-12-2013
Other long-term securities	–	0.1
Other long-term receivables	5.2	23.1
Accounts receivable	486.2	563.6
Cash and cash equivalents	255.5	100.6
Total loans and accounts receivable	**746.9**	**687.4**

ACCOUNTING PRINCIPLES

Loans and accounts receivable are recognised after the time of acquisition at accrued cost using the effective interest method Accounts receivable that have been sold are removed from the balance sheet when contractual rights and principal risks and benefits associated with ownership of the financial asset are transferred to the buyer. Financial assets and liabilities are offset and recognised on a net basis in the balance sheet when there is a legal right to offset the carrying amounts and there is an intention to settle them on a net basis or to simultaneously realise the asset and settle the asset.

Impairment of assets reported at accrued acquisition value only occurs if there is objective evidence of impairment as a result of one or more events that occurred after the asset has been recognised for the first time (a 'loss event') and that this event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably. The criteria used by the Group to determine whether there is objective evidence of impairment include:

- significant financial difficulty of the issuer or debtor,
- default or delayed payments,
- it is probable that the borrower will enter bankruptcy or other financial reorganisation,
- domestic or local economic conditions that have a bearing on non-payments in assets in the portfolio.

Impairment is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is impaired and impairment charges are recognised in the consolidated income statement as other operating costs.

As a practical solution, the Group can determine the impairment based on the instrument's fair value using an observable market price.

If the impairment decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment is recognised (such as an improvement in the debtor's creditworthiness), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Financial liabilities

The Group classifies its financial instruments into the following categories: financial liabilities assessed at fair value through the income statement, other financial liabilities and derivatives as hedging instruments. At the end of 2014 and 2013 the only financial liabilities held were those classified as Other financial liabilities, distributed among the following items in the balance sheet:

OTHER FINANCIAL LIABILITIES	31-12-2014	31-12-2013
Other long-term interest-bearing liabilities	98.6	225.0
Other current interest-bearing liabilities	0.7	44.5
Accounts payable	326.0	486.9
Total other financial liabilites	**425.3**	**756.4**

ACCOUNTING PRINCIPLES

Accounts payable

Accounts payable are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if they fall due within one year or earlier. If not, they are recognised as long-term liabilities.

Interest-bearing liabilities

The accounting principles for other interest-bearing liabilities are presented in Note 28, Interest-bearing liabilities, and Note 11, Leasing.

Derivative instruments and hedging instruments

At the end of 2014 and 2013 the Group had no open derivative contracts. In 2013 the Group reported a profit of SEK 1.8 million from a currency hedge among other operating income.

Derivatives are initially reported at fair value at the time when the derivative contract is entered into and they are thereafter re-assessed at fair value. The method for reporting gain or loss depends on whether the derivative has been identified as a hedge instrument.

If hedge reporting is applied, the effective component of the change in fair value of the derivative that has been identified as qualifying for cash flow hedging is reported in other comprehensive income. The gain or less attributable to the ineffective component is reported immediately on the income statement in 'Other operating costs' or 'Other operating income'.

The Group tests the effectiveness of all identified cash flow hedges when the contract is signed. A hedge is considered to be effective when the estimated future cash flow's currency fluctuations and due dates are in accordance with the hedge instrument's.
The hedge relationship is tested regularly up to the due date.

Accumulated amounts in equity are returned to the income statement in the periods where the hedged item affects earnings, for example when the forecast sale that has been hedged takes place. The gain or loss attributable to the ineffective component is reported immediately on the income statement in 'Other operating profit' or 'Other operating costs.

If the Group signs a derivative contract that is not identified as a hedge instrument, all changes in the fair value of the contract are reported immediately on the income statement in 'Other operating costs' or 'Other operating income'.

Fair value

In the event that fair value deviates from the book value, information about fair value is presented in the relevant note. On the closing dates in 2014 and 2013 there were no financial assets and liabilities reported at fair value.

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NOTE 24 SHARE CAPITAL AND OTHER CONTRIBUTED CAPITAL

	ORDINARY SHARES	PREFERENCE SHARES	TOTAL NO. OF SHARES
Number of shares outstanding at 31 December 2010	11,037,000	963,000	12,000,000
Reclassification of preference shares at 3 March 2011	963,000	-963,000	–
Registered new share issue at 20 May 2011	7,197,430	–	7,197,430
Registered new share issue at 25 May 2011	1,842,777	–	1,842,777
Number of shares outstanding at 31 December 2013	**21,040,207**	–	**21,040,207**
Number of shares outstanding at 31 December 2014	**21,040,207**	–	**21,040,207**

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The total number of ordinary shares at 31 December 2013 was 21,040,207. The quotient value of the share is SEK 0.50. All issued shares have been paid in full.

ACCOUNTING PRINCIPLES

Equity is divided between capital attributable to parent company shareholders and minority interests. Distributions in the form of dividends from the parent company and the Group shall be based upon the Board's established statement on the proposed dividend. This statement has to take into account legal prescriptions concerning payment of dividends for which there is no financial coverage.

Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Transaction costs directly attributable to the issue of new shares or options are recognised net after tax in equity as a deduction from the issue settlement. When financial liabilities are eliminated due to parts or all of the loan being repaid through issued shares, the shares are valued at fair value and the difference between this value and the reported value of the loan is recorded in the income statement. In the event of the lender being directly or indirectly a shareholder, the issued amount corresponds to the recorded value of the financial liability being eliminated (so-called set-off issue), the issued amount. In this way there is no profit or loss to report in the income statement.

Other contributed capital

Refers to equity contributed by the owners.

NOTE 25 OTHER RESERVES

	HEDGING RESERVE		TRANSLATION DIFFERENCE		TOTAL	
	2014	2013	2014	2013	2014	2013
Opening balance	–	0.9	-23.0	-35.7	-23.0	-34.8
Revaluation of defined-benefit pension plans, net after tax	–	–	-1.5	0.8	-1.5	0.8
Derivative cash flow hedging, net after tax	–	-0.9	–	–	–	-0.9
Exchange rate differences	–	–	33.0	12.1	33.0	12.1
Other comprehensive income attributable to joint venture	–	–	-0.8	-0.2	-0.8	-0.2
Closing balance	–	–	**7.7**	**-23.0**	**7.7**	**-23.0**

ACCOUNTING PRINCIPLES

Hedge reserve

The hedge reserve includes unrealized profit and loss for forward contracts, which are reported in the income statement in the periods when the hedged transactions affect the income statement.

Translation reserve

The translation reserve covers currency differences that arise as a result of translating the income statements and balance sheets of all Group companies into the Group's reporting currency. Furthermore recalculation effects are included from the translation of defined-benefit pension plans.

NOTE 26 MINORITY INTERESTS

The following tables present financial information for subsidiaries that have minority interests and that are essential for the Group. Information is presented for the owner company (Bulten-GAZ B.V.) and its operating company (Bulten Rus LLC) as a consolidated unit. See note 37 for further information about the business and Bulten's investment in this collaboration.

SUMMARISED INCOME STATEMENT	2014	2013
Income items		
Income	9.8	–
Earnings after tax	**-17.8**	**-0.3**
Other comprehensive income		
Exchange rate differences	-11.4	0.0
Total comprehensive income	**-29.2**	**-0.3**
Attributable to		
Bulten Fasteners AB	-18.4	-0.2
Minority interest (37%)	-10.8	-0.1
Total comprehensive income	**-29.2**	**-0.3**

SUMMARISED BALANCE SHEET	31-12-2014	31-12-2013
Assets		
Fixed assets	61.7	28.8
Current assets	28.9	34.7
Total assets	**90.6**	**63.5**
Liabilities		
Non-current liabilities	17.1	–
Current liabilities	19.6	23.4
Total liabilities	**36.7**	**23.4**
Net assets	**53.9**	**40.1**
Total net assets attributable to minority interest (37%)	19.9	14.9

CASH FLOW	2014	2013
Cash flow from operating activities	-32.9	6.6
Cash flow from investing activities	-45.7	-12.4
Cash flow from financing activities	54.1	40.5
Cash flow for the period	**-24.5**	**34.7**

ACCOUNTING PRINCIPLES

Minority holdings

The Group applies the principle of treating transactions with minority interests as transactions with the Group's shareholders. For purchases from minority interests, the difference is recognised between the compensation that has been paid and the actual acquired share of the carrying value of the subsidiary's net assets in equity. Gains and losses on divestments to minority interests are also recognised in equity.

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NOTE 27 PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS

Remuneration to employees after completed employment is chiefly made through payments to insurance companies or authorities, which thereby assume the obligations in relation to the employees, known as defined contribution pensions. The largest defined benefit plans are in Sweden (FPG/PRI). For defined benefit plans the company's costs are calculated and the value of the outstanding obligation using actuarial calculations, which aim to determine the present value of the obligations issued. Interest is classified as a financial expense. Other cost items are distributed among operating profit/loss under cost of goods sold, selling expenses or administrative expenses depending on the employee's function. The Group also has pension commitments of SEK 39.3 (36.4) million secured through capital insurance, which means that any changes in pension obligations will be fully compensated through equivalent changes in value of the capital insurance. Both pension obligations and capital insurance are reported as line items.

DEFINED-BENEFIT PENSION PLANS AND SIMILAR COMMITMENTS	31-12-2014	31-12-2013
FPG/PRI	17.5	16.6
Other retirement pensions in Swedish companies	1.0	1.1
Retirement pensions in foreign companies	0.5	3.0
Other long-term remuneration to employees	3.6	1.7
Total defined-benefit commitments	**22.6**	**22.4**

Pension obligations relating to defined benefit pension plans are valued based on the assumptions shown in the table below.

	SWEDEN	
PENSION OBLIGATIONS	2014	2013
Discount rate, %	2.5	3.7
Inflation, %	1.5	1.5

There is no further vesting in the defined benefit system. Consequently, the Group's pension commitment is based on an unchanged rate of pay increase. The discount rate is established based on the market rate on the closing date for housing bonds in Sweden, since these bonds are now considered as representing first-class corporate bonds with a functioning market.

Risk exposure and sensitivity analysis

The defined-benefit liabilities are determined using a discount rate based on corporate bonds with a duration corresponding to the average remaining term commitment (15 years). A reduction in the interest rate on corporate bonds of 0.5% will mean an increase in the liabilities of the plan by about SEK 0.7 million. As plans are unfunded, a reduced bond rate would increase liabilities without a corresponding increase in the value of plan assets.

