BULTEN

ANNUAL REPORT 2015

"OVER THE PAST SIX YEARS, BULTEN HAS HAD AN AVERAGE ANNUAL GROWTH RATE OF NEARLY 14%."

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 EUROPEAN AUTOMOTIVE INDUSTRY. THE TURNOVER IN 2015 AMOUNTED TO SEK 2,693 MILLION AND THE NUMBER OF EMPLOYEES AT YEAR-END WAS 1,199. THE SHARE IS LISTED ON NASDAQ STOCKHOLM SINCE 2011.

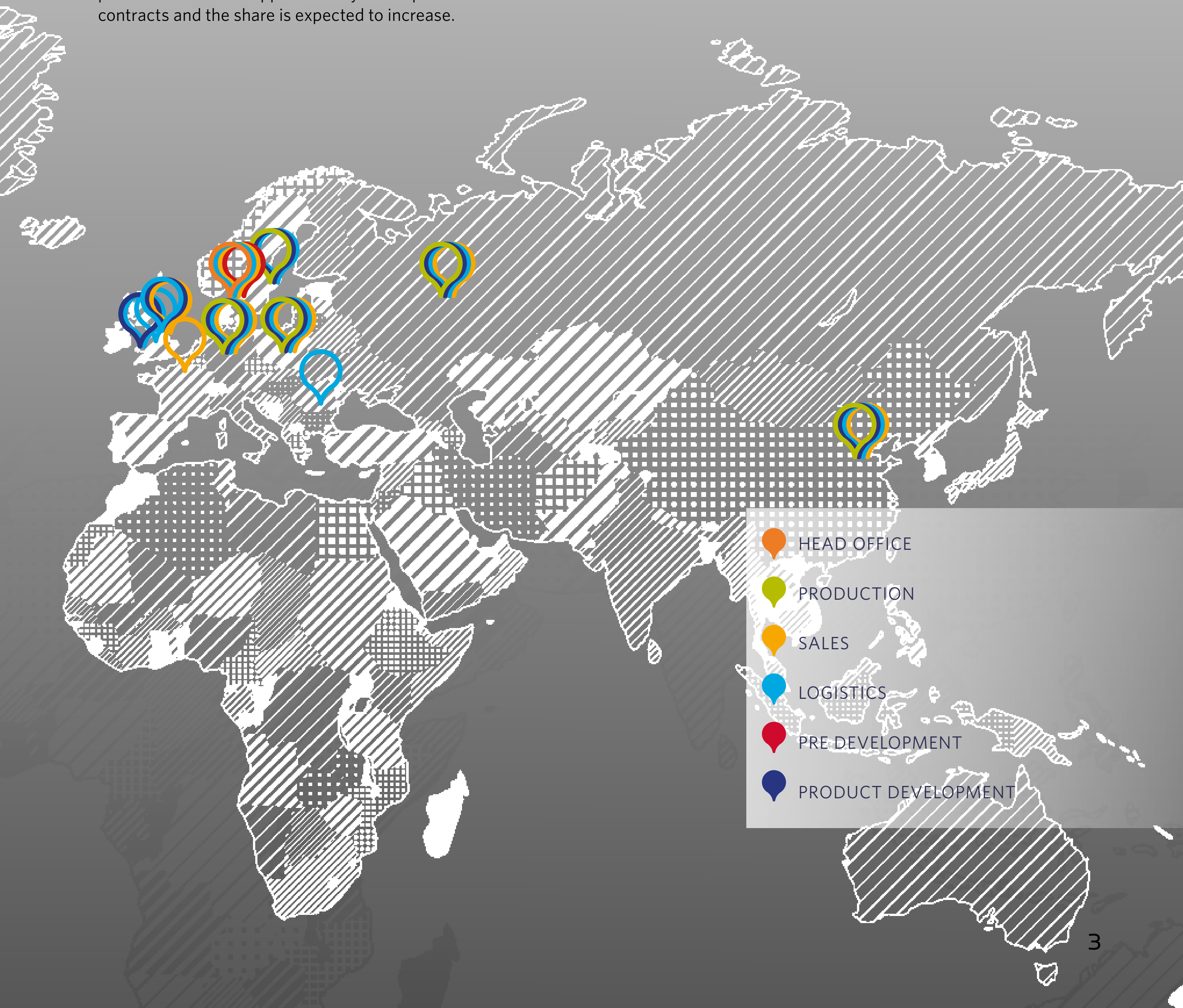
STRATEGY

Bulten has a clear focus on **organic growth** in Europe, Russia and China. Over the past six years Bulten has reported an average growth of around 14% per year, which is much higher than the market in general. 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 three quarters 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 continuously working to develop its expertise in order to 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 customers, thus offering improved and more cost-effective solutions to OEMs.



THE YEAR IN BRIEF 2015

NET SALES

SEK 2,693 MILLION

OPERATING EARNINGS

SEK 165 MILLION

OPERATING MARGIN

6.1 %

ORGANIC GROWTH

11.6 %

	Q1	Q2	Q3	Q4
Net sales	SEK 713 MILLION	SEK 696 MILLION	SEK 618 MILLION	SEK 667 MILLION
Operating earnings	SEK 36 MILLION	SEK 45 MILLION	SEK 36 MILLION	SEK 47 MILLION
Operating margin	5.1 %	6.5 %	5.8 %	7.1 %
Organic growth	22.7 %	12.5 %	4.1 %	7.3 %
Significant events	• Continued strong growth and improved earnings, operating margin negatively affected by currency revaluation. • Several smaller contracts are signed. Some of them relate to the operation in Russia and the customer base continues to broaden beyond the original GAZ business. • The Russian unit was selected by the Adam Smith Institute as Best Newcomer in 2014 on the Russian market for auto components.	• Continued strong growth and capacity expansion. • New business is signed including a contract concerning fasteners for heavy vehicles with an annual value of about SEK 17 million. Deliveries will start during 2016. • New heat treatment line is taken into operation in Poland.	• Growth, improved earnings and strong order bookings. • FSP contract with an annual value of around EUR 20 million signed with a major automotive manufacturer with estimated start in 2017 and a gradual increase to full capacity in 2019. • The company had its first Capital Market Day. • The buyback program for the acquisition of own shares started. • New logistics center completed in Poland.	• Strong earnings and continued good growth. • Industrial and office property in Hallstahammar acquired at an acquisition value of around SEK 116 million. • Bulten is moved up to the Nasdaq Stockholm Mid Cap segment with first trading day January 4, 2016.

FINANCIAL SUMMARY (SEK M)

(CONTINUING OPERATIONS)	2015	2014	2013
Net sales	2,693.5	2,414.3	1,805.9
Gross profit	510.1	454.6	341.8
Earnings before depreciation (EBITDA)	225.0	179.8	152.2
Operating earnings (EBIT)	165.0	133.4	109.2
Operating margin,, %	6.1	5.5	6.0
Adjusted operating earnings (EBIT)**	157.2	122.2	109.2
Adjusted operating margin, %**	5.8	5.1	6.0
Earnings after tax	110.9	84.4	100.4
Adjusted earnings after tax**	103.1	75.7	73.3
Order bookings	2,673.5	2,556.8	2,011.5
Net debt/equity ratio, times	-0.1	0.1	-0.2
Equity/assets ratio, %	64.0	67.5	52.7
Return on capital employed, % *	11.5	9.6	8.1
Adjusted return on capital employed, % *, **	11.0	8.8	8.1

** The balance sheet for 2013 include discontinued operations.*
*** Adjusted for non recurring items. See note 38.*

FINANCIAL TARGETS

LONG-TERM FINANCIAL TARGETS

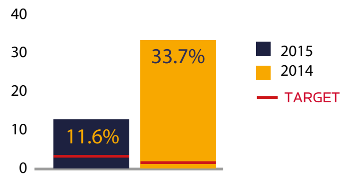
TARGET PERFORMANCE

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

Definition on page 84.

Organic growth in 2015 was 11.6% (33.7). Weighted for Bulten's exposure, average growth in the industry* was 3.8% (1.5).