DEFINED BENEFIT OBLIGATIONS AND FAIR VALUE OF PLAN	31-12-2014	31-12-2013
Present value of defined benefit obligations	22.6	22.4
Fair value of plan assets	-0.8	-0.9
The Group's net obligation in respect of defined-benefit pension plans	**21.8**	**21.5**
- of which, Provisions for pensions	21.1	20.9
- of which, Other provisions	1.5	1.5
- of which, Other long-term receivables	0.8	0.9

RECONCILIATION OF CHANGE IN PENSION LIABILITY	31-12-2014	31-12-2013
Opening net debt	21.5	22.1
Net pension expense (+)/income (-)	3.6	1.9
Pension payments	-1.8	-1.5
Restatement effect of changed assumptions	1.9	-1.0
Divested business during the year	-3.5	–
Translation difference	0.1	–
Closing net debt	**21.8**	**21.5**

SPECIFICATION OF TOTAL COSTS FOR REMUNERATION AFTER COMPLETED EMPLOYMENT AS RECOGNISED IN THE INCOME STATEMENT	2014	2013
Costs relating to defined benefit plans		
Costs for service in current year	-3.0	-1.3
Interest costs	-0.6	-0.6
Total costs for defined-benefit plans	**-3.6**	**-1.9**
Costs relating to defined contribution plans	-25.9	-23.2
Total costs recognised in income statement	**-29.5**	**-25.1**
Restatement effect reported in Other comprehensive income (before tax)	**-1.9**	**1.0**

ASSETS PLEDGED FOR PENSION COMMITMENTS	31-12-2014	31-12-2013
Endowment insurance[1)]	39.3	36.4
Total	**39.3**	**36.4**
Amount by which provision item is expected to be paid after more than 12 months	**37.9**	**36.4**

1) Pension obligations are funded through endowment insurance, which means that any changes to the pension obligation will be fully compensated by the corresponding change in value of the endowment insurance. Both the benefit obligation and the endowment insurance are reported as memorandum items.

ACCOUNTING PRINCIPLES

Pension obligations
The Group's companies have different pension systems in accordance with local terms and generally accepted practice in the countries where they operate.

The predominant form of pension is the defined-contribution plan. These plans mean that the company settles its undertaking continuously through payments to insurance companies or pension funds.

Pension plans, however, that are based on an agreed prospective pension right, known as defined benefit pension plans, mean that the company has a responsibility that extends beyond normal obligations and, for example, where assumptions about the future affect the company's recognised cost. The Group's net obligation is calculated separately for each plan by estimating the future remuneration the employees have earned through their employment both in current and previous periods; this remuneration is discounted to a present value.

The liability recognized in the balance sheet for defined-benefit pension plans is the present value of the defined-benefit obligation at the end of the reporting period less the fair value of plan assets. The defined-benefit obligation is calculated annually by independent actuaries using the so-called projected unit credit method.

The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the same currency in which the benefits will be paid with terms comparable to the current pension obligation.

Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognized in other comprehensive income during the period in which they arise.

Costs for service in earlier periods are recognized directly in the income statement.

Termination benefits
Termination benefits are payable when a position has been terminated by the Group before the normal pension age or when an employee accepts voluntary redundancy in exchange for such benefits. The Group recognises severance pay when it is demonstrably obliged either to terminate employees as part of a detailed formal plan without any possibility of revocation, or by providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Other long-term employee benefits
Other long-term employee benefits refer to the Group's defined-benefit commitments under a plan that gives employees a flexible transition from employment to retirement. The plan aims to enable flexible service as agreed between employer and employee. The Group's defined-benefit commitment is determined annually by applying the so-called projected unit credit method. Unlike the accounting required for defined-benefit pension commitments, revaluation of the commitment is reported in the income statement, and not in other comprehensive income.

NOTE 28 INTEREST-BEARING LIABILITIES

INTEREST-BEARING NON-CURRENT LIABILITIES	31-12-2014	31-12-2013
Liabilities to credit institutions	44.9	89.1
Bank overdraft	52.1	100.9
Liabilities for finance leases	1.6	35.0
Other interest-bearing liabilities	**98.6**	**225.0**
Which mature between 1–5 years	98.6	225.0
Of which mature after more than five years	–	–
Total	**98.6**	**225.0**
Provisions for pensions	21.1	20.9
Total non-current interest-bearing liabilities	**119.7**	**245.9**

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INTEREST-BEARING CURRENT LIABILITIES	31-12-2014	31-12-2013
Liabilities to credit institutions	–	13.8
Provisions for pensions	1.5	1.5
Bank overdraft facilities	–	22.3
Liabilities for finance leases	0.7	8.4
Other interest-bearing liabilities	**2.2**	**46.0**

Fair value is considered to correspond to the book value of the Group's financial liabilities because the interest-bearing liabilities have interest corresponding to market rates. The Group has special loan conditions (covenants) that must be fulfilled with respect to external lenders, including equity/assets ratio targets and other ratio that include EBITDA, net debt and certain financial expenses. Terms for all covenants were fulfilled in both 2014 and 2013.

Non-current liabilities with credit institutes and the part of the bank overdraft facilities classified as long-term are covered by a credit facility that runs to July 2016.

BANK OVERDRAFT FACILITIES	31-12-2014	31-12-2013
Approved overdraft facilities	277.8	416.3
Unutilised portion	-225.7	-293.1
Credits utilised [1)]	**52.1**	**123.2**

1) Of which SEK 52.1 (100.9) million is reported as a long-term liability as the Group has a right to extend the credit within the framework of existing credit arrangements.

CHANGE IN NET CASH/NET DEBT	2014	2013
Net debt at start of year	-188.7	-247.3
Change in bank overdraft and other financial liabilities	71.1	62.1
Loan raised	-44.9	-26.4
Amortisation of interest-bearing liabilities	102.9	4.5
Change of finance lease liabilities	41.1	-31.2
Changes in provisions for pensions	-0.2	-0.3
Change in interest-bearing assets	1.0	-0.1
Change in cash and cash equivalents	155.0	50.0
Net cash (+)/ net debt (-) at year-end	**137.3**	**-188.7**

ACCOUNTING PRINCIPLES

Borrowing
Borrowing is initially recognised at fair value. Borrowing is subsequently recognised at the accrued cost, and any difference between the amount received and the repayment amount is recognised in the income statement over the borrowing term, using the effective interest method. Preference shares, which are mandatorily redeemable at a specific time, are classified as liabilities. Dividends from these are recognised in the income statement as interest expense.

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

See note 11 for the accounting principles concerning reporting of financial leasing.

NOTE 29 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS

	31-12-2014	31-12-2013
Business mortgages	194.7	447.9
Shares in subsidiaries	1,208.5	1,004.2
Other long-term receivables	0.9	0.9
Machinery with ownership restrictions	–	38.5
Total pledged assets for liabilities to credit institutions	**1,404.1**	**1,491.5**

NOTE 30 ACCRUED EXPENSES AND PREPAID INCOME

	31-12-2014	31-12-2013
Accrued wages/salary including holiday pay	30.8	58.7
Accrued social security costs	34.1	50.8
Other accrued expenses	36.2	45.0
Total accrued expenses and prepaid income	**101.1**	**154.5**

NOTE 31 OTHER PROVISIONS

	31-12-2014	31-12-2013
Costs for restructuring programmes	0.7	12.5
Share of negative assets, joint venture [1]	7.5	6.4
Total other provisions	**8.2**	**18.9**

RESTRUCTURING MEASURES		
Carrying amount at start of period	12.5	–
Provisions during the year	–	15.4
Amount included in divested business	-11.8	
Amounts utilised during the period	–	-2.9
Carrying amount at end of period	**0.7**	**12.5**
Amount by which provision item is expected to be paid after more than 12 months	–	–

1) See note 33 Investment in joint venture.

Provisions for restructuring cover direct costs relating to restructuring and having no connection with the company's current activities, e.g. costs for unutilised rental contracts, environmental costs and remuneration to staff without employment. When the effect of when the payment is made has significance, the provision is established via a calculation of current value of future payments.

ACCOUNTING PRINCIPLES

A provision is recognised in the balance sheet when the company has a formal or constructive obligation as the consequence of an event that has occurred, and it is likely that an outflow of resources will be required to settle the obligation, and that a reliable estimate of the amount can be made. When the effect of the timing of the payment is important, provisions are calculated by discounting the expected future cash flow at a pre-tax interest rate which reflects current market assessments of the time-related value of money and, if applicable, the risks associated with the liability.

A provision for restructuring is recognised when a detailed, formal restructuring plan has been established, and the restructuring has either begun or been publicly announced.

A provision for onerous contracts is recognised when the expected benefits are lower than the unavoidable costs for fulfilling the obligations in accordance with the contract.

A provision for the Group's share in a joint venture's negative net assets is reported when the Group has a formal or informal commitment to restore the venture's equity. See note 33, Investment in joint venture.

KEY ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group is exposed to legal risks when the business is impacted by a large number of commercial and financial agreements with customers, suppliers, employees and other parties. This is normal for a business such as the Group's. Management assesses the expected outcome of compensation claims made against the Group on an ongoing basis. At the balance sheet date there were a few compensation claims against the Group, and management believes that it is unlikely that these will mean a substantial impact on the consolidated earnings and financial position. No provision is recognised at balance sheet date for these compensation claims.

NOTE 32 CONTINGENT LIABILITIES

	31-12-2014	31-12-2013
Pension commitments in addition to those accounted for as liabilities or provisions [1]	39.7	36.9
Other contingent liabilities	9.3	13.1
Total contingent liabilities	**49.0**	**50.0**

1) Of which SEK 39.3 (36.4) million refers to pension obligations that are secured through capital insurance, which means that any changes to the pension obligation will be fully compensated by the corresponding change in value of capital insurance. Both the benefit obligation and the capital insurance are reported as memorandum items.

In connection with the sale of the Finnveden Metal Structures division the Group has provided normal seller's guarantees to the buyer. These guarantees cover, among others, environmental issues and certain evaluation issues for which the Group is reporting a contingent liability of SEK 3 million. Although it cannot be ruled out, it is judged that these seller's guarantees will not be realised.

NOTE 33 INVESTMENT IN JOINT VENTURE

The Group has a shareholding of 60% in a joint venture, BBB Service Ltd., which supplies fasteners to large engine projects.

The company is based in Scunthorpe, UK. BBB Services Ltd also has a wholly-owned subsidiary in Romania that conducts limited activities.

The shareholder agreement between the owners (Bulten and Brugola) means that the most relevant activities in the joint venture must be agreed by both parties. The key business risks and responsibility are divided among and linked to each party's contributed deliveries and products.

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An assessment of the factors and circumstances on which this collaboration is based leads to the classification of this arrangement as a joint venture. With this background and with application of IFRS 11 the joint venture is reported using the equity method, which means a change in accounting principles compared with previous years. Note 39 presents the transition effects and translation effects for previously submitted financial information that arises due to the change in principle.

GROUP'S SHARE OF JOINT VENTURE	31-12-2014	31-12-2013
Opening balance	-6.4	-1.8
Share of profit for the year	-0.3	-4.4
Other comprehensive income	-0.8	-0.2
Closing balance	**-7.5**	**-6.4**

The Group's share of BBB Service Ltd.'s negative net assets amounts to SEK -7.5 million (-6.4). In accordance with the shareholder agreement, Bulten has no formal obligation to contribute additional capital to BBB Service Ltd. as the business shall be financed primarily through operating liabilities to the company's owners. An informal obligation to restore the Group's share of the company's equity is considered to arise because the continued operation of the company is considered to have commercial significance for the Group. The Group therefore is reporting its share of the company's negative net assets as 'Other provisions' in the balance sheet.

Summary of financial information

A summary of financial information is disclosed below for BBB Services Ltd, which is reported using the equity method. The information below refers to amounts reported in the year-end accounts of the joint venture (not Bulten's share of this amount) with application of the Group's accounting principles.

SUMMARISED INCOME STATEMENT	2014	2013
Income items		
Income	539.7	493.0
Expenses	-540.3	-501.2
Depreciation	–	0.0
Loss before tax	**-0.6**	**-8.2**
Tax on year's earnings	0.1	0.9
Loss after tax	**-0.5**	**-7.3**
Other comprehensive income		
Exchange rate differences	-0.8	-0.2
Total comprehensive income	**-1.3**	**-7.5**
Attributable to		
Bulten Fasteners AB	-0.8	-4.5
Other owners	-0.5	-3.0
Total comprehensive income	**-1.3**	**-7.5**

SUMMARISED BALANCE SHEET	31-12-2014	31-12-2013
Assets		
Fixed assets	3.6	3.0
Current assets, excluding liquid funds	142.6	117.7
Cash and cash equvalents	1.5	5.8
Total assets	**147.7**	**126.5**
Liabilities		
Current liabilities	160.2	137.2
Total liabilities	**160.2**	**137.2**
Net assets/liabilities	**-12.5**	**-10.7**
Investment in joint venture (60%)	-7.5	-6.4

The Group has no contingent liabilities relating to the joint venture other than that the Group assures the quality of items supplied by Bulten to the company on normal delivery and commercial terms for the industry.

ACCOUNTING PRINCIPLES

The Group is applying IFRS 11 "Cooperation Arrangement" as of 1 January 2014. Under IFRS 11 an interest in a joint arrangement is classified as either joint operations or as a joint venture, depending on the contractual rights and obligations of each investor. The Group has assessed its cooperation arrangements and determined that there is a joint venture. Joint ventures are accounted for using the equity method.

Under the equity method, investments in joint ventures are initially reported in the consolidated statement of financial position at acquisition cost. The carrying amount is increased or decreased to recognize the Group's share of earnings and other comprehensive income from its joint ventures after the acquisition date. The Group's share of results included in the consolidated results and the Group's share of other comprehensive income are included in other comprehensive income in the Group. When the Group's share of losses in a joint venture is equal to or exceeds its holding in the joint venture (including any long-term receivables which actually form part of the Group's net investment in the joint venture), the Group reports no further losses unless the Group has assumed the formal or constructive obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's holdings in joint ventures. Unrealised losses are also eliminated unless the transaction provides an indication of an impairment of the transferred asset.

NOTE 34 TRANSACTIONS WITH RELATED PARTIES

During the year the continuing operations sold administrative services to the discontinued operaration amounting to SEK 20.1 (30.1) million, of which SEK 14.7 (30.1) million was for sold services up to the divestment date of 30 June 2014 (when the discontinued operations was no longer a related party). Internal pricing is based on the arm's-length principle, i.e. between parties that are independent of each other, well informed and with an interest in the transactions.

Information about remuneration to senior executives is provided in Note 7 Employees, personnel costs and fees to the Board of Directors.

A payment of SEK - (0.1) million was made during the year to a company controlled by the chairman of the Board as remuneration for administration and rent, established on market terms.

The following related-party transactions were made with BBB Service Ltd (joint venture). All transactions were made on market terms according to the 'at arm's length' principle.

BBB SERVICE LTD GROUP	2014	2013
Sale of goods	323.2	288.9
Other income	14.8	16.9
Receivables [1]	104.9	90.6

1) No provisions were made for doubtful receivables. However, the Group is reporting another provision concerning the Group's share in the negative net assets of the joint venture, see note 33.

ACCOUNTING PRINCIPLES

Transactions with related parties

Transactions have been made with related parties on terms equivalent to those that prevail in commercial transactions.

The internal price on transactions between Group companies are based on the "arm's length" principle, i.e. between parties that are independent of each other, well informed and with an interest in the transactions.

NOTE 35 CASH FLOW

ADJUSTMENTS FOR ITEMS NOT INCLUDED IN CASH FLOW	2014	2013
Expensed unpaid interest	–	0.1
Depreciation of fixed assets	46.4	43.1
Unrealized currency gain/currency loss	-2.2	0.9
Earnings from participation in joint venture	0.3	4.4
Income from sale of fixed assets	-0.6	–
Other non cash-affecting items	-0.1	-1.9
Total adjustments for items not included in cash flow	**43.8**	**46.6**

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INTEREST PAID AND RECEIVED	2014	2013
Interest paid	7.7	5.8
Interest received	0.1	0.3

CASH AND CASH EQUIVALENTS	31-12-2014	31-12-2013
Cash and bank accounts	255.5	100.6
Total cash and cash equivalents	**255.5**	**100.6**

Cash and cash equivalents in the balance sheet and cash flow statement refer solely to cash and bank accounts. Outstanding cash and cash equivalents of SEK 255.5 (100.6) million are in their entirety placed at banks with the highest credit rating from leading credit institutions.

ACCOUNTING PRINCIPLES

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. The recognised cash flow only covers transactions resulting in receipts or disbursements.

In addition to cash and bank balances, cash and cash equivalents also include short-term financial investments subject only to negligible risk of value fluctuation and which can be traded on an open market in known amounts, or have a remaining term of three months from the acquisition date.

NOTE 36 SPECIFICATION OF GROUP HOLDINGS OF PARTICIPATIONS IN GROUP COMPANIES

SUBSIDIARY/CORPORATE REG. NO./ REGISTERED OFFICE	COUNTRY	SHARE, % 31-12-2014
Bulten Holding AB, 556224-0894, Göteborg	Sweden	100.0
Bulten Fasteners AB 556010-8861, Göteborg	Sweden	100.0
Bulten Sweden AB, 556078-3648, Göteborg	Sweden	100.0
Bulten Hallstahammar AB, 556261-2506, Hallstahammar	Sweden	100.0
Bulten i Kalix AB, 556250-9579, Kalix	Sweden	100.0
Bulten Ltd, Edinburgh, GB	Great Britain	100.0
Bulten Polska S.A., Bielsko-Biala, PL	Poland	99.9
Bulten GmbH, Bergkamen, DE	Germany	100.0
Bulten Russia AB, 556872-5534, Göteborg	Sweden	100.0
Finnveden Micro Fasteners AB, 556039-4180, Göteborg	Sweden	100.0
Bulten Apac Company Limited, Hong Kong, CN	China	100.0
Bulten Fasteners (China) Co Ltd, Peking, CN	China	100.0
Finnveden GMF AB, 556248-3452, Mora	Sweden	100.0
Finnveden Trading AB, 556201-4570, Göteborg	Sweden	100.0
Finnveden Gjutal AB, 556429-2380, Hultsfred	Sweden	100.0
BBB Service Ltd 880 6643 02, Scunthorpe, GB	Great Britain	60.0
BBB Fasteners Craiova S.R.L, 381312, Bukarest, Rumänien	Romania	60.0
Bulten IT AB, 556245-8702, Göteborg	Sweden	100.0
Bulten-GAZ B.V., 59227419, Amsterdam	The Netherlands	63.0
Bulten Rus LLC, 1145256000064, Nizhniy Novgorod	Russia	63.0
Bulten Share MIPCO AB, 556843-5001, Göteborg	Sweden	100.0
Bulten Warrant MIPCO AB, 556812-4464, Göteborg	Sweden	100.0
Bulten Stock Option AB, 556812-4290, Göteborg	Sweden	100.0
FMS Warrant MIPCO AB, 556812-4456, Göteborg	Sweden	100,0

Capital amounts in all of the above holdings are also equivalent to voting rights. See note 37 for changes in the composition of the Group.

NOTE 37 CHANGES IN GROUP COMPOSITION

As of 30 June 2014 the Group concluded its sale of the Finnveden Metal Structures division. The companies included in the divestment were the division's parent company, Finnveden Metal Structures AB (Sweden), and its wholly-owned subsidiaries Finnveden Metal Structures Sp.zo.o (Poland), Finnveden China Trading AB (Sweden) and Finnveden Metal Structures Ltd. (Shanghai). See note 40 for financial information concerning the discontinued operations.

In 2013, a holding company (Bulten-GAZ B.V.) was formed within the framework of cooperation with the Russian automotive manufacturer, GAZ. The partnership covers the production of fasteners. Business activities are regulated in a shareholder agreement between Bulten and GAZ. Bulten's initial investment amounted at the end of 2013 to SEK 40 million in cash to finance the start-up of the business. In 2014 the operating company (Bulten Rus LLC) was established in Russia and production was started after the parties contributed additional capital in the form of liquid funds and equipment. Bulten contributed an additional SEK 31.1 million to the business in accordance with the shareholder agreement. Bulten's total investment of SEK 71.6 million has given rise to goodwill of SEK 20.7 million. Goodwill relates to expected future business opportunities for the Group as a result of access to local production in Russia. Bulten owns 63% of the holding company and consolidates the holding company and the associated Russian operating company as subsidiaries as the Group has a controlling interest over these companies. GAZ's share (37%) is reported as a minority interest, which is initially recognized at the proportional share of the carrying value of the acquired company's identifiable net assets. See note 26 for a summary of financial information concerning subsidiaries with minority interest owners.

NOTE 38 RECONCILIATION BETWEEN IFRS AND USED KEY INDICATORS

TERM USED	2014	2013
Operating income (EBIT)	133.4	109.2
Depreciation and impairments	46.4	43.0
Operating income before depreciation (EBITDA)	**179.8**	**152.2**

In calculating the adjusted operating income, non-recurring items are added to operating income.

TERM USED	2014	2013
Operating income (EBIT)	133.4	109.2
Non-recurring items, insurance remuneration	-11.2	–
Adjusted earnings (EBIT)	**122.2**	**109.2**

TERM USED	2014	2013
Earnings after tax	84.4	100.4
Insurance remuneration after tax	-8.7	–
Deferred tax benefit of additional tax loss carry-forwards from court ruling	–	-27.1
Adjusted earnings after tax	**75.7**	**73.3**
No. of shares on closing date	21,040,207	21,040,207
Adjusted earnings per share [1]	**3.91**	**3.49**

1) Attributable to parent companies shareholders.

NOTE 39 CHANGES IN ACCOUNTING PRINCIPLES

With effect from 2014 Bulten is implementing IFRS 11 "Cooperation arrangements". The change in accounting principle means that the Group's joint ventures are reported using the equity method instead of the proportional method. The new principle affects recognition retroactively, which is why a restatement of the consolidated financial statements for 2013 has been made and is presented below. There was no effect on shareholders' equity as of the transition date of 1 January 2013. The tables show the restated figures according to the new principle, and the translation effect arising compared with previously reported amounts. The translation effect is entirely attributable to continuing operations.

SUMMARISED INCOME STATEMENT	2013 REPORTED	RECALCULATION EFFECT	2013 RECALCULATED
Net sales	1 812.9	-7.0	1 805.9
Gross profit	360.2	-18.4	341.8
Operating earnings (EBIT)	108.7	0.5	109.2
Net earnings	100.4	–	100.4

SUMMARISED BALANCE SHEET	31-12-2013 REPORTED	RECALCULATION EFFECT	31-12-2013 RECALCULATED
Fixed assets	809.6	-1.8	807.8
Current assets	1 270.7	15.1	1 285.8
Equity	1 103.5	–	1 103.5
Non-current liabilities	249.6	–	249.6
Current liabilities	727.2	13.3	740.5

NOTE 40 DISCONTINUED OPERATIONS

The Group sold its Finnveden Metal Structures division on 30 June 2014 to Shiloh Industries Inc of the US. Consolidated capital gains resulting from the sale amounted to SEK 53.6 million. The following tables present the earnings and cash flow from the divested business.