**) Average growth in the industry is defined as production volume in Europe in accordance with LMC Automotive's estimate, December 2015.*

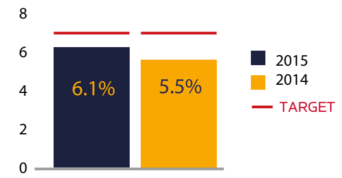


Operating margin
The Group's target is to achieve an operating margin of at least 7 percent.

Definition on page 84.

The operating margin amounted to 6.1% (5.5) in 2015. The adjusted operating margin* amounted to 5.8% (5.1) in 2015.

**) Adjusted for non-recurring items. See note 38.*

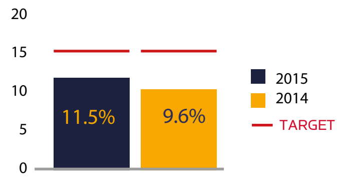


Return on capital employed (ROCE)
The Group's target is to achieve a return on average capital employed of at least 15 percent.

Definition on page 84.

Return on capital employed amounted to 11.5% (9.6). Adjusted return on capital employed amounted to 11.0% (8.8).

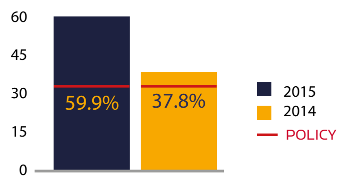
**) Adjusted for non-recurring items. See note 38.*



Dividend
Bulten'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.

The Board has proposed to the Annual General Meeting a dividend of SEK 3.25 per share for the financial year, representing a dividend of 59.9*(37.8)* of net earnings after tax.

**) Adjusted for non-recurring items. See note 38.*



Shareholder information on page 32-33.

CEO'S STATEMENT

"OVER THE PAST SIX YEARS, BULTEN HAS HAD AN AVERAGE ANNUAL GROWTH RATE OF NEARLY 14% – A FIGURE THAT IS EXTREMELY RARE IN OUR INDUSTRY."

Tommy Andersson
President and CEO

2015 WAS THE YEAR WHEN BULTEN HAD THE OPPORTUNITY TO FULLY BENEFIT FROM THE STREAMLINING MADE TO THE GROUP IN 2014.

Looking back we can see that we succeeded in our key aims for 2015 – winning additional market shares and optimising the new delivery volumes and thereby strengthening our profitability. In addition, we continued to invest in both logistics and production with the purpose of preparing for future growth. We also took a number of new contracts that will be important for future growth and earnings.

The global automotive industry developed in a somewhat unexpected way in 2015 with a strong Western Europe and US but with great turbulence in emerging countries such as Russia, China and Brazil. Bulten succeeded well in reallocating resources and we can conclude that 2015 was another successful year for the company.

“WE ARE PROUD THAT IN JANUARY WE WERE MOVED UP TO THE NASDAQ STOCKHOLM MID CAP SEGMENT.”

Tommy Andersson
President and CEO

A GROWTH RATE THAT IS RARE IN OUR INDUSTRY

During 2015 we continued to win new business – a strong proof of our market reputation and our ability of successfully supplying complex fastening solutions to the automotive industry. One of the leading European manufacturers of heavy vehicles showed renewed confidence in us by placing an additional order in the second quarter. It was followed by two new FSP contracts, both starting in 2017. One of them signed in autumn 2015, with an annual value of more than SEK 180 million and another signed in the beginning of 2016, with a total value of SEK approximately 60 million. The latter came from a new Chinese customer, which is especially pleasing considering the growth potential in this market. In addition, we started deliveries on a contract that we received in 2012. The volumes are ramping up and will gradually increase to an annual value of approximately SEK 130 million at full pace in 2020.

Our organic growth during the year was 12% and was affected, especially in the first half of the year, by the major FSP contracts that started already in 2014.

We continued to win market shares during 2015 and increased our share from 14% to 17% of fasteners for the automotive industry and for FSP contracts from 56% to 60%. Bulten’s management team has made this estimate based on information from data about the European automotive industry’s purchasing of fasteners in 2015 according to the European Industrial Fasteners Institute (EIFI).

Over the past six years, Bulten has had an average annual growth rate of nearly 14% – a figure that is extremely rare in our industry.

SUCCESSFUL OPTIMIZATION OF NEW VOLUMES

The Group’s profitability continued to improve compared with last year – as a result of increased volumes, but above all thanks to the optimization programme that has focused on our new delivery volumes. Our operating margin increased to 6.1% (5.5) and, when adjusted for the negative impact of exchange rates, the underlying operating margin climbed to 6.5% (5.6).

The optimization programme is now mostly completed and in 2016 we will enter a continuous improvement phase of efficiency measures and cost savings.

STRATEGIC INVESTMENTS FOR THE FUTURE

Throughout the year we continued to invest in our global production and logistics platform. At our unit in Poland, we invested in a new heat treatment line and a new logistics centre was also put into operation in the autumn. But we have also invested in other units in order to increase our capacity and value added. During the fourth quarter we completed the acquisition of property for our Swedish production unit in Hallstahammar – a strategic move that will benefit the income statement and our cash flow in the future.

VALUE TO SHAREHOLDERS

This year we have succeeded with delivering shareholder value through increased dividends and the repurchase of shares for approximately SEK 55 million – value that will benefit owners both direct and indirectly. We are also proud that in January we were moved up to the Nasdaq Stockholm Mid Cap segment after Nasdaq’s annual assessment of average market value in the Nordic segment.

Finally, I want to extend a special thanks to all employees for their great efforts during the past year. For 2016 we anticipate a year of growth at the market rate. In the following years we once again have very good opportunities to win new market shares, based on previously obtained contracts. We have a strong financial position that we will use to advance our position further in the future – a challenge that I and the rest of the management are looking forward to.

Tommy Andersson
President and CEO

STRATEGIC FRAMEWORK

OBJECTIVES

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

STRATEGIC FOCUS AREAS

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

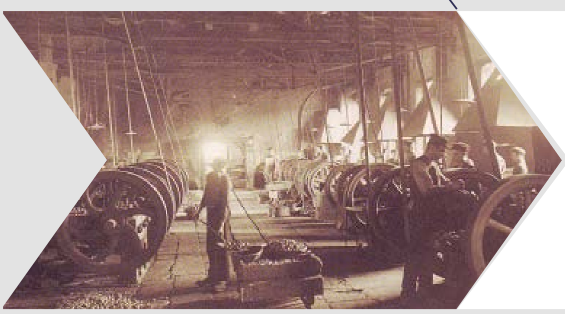
SUCCESS FACTORS

- TECHNOLOGY LEADER
- GEOGRAPHIC PROXIMITY
- QUALITY LEADER
- FSP CONCEPT
- EXPERIENCED MANAGEMENT AND DEDICATED EMPLOYEES
- FINANCIAL PLATFORM

CORE VALUES

- 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 concentrate on the automotive industry.

FOCUS AREAS

ORGANIC GROWTH

During 2015, Bulten has grown stronger than the market in average with an organic growth of around 11.6%. This should be compared with the average growth in the automotive industry in Europe that is estimated at around 3.8% by LMC Automotive, weighted for Bulten's business exposure.

Bulten has a clear focus on organic growth in Europe and in the emerging countries Russia and China. During the last years, Bulten has signed several new significant contracts, mainly within the frame of the FSP concept. In Russia there is a lot of interest from potential new customers and in China the start-up of several new contracts is ongoing.

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 full service solutions for OEMs.

Bulten's growth strategy will be fulfilled by continue offering full service solutions globally 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 three quarters 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 retain its expertise and must offer its customers the best possible quality at the best possible price.

INNOVATIVE AND TECHNOLOGICALLY ADVANCED PRODUCTS

The innovative and technologically advanced products which 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 customers, thus offering improved and more cost-effective solutions to OEMs.

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

2000'S

BULTEN HAS HAD A STRONG GROWTH AND IS NOW A MAJOR PLAYER IN THE EUROPEAN AUTOMOTIVE MARKET.

2015

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 Cars, etc. In 2013 Bulten signed two new significant FSP contracts with annual value of appr. SEK 500 m and in 2014 supplementary volumes with annual value of appr. SEK 150 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. In 2015 Bulten signed a new FSP contract with annual value of appr. SEK 180 m and a contract with an annual value of appr. SEK 17 m.

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.

READ MORE ON PAGE

TECHNOLOGY LEADER

12

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.