SUMMARISED INCOME STATEMENT	2014	2013
Sales revenues	638.3	1 256.5
Expenses	-598.0	-1 271.0
Earnings before tax (EBT)	40.3	-14.5
Tax	-9.3	2.3
Earnings after tax	31.0	-12.2
Consolidated capital gains [1]	53.6	–
Total	**84.6**	**-12.2**

1) Net after transaction expenses and taxes The tax effect was SEK 4.3 million.

CASH FLOW FROM DISCONTINUED OPERATIONS	2014	2013
- operating activities	25.9	17.9
- investing activities	389.1	-8.0
- financing activities	-3.8	-10.4
Total cash flow from discontinued operations	**411.2**	**-0.5**

The effect on the Group's cash and cash equivalents of the sale of Finnveden Metal Structures has been recognised in Cash flow from investing activities in discontinued operations.

PURCHASE AMOUNT	2014	2013
Debt-free purchase amount	487.0	–
- Minus net debt [1]	-112.8	–
Purchase amount, cash	**374.2**	**-**

1) Of which cash and cash equivalents in divested business was SEK 53.0 million.

ACCOUNTING PRINCIPLES

Fixed assets (or divestment groups) are classified as non current assets held for sale and recognised at the lower of carrying amount and fair value less costs of sales if their carrying amount is recovered principally through a sale transaction and not through continuous use.

A discontinued operation is a component of the Group that has either been sold or classified as held for sale, and is an independent branch of the business or a significant activity that forms part of a single coordinated plan for divestment.

NOTE 41 EVENTS AFTER THE CLOSING DATE

No significant events have occurred after the closing date.

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PARENT COMPANY'S INCOME STATEMENT

SEK M	NOTE	2014	2013
Net sales	2	38.0	27.2
Cost of goods sold		–	–
Gross profit		**38.0**	**27.2**
Administrative expenses	3,6	-71.8	-30.9
Operating earnings		**-33.8**	**-3.7**
Income from other investments held as fixed assets	4	–	-4.5
Interest expenses and similar items	5	-10.8	-10.5
Earnings after net financial items		**-44.6**	**-18.7**
Appropriations	7	38.3	15.5
Earnings before tax		**-6.3**	**-3.2**
Tax on year's earnings	8	0.6	26.6
Earnings after tax		**-5.7**	**23.5**

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PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

SEK M	2014	2013
Earnings after tax for the year	-5.7	23.5
Other comprehensive income	–	–
Total comprehensive income for the year	**-5.7**	**23.5**

PARENT COMPANY'S BALANCE SHEET

SEK M	NOTE	31-12-2014	31-12-2013
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment		1.1	0.2
Total tangible fixed assets		**1.1**	**0.2**
Financial assets			
Participations in Group companies	9	1,382.5	1,382.5
Deferred tax receivables	8	76.1	75.5
Other long-term receivables		0.3	0.7
Total financial assets		**1,458.9**	**1,458.7**
Total fixed assets		**1,460.0**	**1,458.9**
Current assets			
Current receivables			
Receivables from Group companies		108.8	16.1
Other receivables		0.2	–
Current tax receivables		0.5	0.4
Prepaid costs and accrued income		1.5	1.6
Total current receivables		**111.0**	**18.1**
Cash and cash equivalents		0.6	4.1
Total current assets		**111.6**	**22.2**
Total assets		**1,571.6**	**1,481.1**

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SEK M	NOTE	31-12-2014	31-12-2013
EQUITY AND LIABILITIES			
Equity			
Share capital	10	10.5	10.5
Reserves		99.6	99.6
Total restricted equity		**110.1**	**110.1**
Premium reserve		1,133.0	1,133.0
Retained earnings		-102.9	-55.1
Total unrestricted equity		**1,030.1**	**1,077.9**
Total equity		**1,140.2**	**1,188.0**
Liabilities			
Non-current liabilities			
Liabilities to Group companies		348.1	280.6
Total non-current liabilities		**348.1**	**280.6**
Current liabilities			
Accounts payable		2.6	1.2
Liabilities to Group companies		67.1	–
Other liabilities		0.8	1.3
Accrued expenses and deferred income		12.8	10.0
Total current liabilities		**83.3**	**12.5**
Total equity and liabilities		**1,571.6**	**1,481.1**

Pledged assets	11	1,382.5	1,382.5
Contingent liabilities	12	6.1	13.4

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

	RESTRICTED EQUITY		NON-RESTRICTED EQUITY		
PARENT COMPANY	SHARE CAPITAL	RESERVE	PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Opening balance, 1 January 2013	10.5	99.6	1,133.0	-36.5	1,206.6
Comprehensive income					
Earnings after tax for the year	–	–	–	23.5	23.5
Other comprehensive income	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**23.5**	**23.5**
Transactions with shareholders					
Dividend to parent company shareholders (SEK 2.00 per share)	–	–	–	-42.1	-42.1
Total transactions with shareholders	**–**	**–**	**–**	**-42.1**	**-42.1**
Closing balance, 31 December 2013	**10 .5**	**99.6**	**1,133.0**	**-55.1**	**1,188.0**
Comprehensive income					
Earnings after tax for the year	–	–	–	-5.7	-5.7
Other comprehensive income	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**-5.7**	**-5.7**
Transactions with shareholders					
Dividend to parent company shareholders (SEK 2.00 per share)	–	–	–	-42.1	-42.1
Total transactions with shareholders	**–**	**–**	**–**	**-42.1**	**-42.1**
Closing balance, 31 December 2014	**10.5**	**99.6**	**1,133.0**	**-102.9**	**1,140.2**

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PARENT COMPANY'S CASH FLOW STATEMENT

SEK M	2014	2013
Operating activities		
Earnings after financial items	-44.6	-18.7
Adjustments for items not included in cash flow	10.9	15.1
Taxes paid	–	–
Cash flow from operating activities before changes in working capital	**-33.7**	**-3.6**
Cash flow from changes in working capital		
Increase(–)/Decrease(+) in operating receivables	-92.9	18.9
Increase(+)/Decrease(–) in operating liabilities	109.1	0.9
Cash flow from operating activities	**-17.5**	**16.2**
Investing activities		
Acquisition of tangible fixed assets	-0.1	-1.2
Change in financial assets	–	0.4
Cash flow from investing activities	**-0.1**	**-0.8**
Financing activities		
Increase in loan liabilities	56.2	24.8
Dividend to parent company shareholders	-42.1	-42.1
Cash flow from financing activities	**14.1**	**-17.3**
Cash flow for the year	**-3.5**	**-1.9**
Cash flow for the year	**-3.5**	**-1.9**
Cash and cash equivalents at start of financial year	4.1	6.0
Cash and cash equivalents at year end	**0.6**	**4.1**

NOTES, PARENT COMPANY

All amounts in SEK million unless otherwise stated. Figures in brackets refer to the previous year. Some figures are rounded up, so amounts might not always appear to add up when summarised.

NOTE 1 ACCOUNTING PRINCIPLES

The parent company applies standard RFR 2 Accounting for legal entities issued by the Swedish Financial Reporting Board. RFR 2 states that parent companies of Groups that voluntarily choose to apply IAS/IFRS in the consolidated accounts shall as a rule also apply the same IAS/IFRS. The parent company therefore applies the principles used for the consolidated accounts and which have been described above in note 2 of the consolidated accounts, with the exceptions stated below. The principles have been applied consistently for all years presented, unless otherwise stated. Shares and participations in subsidiaries are reported at acquisition cost after deductions for possible depreciation.

Received dividends are reported as financial income. Dividends that exceed the comprehensive income of subsidiaries for the period or which mean that the reported value of the participation's net assets in the consolidated accounts are lower than the reported value of the participations, are an indication that there is an impairment requirement. When there is an indication that shares and participations in subsidiaries have fallen in value an estimate is made of the recoverable value. If this is lower than the reported value, impairment is carried out. Impairment is reported under 'Earnings from participations in Group companies'.

Shareholder contributions are reported directly under equity by the recipient and are activated as shares and participations for the contributor to the extent that impairment is not necessary.

Group contributions are reported by applying the so-called alternative rule in accordance with RFR 2, IAS 27, p.2. The alternative rule means that both received and paid contributions are recorded as an appropriation of profit and loss.

The parent company applies a different basis for calculating defined-benefit pension plans than that stated in IAS 19. The parent company follows the Swedish law on safeguarding of pension commitments and the prescriptions of the Swedish Financial Supervisory Board since this is a prerequisite for tax deductions. The parent company has no defined-benefit pension plans.

NOTE 2 NET SALES

	2014	2013
Intra-Group services	36.3	21.1
Other income	1.7	6.1
Total net sales	**38.0**	**27.2**

100% of net sales comprise intra-Group income. Intra-Group services include management, IT services and administrative -support. Sales are based on market terms.

NOTE 3 FEES AND REMUNERATION FOR AUDITING

PRICEWATERHOUSECOOPERS	2014	2013
Audit	0.9	1.0
Other audit assignments	0.2	0.1
Tax advice	0.5	–
Other services	0.5	0.3
Total fees and remuneration for auditing	**2.1**	**1.4**

'Audit' refers to the examination of financial statements and accounting records and the Board's and President's administration, other tasks that might be incumbent on the company's auditors, and advice and other assistance as a result of observations during the audit or the implementation of the other duties referred to.

'Other auditing assignments' mainly comprises a general survey of interim reports. 'Tax advice' includes advice on income tax, including internal pricing issues, and VAT. 'Other services' refer to services not relating to the above categories.

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NOTE 4 RESULTS FROM OTHER SECURITIES AND RECEIVABLES HELD AS FIXED ASSETS

	2014	2013
Impairment of other securities	–	-4.5
Total	**–**	**-4.5**

NOTE 5 INTEREST EXPENSES AND SIMILAR ITEMS

	2014	2013
Interest expenses, Group companies	-10.4	-10.1
Other	-0.4	-0.4
Total interest expenses and similar items	**-10.8**	**-10.5**

None of the interest expenses of r 2014 and 2013 are paid.

NOTE 6 EMPLOYEES, PERSONNEL COSTS AND FEES TO THE BOARD

The company has 7 (8) employees. Remuneration to Board members, the President and CEO and other senior executives has also been contributed by other Group companies. Note 7 of the consolidated accounts presents total remuneration paid to Board members and senior executives.