GEOGRAPHIC PROXIMITY

16

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.

QUALITY LEADER

21

An effective quality programme is a necessary precondition for a long-term and sustainable business. Quality is the key to Bulten's financial results and strong growth and a decisive factor in winning new orders.

FULL SERVICE PROVIDER (FSP)

22

Bulten is one of the 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 and has extensive experience in managing complex full service contracts for the automotive industry.

EXPERIENCED MANAGEMENT AND EMPOWERED EMPLOYEES

24

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 aiming at contributing to both Bulten's and its customers success.

FINANCIAL PLATFORM

4, 29

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

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.

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, i.e. 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 critical or expensive, might be disabled instead.

Surface treatment is another important part of the process when 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 should also be taken into acount that the fastening application for example also also might be visible from outside the vehicle, in which case it must 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 resulting in even greater demands on manufacturers and suppliers.

The requirements for a screw to exactly live up to the desired function are extremely high. To design and manufacture a screw that will be included in a vehicle put high demands on technology, quality and expertise - something that Bulten master fully.

”EVER STRICTER REQUIREMENTS ON EMISSIONS AND ON WEIGHT REDUCTION MEAN THAT CAR MAKERS ARE USING SMALLER ENGINES FROM WHICH THEY ARE GENERATING GREATER POWER. ”

Bulten's plant at Hallstahammar is one of Europe's leading producers of threaded fasteners and cold-forged special products. Over the past ten years the plant has developed its competence to produce high-durability stainless steel products. Today, customers in the international automotive industry are offered a broad spectrum of fasteners.

“Our focus and growth within the stainless range are in the heat-resistant segment, the so-called high-temperature joint fastenings,” explains Juha Kauppinen, President for Bulten Hallstahammar, who continues:

“Demand for high-alloy and heat-resistant screws is increasing steadily from the automotive industry and its system suppliers. Thanks to the systematic and successful work we have seen since 2009 a steady increase in stainless production with an annual growth of around 20% per year.”

Ever stricter requirements on emissions and on weight reduction mean that car makers are using smaller engines that generate greater power. This means that engines get hotter, so they need heat-resistant fasteners for the manifold and turbo fittings, for example. These fasteners can be exposed to temperatures above 500°C over periods of time. A normal screw would lose durability at such high temperatures and the risk of a breakdown would increase.

“The expansion of the range from low-alloyed to high-alloyed products involved investment in production and a build-up of competence and experience. We have used existing machinery

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. Besides that, additional services are a significant part of the total cost and it is important to find the right balance between price and performance.

IN PLACE COST

Bulten's advanced products are intended to reduce total costs (so-called In-Place-Cost, IPC) for the customer. IPC is the total cost from development 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 peripheral costs such as development costs.

COST PROFILE FOR A FASTENER

15%

- Fastener cost

85%

- Product development
- Procurement
- Inspection/quality
- Warehousing
- Internal logistics
- Pre assembly
- Assembly

A CLEAR PURCHASE STRATEGY

In order to ensure the purchase of direct and indirect materials, Bulten has a clear purchasing strategy to guarantee that the suppliers used are evaluated and qualified and meet Bulten's high standards. Suppliers are categorized by quality, but also after delivery performance, volume and product range.

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 our network of suppliers in order to deliver complete solutions. The suppliers are categorized by quality, but also by delivery precision, volumes and product range.

LOGISTICS

Once that 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 delivered at the right time.

ESSENTIAL QUALITY

Bulten has a leading quality position. Quality and safety are of the utmost importance and is always in the center. For a fastener to function in an application it requires well-established quality processes. This is ensured in the production and processing phases.

and supplemented with new equipment. You could say that we have built a 'factory within a factory' and refined our manufacturing technology which we have then integrated into the existing organization. On the way we have gained many unique skills and a lot of valuable experience.

"During 2015, we invested in a new heat treatment line in order to heat-treat the stainless steel grades to the desired performance and strength in-house. This means that we have a full control over the entire chain as we continue to expand with different material grades to find the best solutions for customer requirements. We are in an exciting phase of development and see great potential in this field," says Juha Kauppinen.

Juha Kauppinen
President, Bulten Hallstahammar
Sweden

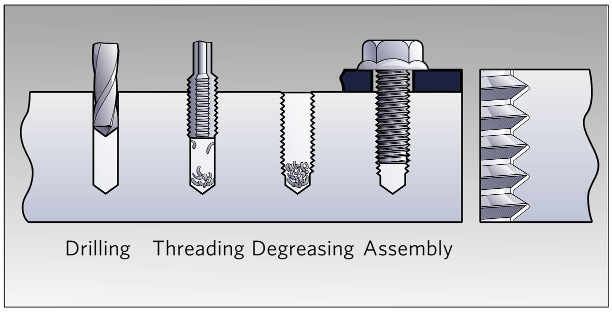
SMART TECHNOLOGIES

BULTEN'S INNOVATIVE AND TECHNOLOGICALLY ADVANCED PRODUCTS ARE DESIGNED TO REDUCE THE IPC (IN-PLACE-COST) OF A FASTENER, INCLUDING AMONG OTHERS COSTS RELATED TO EFFICIENT ASSEMBLY.

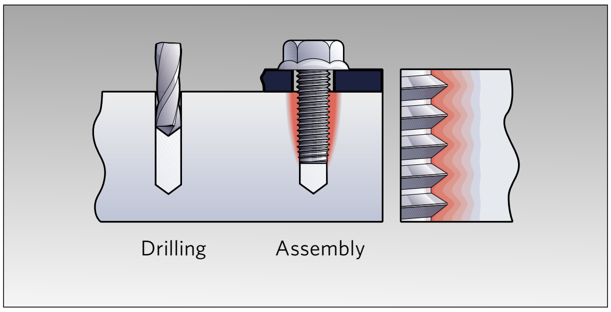
TAPTITE 2000

TAPTITE 2000® is a thread forming fastener. That means that it forms a thread when being driven into core holes that are drilled, punched or cast in ductile steel and aluminium members. The trilobular geometry and the Radius Profile™ thread design offer a thread forming to failure ratio. TAPTITE 2000® is a true money-saver, since the technology eliminates process steps like pre threading and degreasing.

TRADITIONAL SCREW ASSEMBLY



ASSEMBLY WITH TAPTITE 2000®



FASTITE 2000

FASTITE® 2000™ thread forming screws are designed to solve common fastening problems such as thread stripping, fastener alignment and inconsistent assembly performance. It is a small screw for strong assembly.

STANDARD SCREW OF ST TYPE

Standard type ST screws lean over as the screw tends to align with the helix angle of the thread. With stripped threads or loose assemblies as a result.

FASTITE 2000 THREAD FORMING SCREWS

FASTITE® 2000™ fastener starts straight and finishes straight, providing a secure, tight assembly. The twin-lead thread centers the fastener in the hole.

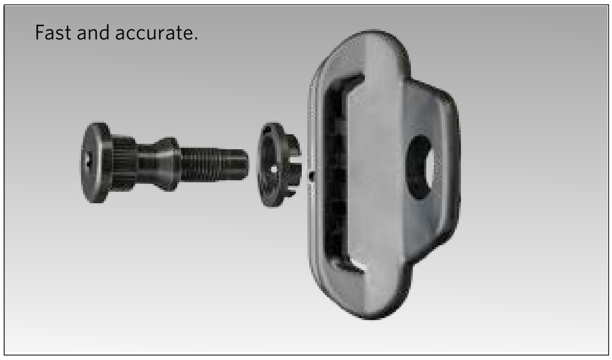
ONE TOUCH ASSEMBLY

As assembly times are planned by seconds, cost-efficient and functionally reliable fastening devices can make a real difference in terms of mass production productivity. In order to offer better ergonomics and reduced assembly and workload time, pre-assembled components are the natural choice. Bulten is developing fastening systems with pre-assembled fasteners within the "One Touch Assembly" family.

THE OLD "PICK 'N' MIX" APPROACH


Time consuming, with room for error.

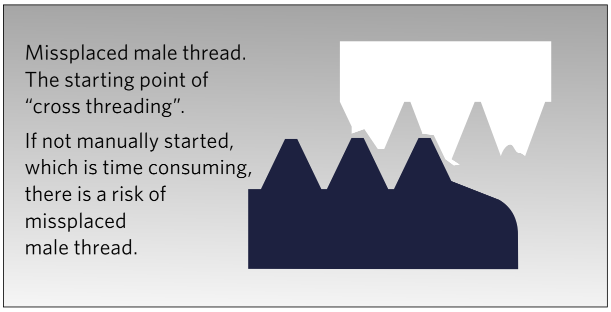
THE ONE TOUCH APPROACH


Fast and accurate.

MATHREAD

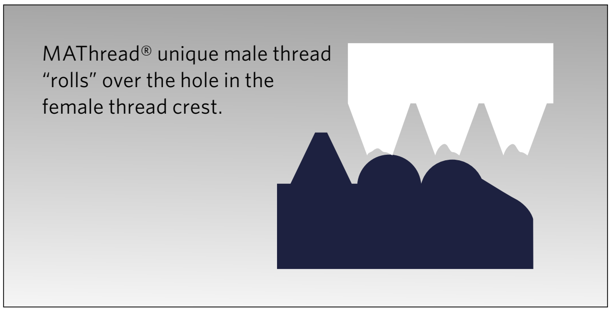
MAThread® dramatically reduces installation time, since there is no need for manual initial threading. The technology practically eliminates cost for waste, rework, and warranty repairs associated with conventional metric joints.

CONVENTIONAL METRIC JOINTS


Missplaced male thread. The starting point of "cross threading".

If not manually started, which is time consuming, there is a risk of missplaced male thread.

HOW MATHREAD® WORKS

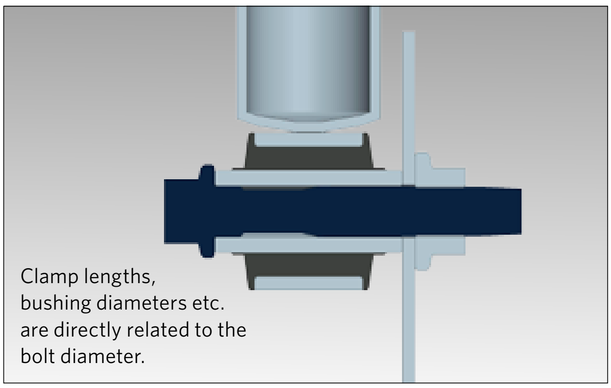

MAThread® unique male thread "rolls" over the hole in the female thread crest.

B14

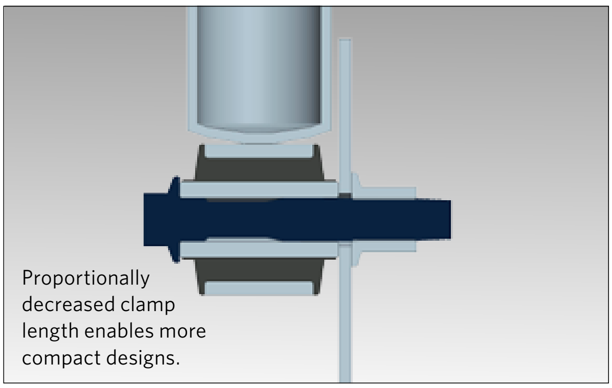
The unique B14® material, super clean carbon steel, basically allows you to downsize each and every fastener one dimension with maintained clamp load which reduces the weight of fasteners with 30–40%.

Example: shock absorber assembly.
The re-design of a specific joint achieved a total 25% weight decrease – i.e. 250 grams per vehicle in this particular case – with maintained joint performance.

EQUAL PERFORMANCE M14 = 465 G


Clamp lengths, bushing diameters etc. are directly related to the bolt diameter.

EQUAL PERFORMANCE M12 B14 = 340 G


Proportionally decreased clamp length enables more compact designs.

GEOGRAPHIC PROXIMITY AND MARKET

IN 2015, BULTEN HAS GROWN STRONGER THAN THE MARKET AVERAGE. ORGANIC GROWTH WAS APPROXIMATELY 11.6%, COMPARED WITH THE AVERAGE GROWTH IN THE AUTOMOTIVE INDUSTRY IN EUROPE THAT IS ESTIMATED TO BE APPROXIMATELY 3.8%. IN 2016 THE EXPECTED GROWTH IS 2.4% IN THE CORRESPONDING MARKET.

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 heavy vehicles and suppliers. Bulten's customer base includes virtually every vehicle manufacturer in Western Europe. Some of the largest are AB Volvo, Autoliv, Ford, Jaguar Land Rover and Volvo Cars. Approximately 86% of sales goes to production of cars and 14% to heavy commercial vehicles. For heavy vehicles, mainly critical fasteners for engines are supplied. Of total sales, approximately 72% goes to chassis and approximately 28% to powertrain.

A portion of sales is exported to other markets around the world.

PRODUCTION AND LOGISTICS

The fasteners are manufactured in Bulten's production units in Sweden (Hallstahammar), Germany (Bergkamen), Poland (Bielsko-Biala), Russia (Nizhny Novgorod) and China (Beijing).

The fasteners are mainly made of iron wire using so-called cold forging technology. Cold forging is an efficient production method where up to 300 fasteners are forged every minute, depending on dimensions and machine. The production process is described on the next pages.

Little more than half 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, Germany and Great Britain 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.

An important aim is 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. Depending on where the customer is located material flows through one or more of Bulten logistics centers.

There is also a comprehensive flow of semimanufactures and components between the various production units, logistics centres and sub-suppliers. In many cases, further product refinement is performed through the integration of Bulten's fasteners with components from external suppliers. The fasteners which Bulten does not produce in-house include, for example, nuts, washers, clamps 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.

PURCHASING

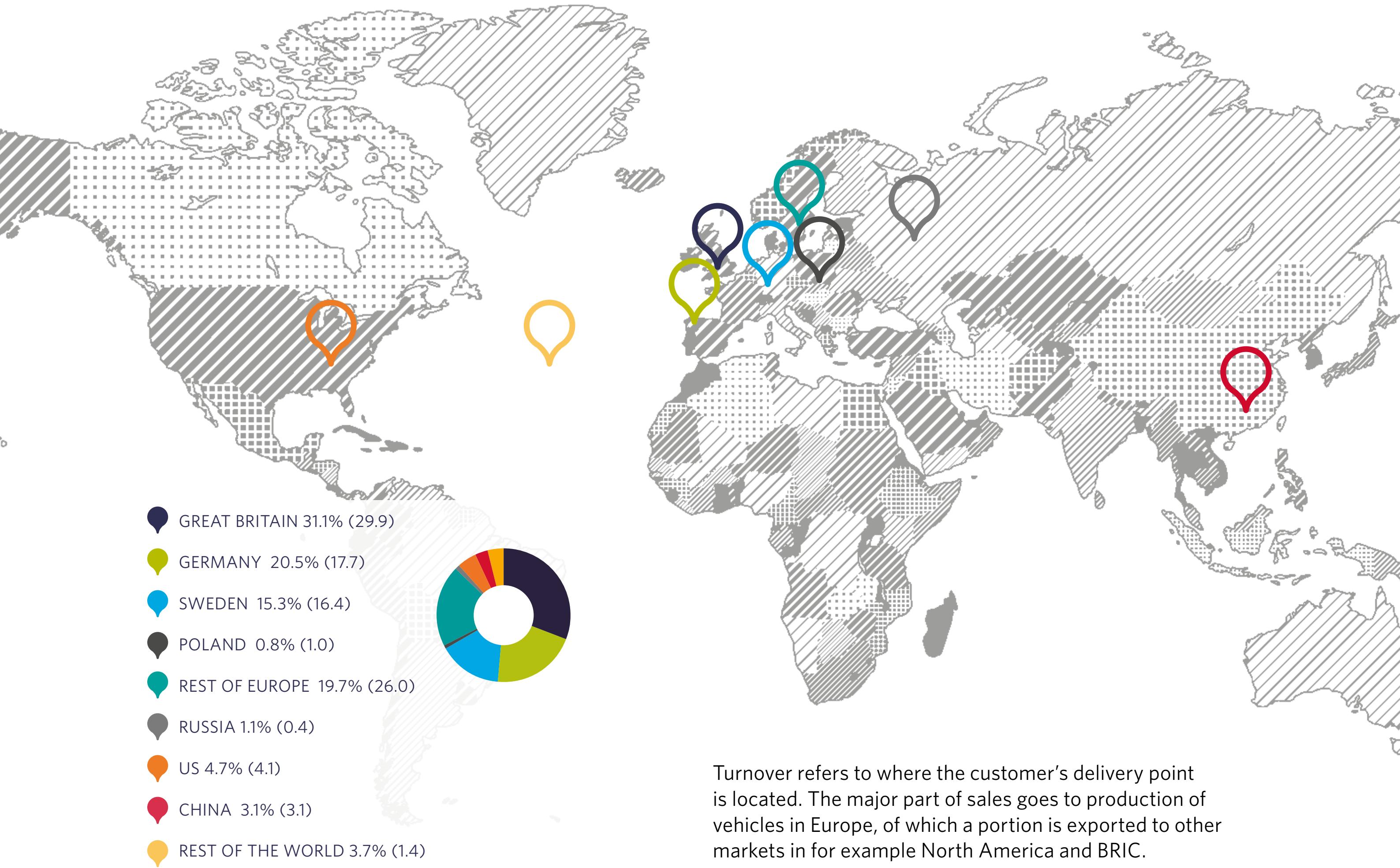
Purchasing of components is done by central and local purchases that are included in Bulten's total commitment. A significant part of the purchased volume is raw material, with steel representing the largest material. Bulten also provides components that the company does not make itself but which are included in the total commitment supplied to customers. Bulten also has extensive trading operations equivalent to approximately 40 percent ot the total sales value. The share of trading can vary, which creates flexibility for volume changes among others.