NUMBER OF EMPLOYEES	2014	2013
Women	4	5
Men	3	3
Total	**7**	**8**

SALARIES, REMUNERATION, SOCIAL FEES AND PENSION COSTS	2014	2013
Salaries and remuneration to Board members and President and CEO	16.0	5.8
Salaries and remuneration to other employees	13.1	5.8
Sum of wages and salaries	**29.1**	**11.6**
Statutory social security costs	8.7	3.5
Pensions costs for Board members and President and CEO	1.6	1.1
Pension costs for other employees	1.7	1.5
Sum of social security and remuneration cost	**12.0**	**6.1**
Total	**41.1**	**17.7**

NUMBER OF BOARD MEMBERS ON CLOSING DATE	2014	2013
Women	1	1
Men	7	7
Total	**8**	**8**

NUMBER OF PRESIDENT AND CEOS AND OTHER SENIOR EXECUTIVES	2014	2013
Women	2	1
Men	1	1
Total	**3**	**2**

NOTE 7 APPROPRIATIONS

	2014	2013
Group contribution, received	105.4	15.5
Group contribution, rendered	-67.1	-
Total appropriations	**38.3**	**15.5**

NOTE 8 TAX ON INCOME FOR THE YEAR

REPORTED TAX	2014	2013
Current tax		
Current tax for the year	–	–
Total current tax	**–**	**–**
Deferred tax expense (-)/tax income(+)		
Deferred tax on temporary differences	0.6	26.6
Total deferred tax	**0.6**	**26.6**
Total reported tax	**0.6**	**26.6**

RECONCILIATION OF EFFECTIVE TAX, AMOUNT	2014	2013
Earnings before tax	-6.3	-3.2
Tax according to applicable tax rate for parent company	1.4	0.7
Non-deductible expenses	-0.8	-1.2
Deferred tax for additional loss carry-forward tax deduction in accordance with court ruling	–	27.1
Tax on income for the year according to income statement	**0.6**	**26.6**

The Administrative Court of Appeal in Stockholm, in a ruling dated 11 April 2013 approved the deduction of interest on the shareholder loan previously denied by the Swedish Tax Agency'. The verdict means that the Group may be credited the deduction of SEK 197 million, of which SEK 123 million remained unutilised at 31 December 2013. Consequently, a deferred tax asset amounting to SEK 27.1 million was reported in 2013.

The deferred tax asset of SEK 76.1 (75.5) million is fully attributable to a taxable deficit deduction.

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NOTE 9 PARTICIPATIONS IN GROUP COMPANIES

	31-12-2014	31-12-2013
Opening balance	1,382.5	1,381.3
Acquisitions during the year	–	1.2
Reported value at year end	**1,382.5**	**1,382.5**

SPECIFICATION OF PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

SUBSIDIARY/CORP. REG. NO./REG. OFFICE	PARTICIPATION, % 31-12-2014	REPORTED VALUE 31-12-2014
Bulten Holding AB,556224-0894, Göteborg	100.0	1 281.2
Bulten Share MIPCO AB in liquidation, 556843-5001, Göteborg	100.0	4.6
Bulten Warrant MIPCO AB in liquidation, 556812-4464, Göteborg	100.0	6.0
Bulten Stock Option AB in liquidation ,556812-4290, Göteborg	100.0	34.4
FMS Warrant MIPCO AB in liquidation 556812-4456, Göteborg	100.0	56.3
Reported value at year end		**1,382.5**

For all participations above, the capital share is equal to the amount of votes.

NOTE 10 SHARE CAPITAL

	ORDINARY SHARES	PREFERENCE SHARES	TOTAL NO. OF SHARES
Number of shares outstanding at 31 December 2010	11,037,000	963,000	12,000,000
Reclassification of preference shares at 3 March 2011	963,000	-963,000	–
Registered new share issue at 20 May 2011	7,197,430	–	7,197,430
Registered new share issue at 25 May 2011	1,842,777	–	1,842,777
Number of shares outstanding at 31 December 2011	21,040,207	–	21,040,207
Number of shares outstanding at 31 December 2011	21,040,207	–	21,040,207

The total number of ordinary shares at 31 December 2014, was 21,040,207. The quotient value of the share is SEK 0.50. All issued shares have been paid in full.

NOTE 11 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTION

	31-12-2014	31-12-2013
Shares in subsidiaries	1,382.5	1,382.5
Total pledged assets for liabilities to credit institution	**1,382.5**	**1,382.5**

NOTE 12 CONTINGENT LIABILITIES

	31-12-2014	31-12-2013
Guarantees on behalf of Group companies	4.9	11.3
Other contingent liabilities	1.2	2.1
Total contingent liabilities	**6.1**	**13.4**

NOTE 13 TRANSACTIONS WITH RELATED PARTIES

Intra-Group sales and services are conducted between the parent company and Group companies. See note 2 (Net sales). Other transactions with related parties during the year are presented in note 6 (Employees, personnel costs and Board fees). Transactions have been made with related parties on terms equivalent to those that prevail in commercial transactions.

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DECLARATION AND SIGNATURES

The Board of Directors and the Chief Executive Officer confirm that the annual accounts have been prepared in accordance with accepted accounting standards in Sweden, and that the consolidated accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The annual accounts and the consolidated accounts give a true and fair view of the Group's and Parent Company's financial position and results of operations. The Board of Directors' Report for the Group and the Parent Company gives a true and fair view of the Group's and the Parent Company's operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face.

Göteborg, 26 March 2015

Roger Holtback
Chairman of the Board

Ann-Sofie Danielsson
Board member

Hans Gustavsson
Board member

Hans Peter Havdal
Board member

Arne Karlsson
Board member

Johan Lundsgård
Board member

E

Adam Samuelsson
Board member

Tony Frunk
Employee representative

Tommy Andersson
President and CEO

Our Audit Report was submitted on 26 March 2015

PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

AUDITOR'S REPORT

To the annual meeting of the shareholders of Bulten AB (publ), Corporate identity number 556668-2141

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Bulten AB (publ) for the year 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 30-76.

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 balance sheet 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 Bulten AB (publ) 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.

Göteborg, 26 March 2015

PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

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DEFINITIONS

Return on equity
Earnings after tax for the year excluding minority interests in relation to average equity excluding minority interests.

Return on adjusted equity
Earnings after tax for the year excluding minority interests in relation to average equity excluding minority interests but including shareholder loan and preference shares issued.

Return on capital employed
Earnings after net financial items plus financial expenses as a percentage of the average capital employed.

Gross margin
Gross profit/loss as a percentage of year's net sales.

EBITDA margin
Operating earnings before depreciation and amortisation as a percentage of year's net sales.

EBIT margin (operating margin)
Operating earnings after depreciation and amortisation as a percentage of year's net sales.

Adjusted EBIT margin (operating margin)
Operating earnings after depreciation and amortisation adjusted for non-recurring items as a percentage of year's net sales.

Equity
Reported shareholders' equity including minority interests.

Full Service Provider (FSP) concept
An offer to take complete responsibility throughout the entire chain of value, from product development to delivery into the customer's production line.

Pre-development
Preparatory product development to identify and secure future technology needs.

Inventory turnover
Cost of sold goods divided by average inventories.

Capital turnover
Net sales divided by average capital employed.

Net cash/net debt
Interest-bearing liabilities, less interest-bearing assets, everything calculated at year-end.

Adjusted net cash/net debt
Interest-bearing liabilities excluding interest-bearing shareholder loan, less interest-bearing assets, everything calculated at year-end.

Net margin
Earnings after tax for the year as a percentage of net sales.

Net debt/equity ratio
Interest-bearing net liabilities divided by shareholders' equity

Adjusted net debt/equity ratio
Interest-bearing net liabilities divided by shareholders' equity. In the calculation, shareholder loan and preference shares issued are classified as equity.

OEM
Original Equipment Manufacturer, vehicle manufacturer.

Organic growth
Net sales compared to the previous year's outcome.

Net sales per employee
Net sales divided by average number of annual employees.

Earnings per share after tax
Earnings after tax for the year divided by the average number of shares.

Interest-coverage ratio
Earnings after net financial items, plus financial expenses, divided by financial expenses.

Operating margin
Operating earnings as a percentage of net sales.

Operating margin before goodwill
Operating earnings before goodwill amortization as a percentage of net sales.

Operating earnings per employee
Operating earnings divided by average number of annual employees.

Equity/assets ratio
Shareholders' equity including minority interests as a percentage of balance sheet total.

Adjusted equity/assets ratio
Shareholders' equity including minority interests, shareholder loan and preference shares issued as a percentage of balance sheet total.

Capital employed
Balance sheet total deducted with non-interesting liabilities, including deferred tax.

Tier 1 supplier
A supplier that delivers directly to vehicle manufacturers.

Tier 2 supplier
A supplier that delivers to a Tier 1 supplier.

CORPORATE GOVERNANCE REPORT

Bulten AB (publ) is a Swedish public limited company with its registered office in Göteborg, Sweden. Bulten has been listed on NASDAQ OMX Stockholm since 20 May 2011. The Company conforms with the NASDAQ OMX Stockholm's regulatory framework for issuers and applies the Swedish Code of Corporate Governance (the "Code"). The Code is available on the website of the Swedish Corporate Governance Board at www.bolagsstyrning.se. The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and shall be fully applied at the first AGM held during the year following market listing. Bulten started adapting to the Code in connection with its 2011 AGM and has since then implemented it. The Company need not obey all rules in the Code but has options for selecting alternative solutions which it may deem to better suit to its circumstances provided that any noncompliance and alternative solutions are described and the reasons explained in the corporate governance report.

This corporate governance report was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. It has been checked by the company's auditors.

ANNUAL GENERAL MEETING

Under the Swedish Companies Act the shareholders' meeting is the Company's highest decision-making body. At shareholders' meetings, shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of Company profits, authorisation to release the members of the board of directors and the President and CEO from liability for the financial year, election of Board members and auditors and remuneration for the Board of Directors and the auditors. Besides the AGM, extraordinary shareholders' meetings may be convened. In accordance with the Articles of Association, shareholders' meetings shall be convened through announcements in Post- och Inrikes Tidningar and by posting the convening notice on the Company's website. An announcement shall be placed in Dagens Industri announcing that the meeting has been convened.

Right to attend AGMs

All shareholders who are registered directly in one of Euroclear Sweden AB's share registers five weekdays prior to the shareholders' meeting and who notify the Company of their intention to attend (with possible assistants) the shareholders' meeting at the latest by the date specified in the convening letter shall be entitled to attend the shareholders' meeting and vote according to the number of shares they hold. Shareholders may attend shareholders' meetings in person or through a proxy, and may also be accompanied by two assistants.

Initiatives from shareholders

Shareholders who wish to have a question addressed at the AGM must submit a written request to the Board which shall be received by the Board no later than seven weeks prior to the AGM.

Largest shareholders

At the end of 2014 the Company had a total of 5,289 (3,153) shareholders. The five largest shareholders controlled 42.0% (54.3) of capital and votes by the end of the year. The single largest shareholder, Volito AB, controlled 20.9% (17.7) of the capital and votes.

2015 Annual General Meeting

The Annual General Meeting (AGM) of Bulten AB (publ) will be held at Svenska Mässan in Göteborg, Sweden, on 29 April 2015 at 17.00 CET. More information is available at www.bulten.com.

BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body after the shareholders' meeting. Under the Swedish Companies Act, the Board of Directors is responsible for the Company's management and organisation, which means the Board of Directors is responsible for setting goals and strategies, providing procedures and systems for the evaluation of established goals, constant assessment of the Company's financial position and profits and for evaluating operating management.

The Board of Directors is also responsible for ensuring that the annual report and the consolidated accounts are prepared in time. The Board of Directors also appoints the President and CEO.

Members of the Board of Directors are appointed annually by the AGM for the period until the end of the next AGM. According to the Company's Articles of Association, the part of the Board of Directors elected by the shareholders' meeting shall consist of a minimum of three and a maximum of 10 members without deputies. In addition, employee representatives have been appointed.

Chairman of the Board

The Chairman of the Board is elected by the AGM and has special responsibility for leading the work of the Board of Directors and for ensuring that the Board of Directors' work is efficiently organised.

Board members elected at 2014 Annual General Meeting.

The table below presents an overview of Board members as of 31 December 2014.
For more details about the Board, see pages 84-85 of this annual report.

NAME	BOARD ROLE	ELECTED/ APPOINTED	RESIGNED	AUDIT COMMITTEE	REMUNERATION COMMITTEE	INDEPENDENCE IN RELATION TO COMPANY AND SENIOR EXECUTIVES	INDEPENDENCE IN RELATION TO MAJOR SHAREHOLDERS
Board members							
Roger Holtback	Chairman	2005	–	–	Member	Yes	Yes
Ann-Sofie Danielsson	Member	2014	–	Member	–	Yes	Yes
Hans Gustavsson	Member	2005	–	–	Member	Yes	Yes
Hans Peter Havdal	Member	2013	–	–	–	Yes	Yes
Arne Karlsson	Member	2010	–	Chairman	–	Yes	Yes
Johan Lundsgård	Member	2012	–	Member	Chairman	Yes	No
Adam Samuelsson	Member	2005	–	Member	–	Yes	Yes
Katarina Olsson	Employee representative	2011	2014	–	–	–	–
Tony Frunk	Employee representative	2011	–	–	–	–	–
Deputies							
Peder Johansson	Employee representative	2013	2014	–	–	–	–
Thure Andersen	Employee representative	2011	–	–	–	–	–

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Board's procedures

The Board of Directors follows written rules of procedure, which are revised annually, and are adopted by the constituting board meeting every year. Among other things, the rules of procedure regulate Board practice, functions and the division of work between the members of the Board and the President and CEO. At the time of the constituting Board meeting, the Board of Directors also establishes instructions for financial reporting and instructions for the President and CEO together with instructions for the Board's audit committee and remuneration committee.

The Board of Directors meets five times a year in addition to the constituting Board meeting in accordance with an annual predetermined schedule. Besides these meetings, additional meetings can be arranged to discuss issues which cannot be postponed until the next ordinary meeting. Besides the meetings of the Board, the Chairman of the Board and the President and CEO constantly discuss the management of the Company.

At present, the Company's Board of Directors consists of seven ordinary elected members and one ordinary employee representative and one deputy for these. Board members are presented in more detail in the section headed 'Board of Directors, senior executives and auditors'.

Board meetings in 2014

Attendance of Board members at Board meetings in 2014.

DIRECTOR'S NAME	ATTENDANCE/ TOTAL NUMBER OF MEETINGS
Roger Holtback	13/13
Ann-Sofie Danielsson (elected 20-04- 2014)	8/13
Arne Karlsson	13/13
Hans Gustavsson	13/13
Hans Peter Havdal	13/13
Johan Lundsgård	12/13
Adam Samuelsson	13/13
Katarina Olsson (resigned 30-06- 2014)	7/13
Tony Frunk	13/13
Deputies	
Peder Johansson (resigned 30-06-2014)	6/13
Thure Andersen	13/13

Board assessment, 2014

An annual assessment is made of the work of the Board. The purpose of this assessment is to develop work procedures and enhance efficiency. The nomination committee is informed of the outcome of the assessment.

AUDIT COMMITTEE

Bulten has an audit committee consisting of four members: Arne Karlsson (chairman), Ann-Sofie Danielsson, Johan Lundsgård and Adam Samuelsson.

The members of the committee may not be employed by the Company. The Chairman of the Board may be a member of the committee, but may not be its chairman. The audit committee shall consist of at least three Board members. The majority of the committee members shall be independent of the Company and the company management. At least one of the members who is independent of the Company and the company management shall also be independent of the Company's major owners and possess auditing or accountancy expertise. The audit committee shall without it affecting the responsibilities and tasks of the Board of Directors monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls, internal auditing and risk management, keep informed of the auditing of the annual report and the consolidated accounts, scrutinise and monitor the impartiality of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the Company, and assist in drawing up proposals for the shareholders' meeting's decision on choice of auditors. The audit committee shall meet regularly with the Company's auditors. The committee has no special decision-making powers.

COMMITTEE MEMBER	ATTENDANCE/ TOTAL NUMBER OF MEETINGS
Arne Karlsson	6/6
Ann-Sofie Danielsson (elected 20-04-2014)	3/6
Johan Lundsgård	5/6
Hans Gustavsson (resigned 20-04-2014)	2/6
Adam Samuelsson	6/6

REMUNERATION COMMITTEE

Bulten has a remuneration committee consisting of three members: Johan Lundsgård (chairman), Roger Holtback and Hans Gustavsson. The remuneration committee shall prepare matters concerning remuneration principles, remuneration and other employment terms for the President and CEO and all member of the Company management. The Chairman of the Board may be chairman of the committee. Other members of the committee shall be independent of the Company and the company management. The members of the committee must together have the necessary knowledge and experience in matters relating to the remuneration of senior management.

COMMITTEE MEMBER	ATTENDANCE/ TOTAL NUMBER OF MEETINGS
Johan Lundsgård	7/7
Roger Holtback	7/7
Hans Gustavsson	6/7

NOMINATION COMMITTEE

The nomination committee shall consist of four members, one representative for each of the three major shareholders as at the last banking day in September who wish to appoint a member to the nomination committee and the Chairman of the Board of Directors. The term 'three major shareholders' refers to the three major shareholders registered and ownership-grouped by Euroclear Sweden AB as at the last banking day in September. If there is a major change in ownership, the new major owner shall have the right, provided that a request is made, to appoint a member to the nomination committee.

Instructions for the nomination committee were adopted at the AGM held on 29 April 2014. Among other things the nomination committee shall submit proposals for the chairman of the AGM, the number of elected members of the Board, the chairman and other members of the Board, fees and other remunerations for each of the elected members of the Board and for members of the Board's committees, the number of auditors and auditors' fees. Karl-Axel Granlund was appointed chairman of the nomination committee.

COMMITTEE MEMBER	COMPANY
Roger Holtback, Chairman of the Board	Bulten AB
Karl-Axel Granlund	Volito AB
Mikael Norbäck	Investment AB Öresund
Ulf Strömsten	Catella Fondförvaltning AB

THE PRESIDENT AND CEO AND OTHER SENIOR EXECUTIVES

The President and CEO reports to the Board of Directors and is primarily responsible for the Company's day-to-day administration and operations. The division of responsibilities between the Board of Directors and President and CEO is set out in the rules of procedure governing the activities of the Board and the instructions for the President and CEO. The President and CEO is also responsible for drafting reports and compiling information from management in preparation for Board meetings and for presenting the material at the meetings. Under the instructions for financial reporting, the President and CEO is responsible for financial reporting in the Company and is thus required to ensure that the Board obtains sufficient information to enable it to continuously evaluate Bulten's earnings and financial position. The President and CEO is therefore required to keep the Board informed of the Company's development, sales, results and financial position, liquidity and credit situation, important business events and other circumstances that cannot be assumed to be irrelevant for the Company's shareholders and directors. Board members are presented in more detail in the section headed 'Board of Directors, senior executives and auditors'.

REMUNERATION FOR MEMBERS OF THE BOARD AND SENIOR EXECUTIVES

Remuneration for Board members

Fees and other remuneration for elected members of the Board, including the chairman, are fixed by the AGM. The AGM held on 29 April 2014 decided that a total fixed remuneration of SEK 2,800,000 shall be paid to the board of directors for the period until the next AGM, whereof SEK 700,000 shall be paid to the chairman and SEK 350,000 shall be paid to each of the other board members who are elected at a shareholders meeting and not employed by the company. A condition for payment is that such member is appointed by the general meeting and not employed by the company. The AGM also decided on a fixed fee of SEK 50,000 should be paid to the chairman of the audit committee in addition to the above. The members of the remuneration committee will receive no fees. The members of the Company's Board shall not be entitled to any benefits once they retire as members of the Board.

For further information about remuneration to Board members, see note 6.

Remuneration for senior executives

By the decision of the AGM on 29 April 2014, the following guidelines shall apply to remuneration and other employment terms and conditions for the President and CEO and other senior management. Salaries and other terms and conditions of employment shall be adequate for Bulten to constantly attract and retain skilled senior managers at a reasonable cost to the Company. Remuneration in Bulten shall be based on principles of performance, competitiveness and fairness. The salaries of senior managers are made up of a fixed salary, bonuses, pension and other benefits. Every senior manager shall be offered a fixed salary in line with market conditions and based on the senior manager's responsibility, expertise and performance. In addition, the AGM may resolve to offer long-term incentive programs such as share and share price-related incentive programs. These incentive programs are intended to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees. All senior managers may be offered cash bonuses now and again. In the case of the President and CEO such bonuses may amount to a maximum of 60 percent of the annual fixed salary, but at present it amounts to 50 percent of the annual fixed salary. In the case of the other senior managers bonuses may not exceed 40 percent of their annual fixed salaries. Bonuses shall primarily be based on developments in the Group as a whole or developments in the division or unit which the person in question is responsible for.

For further information about remuneration to senior executives, see note 7.

EXECUTIVE MANAGEMENT

From 1 July 2014 the executive management team comprises seven members: the President and CEO, Executive Vice President and CFO, Senior Vice President Technology and Business development, Senior Vice President Purchasing, Senior Vice President Marketing and Sales, Senior Vice President Production, and Senior Vice President Communication. The executive management team meets monthly to follow up business and financial results. Great importance is given to maintaining close contacts with the operational business.

DIVISIONS

The business was originally divided into two operating divisions. These divisions were operated as separate subsidiaries and, in turn, they owned shares in subordinate subsidiaries. At the end of June 2014 the Finnveden Metal Structures division was divested and the remaining business thereafter comprises the former Bulten division together with the head office staffs including corporate and IT staff.

INTERNAL CONTROLS

This section contains the Board's annual report on how internal control as it relates to financial reporting is organized . The basis for this description is the Swedish Code of Corporate Governance's rules and guidelines prepared by the Confederation of Swedish Enterprise and FAR.

The Board's responsibility for internal controls is established in the Swedish Companies Act and internal controls regarding financial reporting are covered by the Board's reporting instructions for the President and CEO. Bulten's financial reporting complies with the laws and rules for companies listed on the Stockholm stock exchange and the local rules that apply in all of the countries where business is carried out.

In addition to external rules and recommendations there are internal instructions, guidelines and systems as well as internal delegation of responsibility and authority that has the overall aim of providing good control over financial reporting.

Control environment

The control environment forms the basis for internal controls. Bulten's control environment comprises, among other things, an organization structure, instructions, policies, guidelines, reporting and defined areas of responsibility. The Board has overall responsibility for internal controls for financial reporting. The Board has established written procedures outlining the Board's responsibility and regulating the Board's and its committee's division of responsibilities. The Board has appointed an audit committee with the task of safeguarding established principles for financial reporting and compliance with internal controls. This committee is also responsible for maintaining appropriate relations with the company's auditors. The Board has also prepared instructions for the President and CEO and has agreed how economic reporting shall be submitted to the Board of Bulten AB (publ). The Group's CFO shall report the results of internal controls to the audit committee. The results of the audit committee's work in the form of observations, recommendations and proposals for decisions and measures are reported regularly to the Board. Bulten AB's significant steering documents in the form of policies, guidelines and manuals, as they relate to financial reporting, are kept up-to-date and communicated through established channels to the companies in the Group. Systems and procedures have been established to supply the executive management team with the necessary reports about business results in relation to established targets. Appropriate information systems have been established to ensure that reliable and up-to-date information is provided so that senior executives can perform their assignments correctly and efficiently.