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

The Group's purchasing decisions are always based on objective factors such as the quality, cost-efficiency and delivery precision. In addition, suppliers must meet the demands based on the principles in Bulten's code of conduct in terms of working environment, respect for human rights and the environment and that they comply with the ten principles stated in the UN Global Compact.

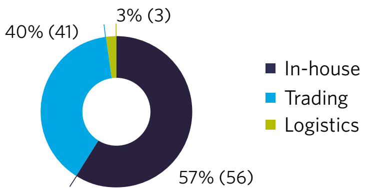
Bulten's suppliers must also meet quality and environmental demands as described in the ISO 9001/ISO-TS 16949 and ISO 14001 international standards. On top of these requirements, suppliers must have processes and procedures that ensure disruption-free deliveries.

NET SALES PER GEOGRAPHIC MARKET



Turnover refers to where the customer's delivery point is located. The major part of sales goes to production of vehicles in Europe, of which a portion is exported to other markets in for example North America and BRIC.

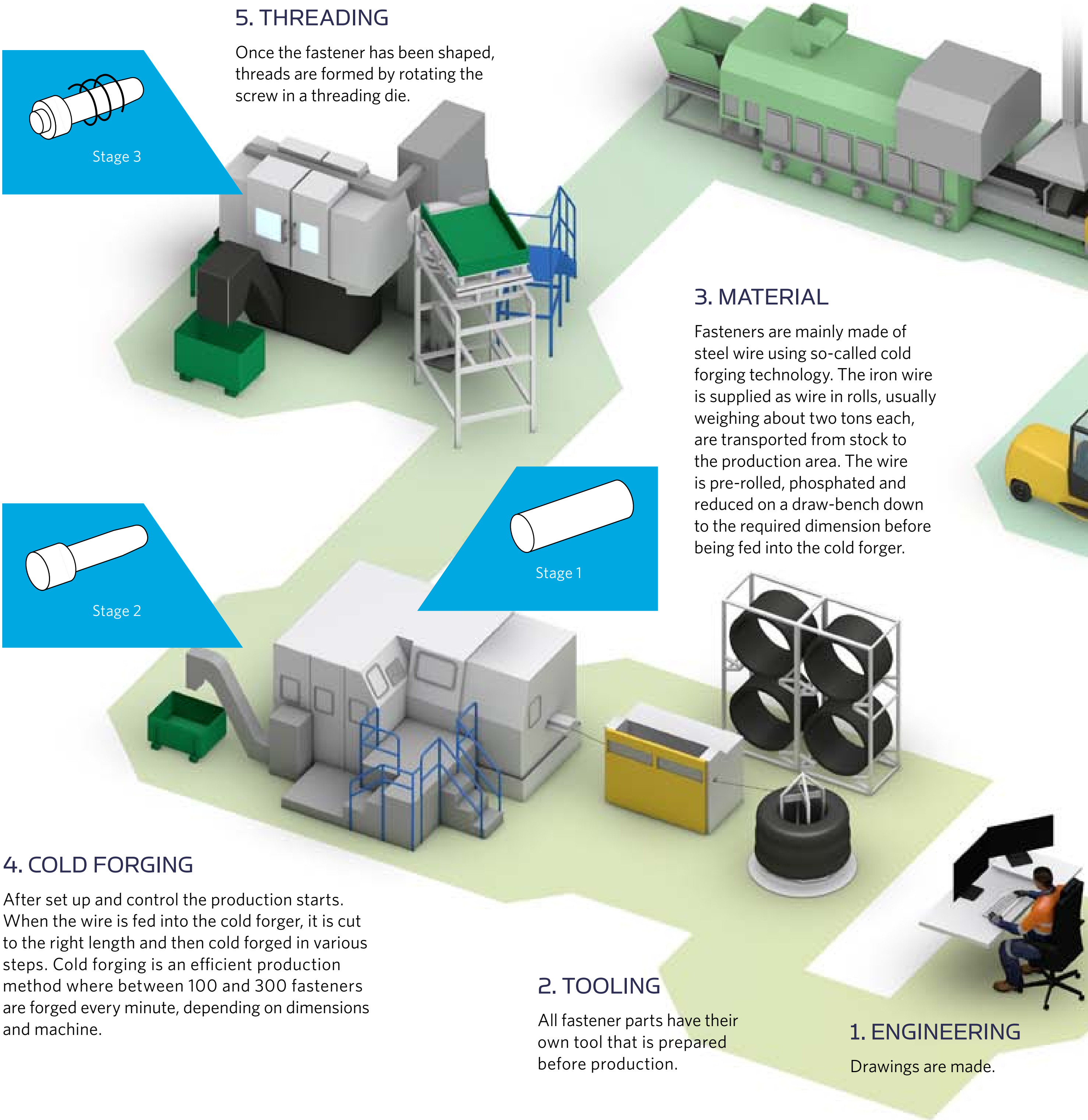
IN-HOUSE VS TRADING OF TOTAL SALES VALUE



Bulten has a lean and efficient production flow to support the well-positioned logistics operations. The company's largest and fastest growing business can be found in Poland, where capacity expansion is in progress. The company also has an extensive trading operation to offer the customers with full service solutions and also to have a high level of flexibility at volume changes.

PRODUCTION PROCESS

BULTEN'S PRODUCTION IS CHARACTERIZED BY FOCUS ON DELIVERY PERFORMANCE, HIGH QUALITY, COST EFFECTIVENESS AND WORKERS' SAFETY IN ALL STEPS OF THE PRODUCTION PROCESS .



5. THREADING

Once the fastener has been shaped, threads are formed by rotating the screw in a threading die.

3. MATERIAL

Fasteners are mainly made of steel wire using so-called cold forging technology. The iron wire is supplied as wire in rolls, usually weighing about two tons each, are transported from stock to the production area. The wire is pre-rolled, phosphated and reduced on a draw-bench down to the required dimension before being fed into the cold forger.

4. COLD FORGING

After set up and control the production starts. When the wire is fed into the cold forger, it is cut to the right length and then cold forged in various steps. Cold forging is an efficient production method where between 100 and 300 fasteners are forged every minute, depending on dimensions and machine.

2. TOOLING

All fastener parts have their own tool that is prepared before production.

1. ENGINEERING

Drawings are made.

6. HEAT TREATMENT

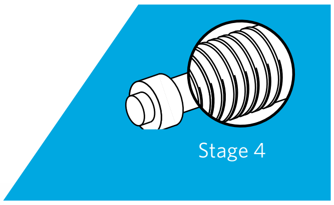
During the heat treatment the screw is hardened to the right mechanical properties. The process starts with a washing and de-phosphating operation and then the fasteners are heated to approximately 900 degrees. Thereafter, the fasteners are cooled in oil to 60 degrees, then heated up again to 350 – 450 degrees and then finally cooled again which ends the hardening process.

7. QUALITY ASSURANCE

Besides going through continuous quality checks at each production step, the fasteners are checked in the laboratories and all values are documented in data bases.

8. SURFACE TREATMENT

The fasteners are further processed through surface treatment and other steps to further develop the product. This is done by transporting the fasteners through a range of baths depending on the requirements.



9. INSPECTION

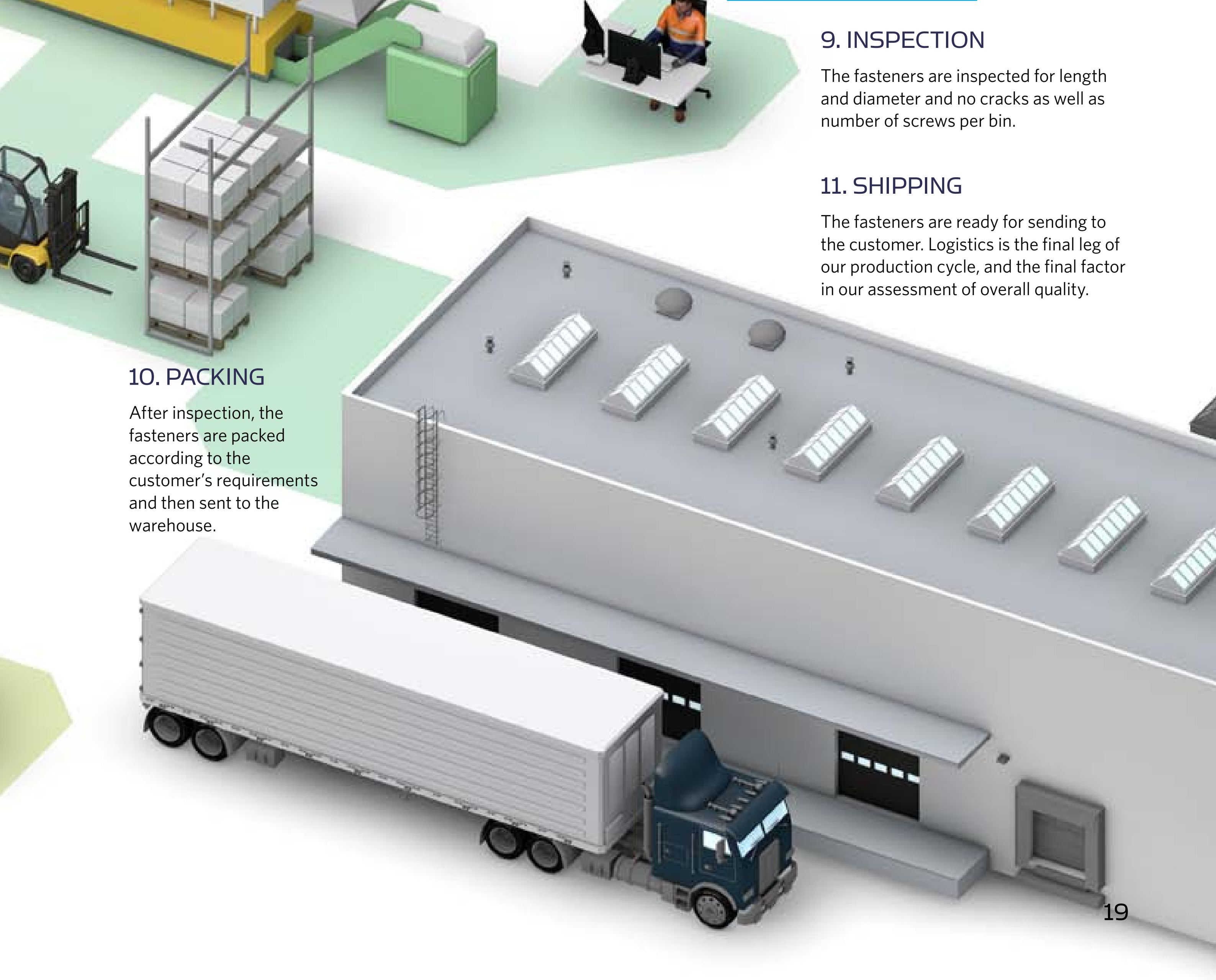
The fasteners are inspected for length and diameter and no cracks as well as number of screws per bin.

10. PACKING

After inspection, the fasteners are packed according to the customer's requirements and then sent to the warehouse.

11. SHIPPING

The fasteners are ready for sending to the customer. Logistics is the final leg of our production cycle, and the final factor in our assessment of overall quality.



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. Bulten has in recent years developed into the largest FSP in Europe.

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

The management team estimates that Bulten's market share is around 17% of the European market for fasteners for the automotive industry and 60% of the corresponding market for FSP business. This estimate is based on data about the European automotive industry's purchasing of fasteners in 2015 according to EIFI.

THE AUTOMOTIVE INDUSTRY, TRENDS AND DRIVING FORCES

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 global platforms.

For the fasteners industry, the global platforms mean an opportunity for variation reduction and thus greater volumes per variant, which is beneficial for both Bulten and its customers.

The trend among suppliers to the automotive industry is that automotive makers are reducing the number of suppliers while there is an expectation that the suppliers are more involved in the development of components and systems, from the concept stage to the final assembly, which Bulten offers through its FSP concept.

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 that Bulten as supplier is taking a more integrated and complete responsibility for the product.

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 passed both the US and Japan in the number of cars produced in 2014. Between 2015 and 2020, Chinese production is expected to grow by approximately 6%.

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. Bulten is represented with production facilities in Poland and Russia.

In China, Bulten has had wholly owned factory for many years.

Since a significant part of the European vehicle production is exported, the European manufacturers are also favoured by global growth.

Looking further ahead, the automotive industry is facing major changes and trends that drives and accelerates change is the electrification of powertrains, autonomous cars, the digitization process in production, sales and distribution, form of ownership (own ownership or share in carpool) and MaaS (Mobility as a Service).

Of these trends, the electrification trend is today the most clear where both regulatory requirements and consumer demand drives the development forward. The world's car manufacturers have investment focus on new technologies as a replacement for today's combustion engines and we can already see that the fasteners intensive hybrid engines are becoming increasingly common.

The breakthrough for the electrification technology is expected to come when the cost of battery technology has been reduced. Bulten is involved in electrification projects with various automotive manufacturers and is helping to drive developments concerning fastener shape and material to create optimal conditions for the new technology.

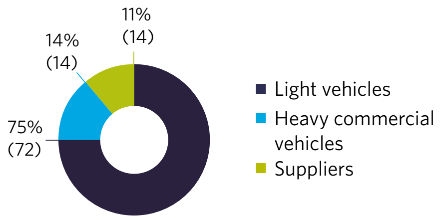
COMPETITORS

There are several hundred manufacturers 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.

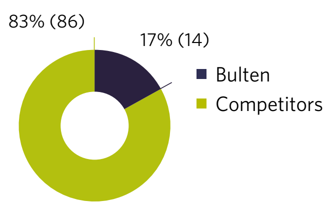
Bulten's two principal competitors are the suppliers offering the full service concept in Europe, Nedschroef and Kamax through Facil.

2015 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 its efficient cost structure. It is thus well-positioned to gain additional market shares.

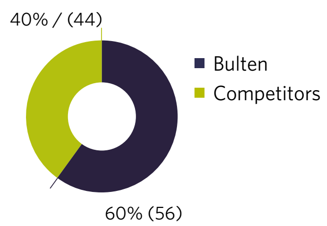
SALES PER CUSTOMER SEGMENT



SHARE OF TOTAL MARKET FOR FASTENERS TO THE AUTOMOTIVE INDUSTRY IN THE EU IN 2015



SHARE OF THE TOTAL MARKET FOR AUTOMOTIVE-RELATED FSP-BUSINESS IN THE EU IN 2015



QUALITY LEADER

AN EFFECTIVE QUALITY PROGRAMME IS A NECESSARY PRECONDITION FOR A LONG-TERM AND SUSTAINABLE BUSINESS. QUALITY IS KEY TO BULTEN'S FINANCIAL RESULTS AND STRONG GROWTH AS WELL AS A DECISIVE FACTOR IN WINNING NEW ORDERS.