Risk assessment
Bulten's risk assessment regarding financial reporting aims to identify and evaluate the significant risks that affect internal controls for financial reporting of the Group's companies, business areas and processes.

The significant risks identified in the Group's internal control activities that affect internal controls for financial reporting are handled through control structures that are based on reporting of noncompliance based on established targets or norms for, for example, assessments of inventories and other significant assets.

Internal controls for financial reporting
Financial reports are prepared monthly, quarterly and annually for the Group and subsidiaries. In connection with reporting, extensive analysis and comments are prepared along with updated forecasts aimed at ensuring, among other benefits, that financial reporting is accurate. Finance staff and controllers with functional responsibility for accounts, reports and analysis of financial development work at Group and unit level.

Bulten's internal control activities aim to ensure that the Group meets its objectives for financial reporting.

Financial reporting shall:

- Be correct and complete, and meet all applicable laws, rules and recommendations
- Provide a fair description of the company's business
- Support a rational and informed valuation of the business

In addition to these three objectives, internal financial reporting shall support correct business decisions at all levels of the Group.

Information and communication
Internal information and communication aims to create awareness among employees of internal and external control instruments as well as authority and responsibility. Information and communication about internal control instruments for financial reporting are accessible for all employees. The key tools for this are Bulten's manuals, intranet and training activities.

Control activities
The Group's CFO has the central role for analyzing and following up the division's financial reporting and results. The parent company has additional functions for regular analysis and follow-up of the financial reporting of the Group, divisions and subsidiaries.

Follow-up
The Board is kept informed about, and itself assesses monthly, business development, earnings, financial position and cash flow via a reporting package that contains outcomes, forecasts and comments on key indicators.

Follow-up of financial information
The Board publishes, and has responsibility for, the company's financial reporting.

The audit committee supports the Board by preparing activities that assure the quality of the company's financial reporting. This is partly achieved by the audit committee checking the financial information and the company's financial controls.

The Board is informed monthly about business development, earnings, financial position and cash flow. Outcomes and forecasts are assessed and monitored.

All of the Group's companies report financial information in accordance with an established format and established accounting principles. In connection with this reporting an analysis and risk assessment of the financial situation is carried out.

AUDITORS
Bulten's auditors are PricewaterhouseCoopers AB (PwC), with Fredrik Göransson as authorised public accountant in charge of the audit. PwC carries out the audit of Bulten AB (publ) and all essential subsidiaries. The annual audit includes a statutory audit of Bulten AB's annual accounts, a statutory audit of the Parent Company and all subsidiaries (where required), an audit of the internal report packages, an audit of the year-end closing and a general review of one interim report. Reviews of internal control are included as part of the work.

During the second quarter a meeting was held with the executive management for analysis of the organisation, operations, business processes and line items for the purpose of identifying areas involving an elevated risk of errors in the financial reporting. A meeting was also held with the audit committee for reconciliation of strategy and aims. The auditor also attends at least one Board meeting each year.

A general review of the year-end closing is performed for the period January–September. In October an early warning review is performed of the third quarter accounts, followed by an early warning meeting with the executive management where important questions for the annual closing are raised. A review and audit of the annual closing and annual accounts is performed in January–February.

During 2014, in addition to the audit assignment, Bulten consulted PwC on taxes, transfer price matters and accounting matters. The size of remunerations paid to PwC in 2014 is shown in note 8 on page 48.

PwC is obligated to examine its independence prior to decisions to provide independent advice to Bulten in addition to its auditing assignments.

In accordance with the company's articles of association, the company shall have at least one, and at most two, auditors, and at most two deputy auditors. In accordance with the articles of association, the mandate period for the auditors shall be one year.

COMMUNICATION
The company's information to shareholders and other interested parties is supplied via the annual report, interim reports and press releases. All external information is also available on the company's website, www.bulten.com.

INTERNAL AUDIT
Bulten applies the Swedish Code of Corporate Governance with the following exceptions.

A special function for internal audits has not been established within the company. The Board makes an assessment each year whether to establish a function for internal auditing. In 2014 the Board decided that this was not necessary. In reaching this decision the Board decided that internal controls are primarily exercised through the following:

- Operational managers at various levels
- Local and central finance functions
- Monitoring by executive management team

The above points together with the size of the company persuade the Board that it is not economically viable to set up an additional administrative function.

Göteborg, 26 March 2015

Roger Holtback *Chairman of the Board*	Ann-Sofie Danielsson *Board member*	Hans Gustavsson *Board member*
Hans Peter Havdal *Board member*	Arne Karlsson *Board member*	Johan Lundsgård *Board member*
Adam Samuelsson *Board member*	Tony Frunk *Employee representative*	Tommy Andersson *President and CEO*

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AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the annual meeting of the shareholders of Bulten AB (publ), corporate identity number 556668-2141

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

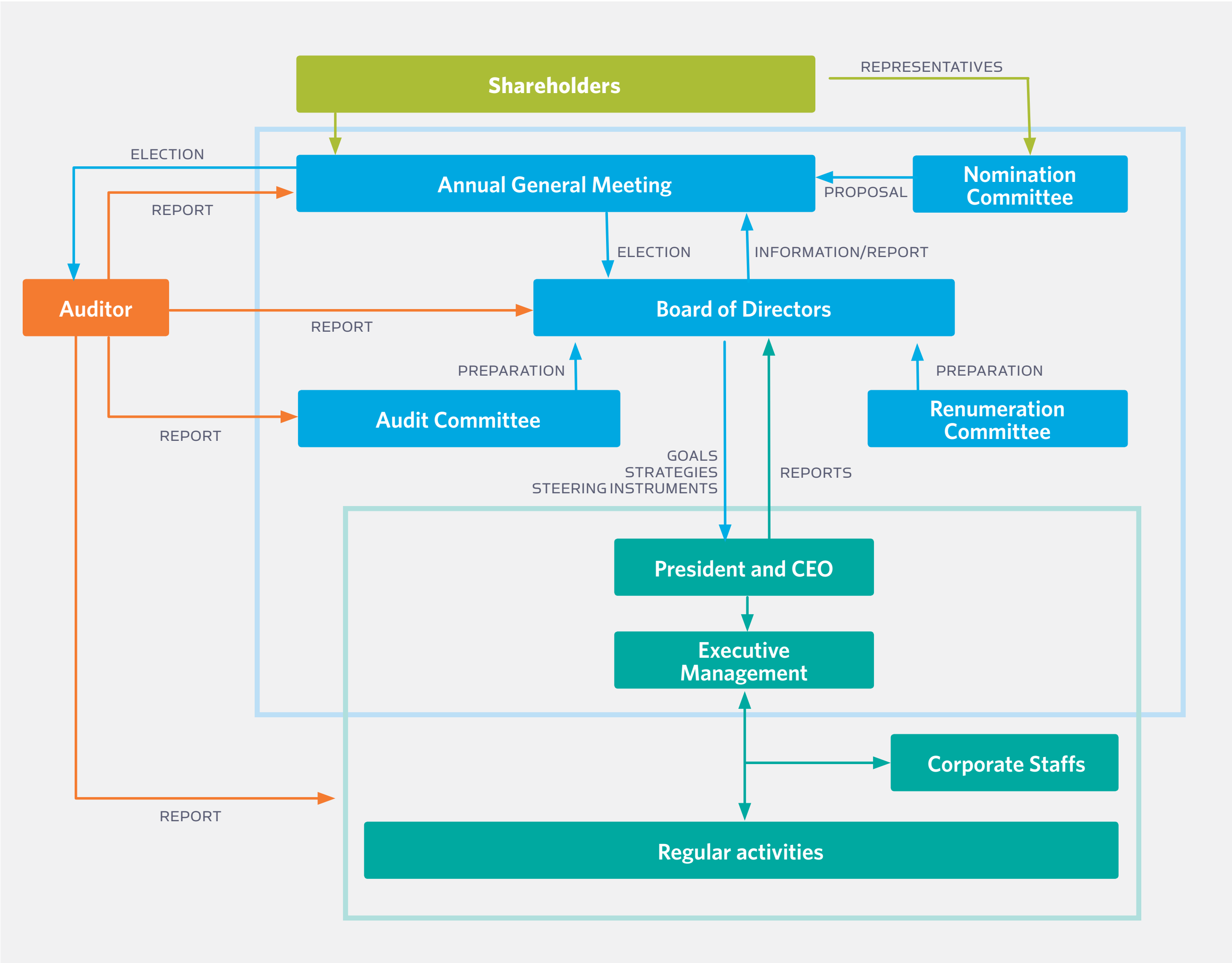
We have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

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

Göteborg, 26 March 2015
PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

OVERVIEW OF CORPORATE GOVERNANCE



BOARD OF DIRECTORS, AUDITORS AND EXECUTIVE MANAGEMENT DIRECTORS

DIRECTORS ELECTED BY ANNUAL GENERAL MEETING

ROGER HOLTBACK
Chairman of the Board
Member of Remuneration Committee
Born 1945. MBA. Board member since 2005.
Principal work experience: Former President and CEO of Volvo Car Corporation and Executive Vice President of AB Volvo.
Other Board assignments: Chairman of the board of the Swedish Exhibition Centre, Rullpack AB and Holtback Group AB and its subsidiaries. Also board member of IHS Inc., USA (NYSE), Trox AB and member of Stena Sfärråd.
Shares in Bulten: 375,000[1]

ARNE KARLSSON
Chairman of Audit Committee
Born 1944. MBA. Board member since 2010 (also Board member 2005-2008).
Principal work experience: Has previously held senior positions within Scania, among others CFO and Executive Vice President.
Other Board assignments: Board member of Haldex AB and chairman of the audit committee.
Shares in Bulten: 7,165[1]

ANN-SOFIE DANIELSSON
Member of Audit Committee
Born 1959. MBA.
Principal work experience: Currently CFO of NCC group. Previously senior executive positions at NCC and Nynäs and as authorised public auditor of Tönnerviksgruppen and KPMG.
Other Board assignments: Board member of RNB AB.
Shares in Bulten: 0[1]

JOHAN LUNDSGÅRD
Chairman of Remuneration Committee,
Member of Audit Committee
Born 1953. Studies in finance and management. Board member since 2012.
Principal work experience: Until March 1, 2015, President and CEO of Volito AB. Has previously held executive positions at Getinge, Trelleborg, Novartis and Finnveden among others.
Other Board assignments: Board member of Scandinavian Aviation Academy AB.
Shares in Bulten: 0[1]

HANS GUSTAVSSON
Member of Remuneration Committee
Born 1946. Mechanical engineer, studies in economics and management. Board member since 2005.
Principal work experience: Former senior executive at Volvo Cars, Jaguar Land Rover.
Other Board assignments: Board member of Calix Group AB and Klippan Group AB. Runs a consultancy business in leadership and is advisor for Denso Sweden AB.
Shares in Bulten: 196,268[1]

ADAM SAMUELSSON
Member of Audit Committee
Born 1972. MBA. Board member since 2005.
Principal work experience: Currently CEO and Board member of Idun Handel & Industri AB.
Other Board assignments: Chairman of the Board of Pamaco Totalservice AB and Täby Airmaintenance AB. Board member of Bufab Holding AB.
Shares in Bulten: 0[1]