Vehicle designs and vehicle engines are being constantly developed and are becoming more and more complex, with the consequent higher requirements for components.

A passenger car consists of some 30,000 components of which 1,500-2,000 are fasteners. The fasteners represent approximately 60 percent of all part numbers in the vehicle. Defective or incorrect components may result in costly recalls of parts or all units sold of the model affected. For the global OEMs with most of the world as its market, recalls, if not detected in time, can have extremely drastic consequences and result in considerable economic and prestige-related losses. Bulten's ability to deliver consistently high quality is therefore of very high importance for the continued confidence from the customers.

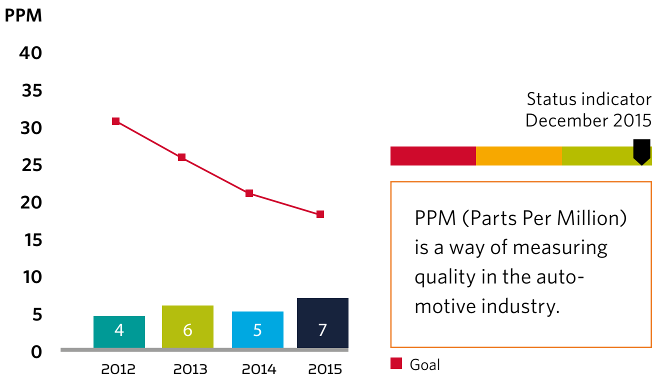
EXPECTATIONS, REQUIREMENTS AND CERTIFICATES

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 (the operation in Russia where certified in the beginning of 2016), and also meet specific customer quality requirements.

PPM (DELIVERIES TO EXTERNAL CUSTOMER)

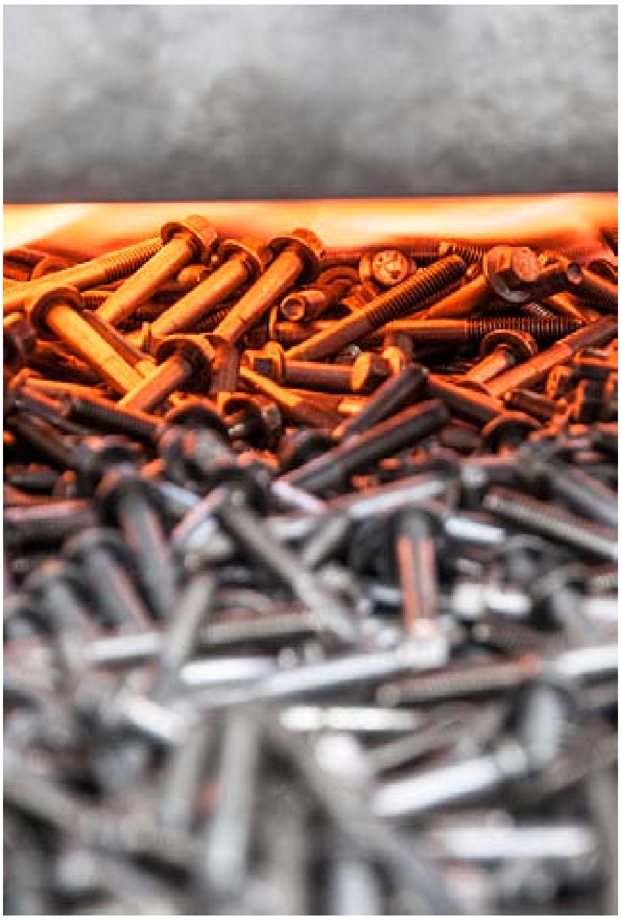


Furthermore, Bulten works for external suppliers of direct materials not only meet the so-called basic requirements, as quality and environmental management, but also our customers' specific requirements.

QUALITY OBJECTIVES AND RECIPES FOR SUCCESS

Challenging goals and structured approach is part of Bulten's recepies for sucess. Internally, Bulten continually measures and follows up key indicators for production, markets and purchasing. The Group also regularly assesses external suppliers and their quality outcomes.

The choice of standardized working methods ensure continued improvement, continuity and a position in the absolute top quality in the fastener industry.



FULL SERVICE PROVIDER (FSP)

BULTEN IS ONE OF THE FEW PLAYERS IN EUROPE THAT OFFERS COMPLETE RESPONSIBILITY THROUGHOUT THE VALUE CHAIN FOR FASTENERS, FROM PRODUCT DEVELOPMENT TO FINAL DELIVERY TO THE CUSTOMER, AND HAS EXTENSIVE EXPERIENCE IN MANAGING COMPLEX FULL SERVICE CONTRACTS FOR THE AUTOMOTIVE INDUSTRY.

Fasteners are high-volume components in terms of the amount of variants and units, resulting in very complex handling in both purchasing and logistics, so the customer has much to gain by entrusting Bulten with full responsibility. As an FSP supplier to the international auto industry, Bulten provides services in all areas of development, verification, quality assurance, documentation, production and logistics. Thanks to its FSP concept, Bulten can take responsibility for all fasteners for an entire platform, model or factory throughout the value chain.

Projects are based on a close collaboration between engineers from Bulten and the customer. The technical specifications and blueprints are optimized based on the unique conditions in each situation. The process is controlled from the start in accordance with the APQP model (Advanced Product Quality Planning), which means that the quality of all the components is considered to ensure that the prototypes are consistent with products that enter series production.

Being an FSP provider requires exceptional organization and coordination ability. The handling of a large supplier base to meet the total demand for fasteners is often very complex because there are many variables to consider that affect administration and cost.

Bulten's work as a global FSP supplier creates opportunities for vehicle manufacturers to free up their own resources and capital. When a vehicle producer integrates activities with a Full Service Provider that has extensive industry knowledge it makes internal management of projects related to fasteners much simpler.

Bulten produces a large part of the components in-house and it is very important to understand and control the manufacturing process. Having its own production skills combined with good knowledge of the global supply base allows Bulten to select the right suppliers for the products Bulten does not produce itself. In many FSP projects it's not just a matter of stocking and delivering a range of fasteners, but also coordinating components among different suppliers, delivery locations, processing phases, storage hubs and customer receivers.

The challenge in this type of large global project is to ensure that deliveries meet customers' high demands on cost, quality, delivery performance, volume and product range.

”OUR FULL SERVICE PROVIDER (FSP) CONCEPT OFFERS MANY ADVANTAGES FOR CUSTOMERS.”

Sukhvinder Gill, FSP project manager, has over 30 years' experience in the fasteners industry, both at Bulten and on the OEM side.

"Our Full Service Provider (FSP) concept offers many advantages for the customers. The handling of fasteners is far more complex than you might think with a large number of components and suppliers. With the Bulten FSP concept, the process is much leaner and with one single point of contact the working process is much more simplified for the customer".

"Bulten has built up good relations with major automotive manufacturers over many years. We have established a great sense of trust by offering a high level of service at an affordable cost, with increased added value. Furthermore, we understand the language of the industry and realize how important it is to take responsibility of the issues that hit us on a daily basis. One area in which we excel, is by giving solutions at speed, not only in the development phase, but also contributing to continuous process enhancement when in full serial production".

"One good example of this, is where we have co-developed a TAPTITE® Fastener strategy for a customer. The technology gives the customer great benefits since these screws carryout the thread forming directly in the cast or drilled holes. The customer benefits from significant reduction in capital investment in the manufacture of the major engine components, such as the cylinder head and engine block machining lines. Basically this eliminated over 90% of the threading operations".

"This Fastener concept has been further developed so that a bookshelf solution is now in place to be used throughout a family of new engines. This customer will be able to save several million euros in capital investment thanks to the project."

COMPLETE RESPONSIBILITY THROUGHOUT THE ENTIRE VALUE CHAIN OF FASTENERS

CONCEPT PHASE

Engagement in early concept stage enables optimal fastener solutions to be introduced in the next generation of car platforms.

R&D AND QUALITY

Product development (innovations, tests, quality etc.) to secure cost control and quality throughout the entire process.