HANS PETER HAVDAL
Board member
Born 1964. M. Sc. Board member since 2013.
Principal work experience: Current position, President and CEO of Kongsberg Automotive ASA. Has previously held senior positions within Kongsberg group.
Other Board assignments: none
Shares in Bulten: 2,650[1]

EMPLOYEE REPRESENTATIVES ON BOARD OF DIRECTORS

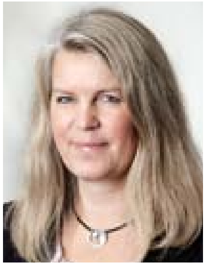
TONY FRUNK
Board member, employee representative
Born 1950.
Purchaser at Bulten's Hallstahammar plant. Employed by the company since 1966. Board member since 2011. Representative of IF Metall.
Shares in Bulten: 0[1]

THURE ANDERSEN
Deputy employee representative
Born 1952.
Production planner at Bulten's Hallstahammar plant. Employed by the company since 2000. Board member since 2011. Representative of Unionen.
Shares in Bulten: 0[1]

EXECUTIVE MANAGEMENT TEAM

TOMMY ANDERSSON
President and CEO

President and CEO of Bulten since 2014. Has worked for the Group since 2000.
Principal work experience: Head of Bulten division from 2001 and Executive Vice Presdient of FinnvedenBulten from 2011. Previous career in senior positions at Autoliv.
Born 1953. Studied economics and management.
Shares in Bulten: 182,868 [1]



HELENA WENNERSTRÖM
Executive Vice President and CFO

Executive Vice President and CFO of Bulten since 2014. Employed in the Group since 2002.
Principal work experience: CFO for FinnvedenBulten from 2009 and finance director of Bulten from 2006. Previous career at Digitalfabriken and Topcon.
Born 1965. MBA.
Shares in Bulten: 92,590 [1]

MAGNUS CARLUNGER
Technology and Business Development

Senior Vice President Technology and Business Development of Bulten since 2014. Employed by the Group since 1995.
Principal work experience: President of Bulten Sweden AB from 2003. Previous career in positions at, inter alia, C I Pihl.
Born 1967. Mechanical engineer.
Shares in Bulten: 8,000 [1]

JÖRG NEVELING
Production

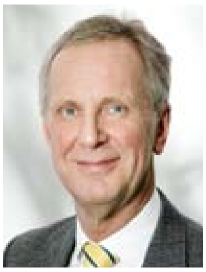
Senior Vice President Production of Bulten since 2014. Employed by the Group since 1995.
Principal work experience: Production Director for Bulten from 2005 and CEO of Bulten GmbH since 2009. Previous career at, inter alia, Knipping – Dorn and GKS GmbH.
Born 1960. Mechanical engineer.
Shares in Bulten: 8 842 [1]

TORBJÖRN HJERPE
Purchasing

Senior Vice President Purchasing of Bulten since 2014. Employed by the Group since 2004.
Principal work experience: Quality, environment and purchasing director at Bulten from 2004. Previous career in positions at, inter alia, Volvo Trucks.
Born 1950. Mechanical engineer.
Shares in Bulten: 21,000 [1]

KAMILLA ORESVÄRD
Communication

Senior Vice President Corporate Communications of Bulten since 2014. Employed by the Group since 2005.
Principal work experience: Head of communication at FinnvedenBulten from 2011 and at Finnveden from 2006. Previous career at, inter alia, Finnveden and SCA.
Born 1967. Arts degree.
Shares in Bulten: 300 [1]



ANDERS KARLSSON
Sales and Marketing

Senior Vice President Market and Sales of Bulten since 2014. Employed by the Group since 1975.
Principal work experience: Marketing Director at Bulten from 2003. Previous career in positions at Bulten Group.
Other assignments: Chairman of EIFI (European Industrial Fasteners Institute) since 2008.
Born 1949. MBA.
Shares in Bulten: 23,842 [1]

AUDITORS

PricewaterhouseCoopers AB
Lead auditor Fredrik Göransson. Born 1973. Authorised public accountant. Auditor of Bulten since 2013.

1) Shareholding as of 28 February 2015

KEY INDICATORS

THE GROUP	2014	2013	2012
Margins			
EBITDA margin, %	7.4	8.4	6.7
Adjusted EBITDA margin, %	7.0	8.4	6.7
EBIT margin (operating margin), %	5.5	6.0	4.3
Adjusted EBIT margin (operating margin), %	5.1	6.0	4.3
Net margin, %	3.5	5.6	1.8
Adjusted net margin, %	3.1	4.1	2.9
Return indicators			
Return on capital employed, %	9.6	8.1	5.7
Adjusted return on capital employed, %	8.8	8.1	5.7
Return on equity, %	15.0	8.3	4.2
Adjusted return on equity, %	13.1	8.6	6.1
Capital structure			
Capital turnover, times	1.7	1.3	1.3
Net debt/equity ratio, times	0.1	-0.2	-0.2
Interest coverage ratio, times	8.7	15.4	10.2
Equity/assets ratio, %	67.5	52.7	54.9
Employees			
Net sales per employee, SEK '000	2,054.7	1,905.0	1,897.9
Operating earnings per employee, SEK '000	113.5	115.2	81.0
Number of employees	1,175	948	902
Other			
Net cash(+)/Net debt(-), SEK m	137.3	-188.7	-247.3
Data per share attributable to parent company shareholders			
Earnings per share – Continuing operations, SEK *)	4.32	4.77	1.47
Earnings per share – Discontinues operations, SEK *)	4.02	-0.57	0.60
Earnings per share – Total, SEK *)	8.34	4.20	2.07
Earnings per share – Continuing operations adjusted for one-off effect, SEK *3)	3.91	3.49	2.37
Number of issued shares			
Weighted number of issued ordinary shares, 000 *)	21,040.2	21,040.2	21,040.2

*) Refers to both before and after dilution

1) Earnings per share, pro forma: Earnings after tax adjusted for non-recurring items and interest expenses for shareholder loan and preference shares. Current tax is taken into account for all adjusted items. Divided by outstanding number of shares on closing date.

QUARTERLY DATA

	2014				2013			
THE GROUP	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order bookings	705.6	570.5	648.7	632.0	614.3	445.9	465.7	485.6
Income statement								
Net sales	621.1	593.3	618.4	581.5	471.9	435.6	479.5	418.9
Gross earnings	114.9	104.8	124.6	110.3	97.4	80.5	89.2	74.7
Earnings before depreciation (EBITDA)	51.4	35.7	48.8	43.9	41.3	30.0	49.9	31.0
Adjusted earnings before depreciation (EBITDA)	51.4	24.5	48.8	43.9	41.3	30.0	49.9	31.0
Operating earnings (EBIT)	38.4	24.7	37.4	32.9	30.6	19.7	39.1	19.8
Adjusted operating earnings (EBIT)	38.4	13.5	37.4	32.9	30.6	19.7	39.1	19.8
Cash flow statement								
Cash flow from operating activities	62.4	-37.3	,-59.2	-25.8	100.3	28.4	42.2	25.9
Cash flow from investment activities	-15.3	-37.5	-40.2	-39.0	-38.8	-5.1	-16.9	-5.4
Cash flow from financing activities	-11.1	-25.6	-131.3	97.4	-41.9	0.7	-39.3	-0.5
Cash flow for the period	36.0	-100.4	-230.7	32.6	19.6	24.0	-14.0	20.0
Earnings per share attributable to parent company shareholders								
Earnings per share, SEK *)	1.04	0.89	1.30	1.09	1.07	0.60	2.52	0.58
Earnings per share adjusted for non-recurring items, SEK *) 3)	1.04	0.48	1.30	1.09	1.07	0.60	1.24	0.58
Number of outstanding ordinary shares								
Weighted outstanding ordinary shares, '000 *)	21,040.2	21,040.2	21,040.2	21,040.2	21,040.2	21,040.2	21,040.2	21,040.2

THE GROUP	31-12-2014	30-09-2014	30-06-2014	31-03-2014	31-12-2013	30-09-2013	30-06-2013	31-03-2013
Balance sheet								
Fixed assets	622.9	641.1	608.8	815.5	807.8	731.5	730.7	706.9
Current assets	1,262.0	1,208.7	1,296.1	1,400.1	1,285.8	1,241.7	1,242.8	1,210.4
Equity	1,272.7	1,256.7	1,231.6	1,150.9	1,103.5	1,042.9	1,026.9	1,018.3
Non-current liabilities	119.7	110.2	130.8	342.0	249.6	273.1	252.2	274.8
Current liabilities	492.5	482.9	542.5	722.6	740.5	657.2	694.4	624.2
Other								
Net cash (+)/net debt (-), SEK m	137.3	79.1	137.3	-250.2	-188.7	-234.6	-225.7	-231.0

THE GROUP, 12 MONTHS ROLLING	JANUARY 2014– DECEMBER 2014	OKTOBER 2013- SEPTEM-BER 2014	JULY 2013– JUNE 2014	APRIL 2013– MARCH 2014	JANUARY 2013- DECEMBER 2013	OCTOBER 2012- SEPTEM-BER 2013	JULY 2012- JUNE 2013	APRIL 2012- MARCH 2013
Order bookings	2,556.8	2,465.5	2,340.9	2,157.9	2,011.5	1,725.6	1,666.3	1,676.7
Income statement								
Net sales	2,414.3	2,265.1	2,107.4	1,968.5	1,805.9	1,727.7	1,678.0	1,656.6
Gross earnings	454.6	437.1	412.8	377.4	341.8	312.0	297.9	291.1
Earnings before depreciation (EBITDA)	179.8	169.7	164.0	165.1	152.2	137.3	129.4	110.1
Adjusted earnings before depreciation (EBITDA)	168.6	158.5	164.0	165.1	152.2	137.3	129.4	110.1
Operating earnings (EBIT)	133.4	125.6	120.6	122.3	109.2	94.2	86.2	67.2
Adjusted operating earnings (EBIT)	122.2	114.4	120.6	122.3	109.2	94.2	86.2	67.2
Employees								
Net sales per employee, SEK '000	2,054.7	2,044.3	1,956.7	1,922.4	1,905.0	1,869.8	1,796.6	1,808.5
Operating earning per employee, SEK '000	113.5	113.4	112.0	119.4	115.2	101.9	92.3	73.4
Number of employees on closing date	1,175	1,108	1,077	1,024	948	924	934	916
Return indicators								
Return on capital employed, %	9.6	9.5	9.0	8.6	8.1	7.0	6.5	5.1
Adjusted return on capital employed, %	8.8	8.6	9.0	8.6	8.1	7.0	6.5	5.1
Return on equity, %	15.0	16.1	16.0	11.8	8.3	4.3	3.2	1.9
Adjusted return on equity, %	13.1	14.4	15.3	10.8	8.6	6.1	4.8	3.7
Other								
Net cash (+)/net debt (-)/EBITDA	0.8	0.5	0.8	-1.5	-1.2	-1.7	-1.7	-2.1

*) Both before and after dilution.

Bulten is one of the leading suppliers of fasteners to the international automotive industry. The company's product range includes everything from customer-specific standard products to specialist, customized fasteners. The company also provides technical development, line-feeding, logistics, material and production expertise. Bulten offers a Full Service Provider concept or parts thereof. Bulten AB (publ):s share is listed on Nasdaq Stockholm.

Read more at www.bulten.com.

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