PURCHASE & LOGISTICS

- Fewer component numbers
- Just in time-deliveries (local production or logistic center)
- Line feeding
- Inventory management

ASSEMBLY

- In place cost control
- Single point of contact
- Line trial support
- On-site support
- Resident services

AFTER SALES

- Long term commitment
- Assured supply
- Original details
- Quality guarantee

"Using the TAPTITE® strategy also enables a shorter TAKT time (time from engine production start on one unit to production start on next unit), resulting in a substantial higher productivity for the OEM."

"Bulten has the competence to take full responsibility and accountability for fastener requirements. It is becoming increasingly common in the business, that OEM's outsource to specialized service providers. By using our technology and expertise throughout the value chain, we can prove we have consistently exceeded customer expectations".

"Focusing on customer requirements is central to our business. We keep our promises and offer the best possible solutions, which results in long term relationships and growing business." concludes Sukhvinder Gill.

Sukhvinder Gill
FSP Project manager
Coventry, Great Britain

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 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 professionalism.

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. Bulten's core values are the foundation of the company's corporate culture and define the way we work and behave and inspire and support us in our efforts to continue building a successful and sustainable business.

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.

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.

The Group continually strives to identify and address potential safety risks while implementing preventive measures that guarantee good health and safety for all employees.

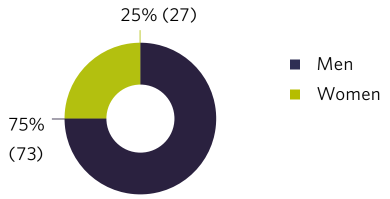
All members of staff shall have equal rights, obligations and opportunities in terms of employment and working conditions, training, education and development in accordance with the laws and regulations of the country in which they work.

EQUALITY AND DIVERSITY

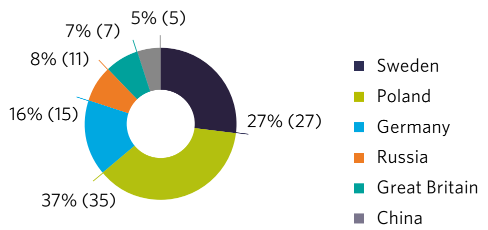
During 2015, Bulten had activities in eight countries with 1,199 fulltime employees at the turn of the year. Most of these people work with production. The engineering industry remains male dominated and this is also reflected at Bulten, where 75% of employees are men and 25% women. Bulten works to achieve equality and aims to achieve diversity in recruitment.

KEY FIGURES	2015	2014
Net sales per employee, SEK 000	2,246.5	2,054.7
Operating earnings per employee, SEK 000	137.6	113.5
No. of employees on closing date	1,199	1,175

GENDER DISTRIBUTION



GEOGRAPHICAL DISTRIBUTION EMPLOYEES



At Bulten's new logistics center in Poland, Edyta Formas and Maria Guzy are working with the preparation of deliveries to customers.

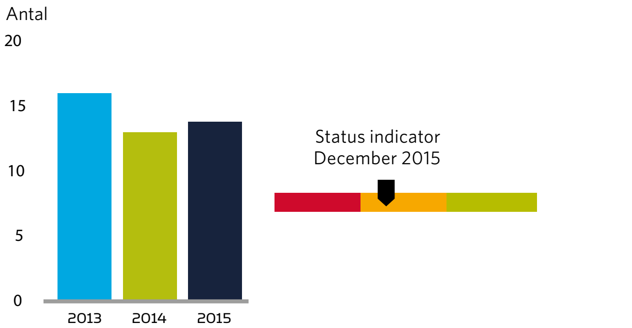
CODE OF CONDUCT

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.

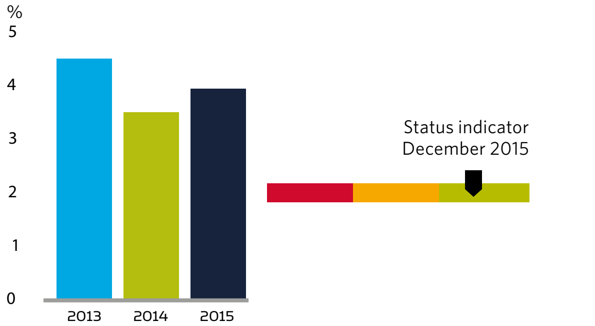
The code, along with our various Group policies, forms the basis for how we work within the Group.

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 does not accept any discrimination or reprisal against employees who report a suspected infringement in good faith.

WORK-RELATED INJURIES



SICK LEAVE



LONG-TERM SUSTAINABLE BUSINESS

BULTEN'S BUSINESS SHALL BE CONDUCTED IN A RESPONSIBLE MANNER WITH REGARD TO THE PRINCIPLES OF CORPORATE GOVERNANCE, 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.

To be a sustainable employer is about much 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. 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. Bulten's overall objective regarding sustainability is that it should be a natural part of all activities within corporate governance and an environmental and social responsibility throughout the Group. Going forward, Bulten will continue to harmonize, develop and manage its sustainability efforts.

In 2015, Bulten made a survey of sustainability activities with the aim of harmonizing efforts at a global level. The main focus has been on identifying risks in the area and ensuring that we meet risks with the right measures. In the survey, it was clear that Bulten is well ahead in its sustainability performance and that use of resources is measured, monitored and assured in a good way.

SOCIAL RESPONSIBILITY

Bulten operates its business in a way that enables it to give consideration to human rights and the health and wellbeing of the general public. Employees, shareholders, customers, suppliers and other stakeholders shall be treated with respect and good ethics. Continual efforts are made to improve employee development, the working environment and working conditions. Health promotion activities on nutrition and exercise as well as finding a good work/life balance are encouraged.

The company's work methods are based on Bulten's core values. Following these values means that positive results are

"THE NEW MACHINES ARE HEATED USING SURPLUS HEAT FROM OUR HEAT TREATMENT PLANTG"

Bulten has far-reaching responsibility for how its operations affect society and the environment. Not only is it important to work on these issues, it's profitable too, explains Torbjörn Hjerpe, head of the Group's Supply Chain and environmental issues.

Torbjörn points to three examples:

"In 2015 we installed two new industrial washing machines at our production site in Bergkamen, Germany. They replaced machines that had been heated using gas. The new machines are heated using surplus heat from our heat treatment plant."

One of the purposes of the project was to reduce energy consumption. The installation was completed successfully. Energy consumption has been reduced by a million kilowatts per year, which is equivalent to the consumption of some 50 single-family homes in Germany.

Another purpose with the project was to cut emissions of carbon dioxide. Carbon dioxide is a greenhouse gas that plays an important role for the earth's climate. Thansk to the project, carbon dioxide emissions were cut by some 200 tonnes per year.

"In 2015 our Swedish production unit in Hallstahammar was also adapted in order to utilise surplus heat from the heat treatment plant. This energy is now being used to heat the building during the cold months of the year. At other times this excess heat can be used to heat the industrial washing machinery."

BULTEN'S PRINCIPLES FOR SUSTAINABLE BUSINESS

Bulten operates its business with regard to corporate governance, environmental and social principles.

achieved in everything from daily work and in more challenging and complex business situations.

Bulten's suppliers play an important role in establishing responsible and sustainable business. They are therefore expected to comply with laws and regulations in the locations where they operate and observe the Bulten code of conduct or equivalent.

CORPORATE GOVERNANCE

Bulten operates its business responsibly and efficiently with high business ethics, good risk management and a sensible corporate culture. The company is subject to various regulations that affect the governance of the company, such as the articles of association, the Swedish companies act, regulations for companies listed on Nasdaq Stockholm, the Swedish Code of Corporate Governance and other applicable laws and regulations.

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.

This initiative together with some ventilation adjustments reduced both carbon dioxide emissions and energy consumption. Energy consumption for heating is estimated to have been reduced by some 30%, which means 2.7 million kilowatt hours per year. Carbon dioxide emissions have been cut by some 400 tonnes per year.

"We have also recently signed an electricity supply agreement for our Swedish units that means that from the middle of 2016 we will be using carbon-neutral electricity at our plants," says Torbjörn. He explains that the new contract for electricity produced by hydropower will mean that emissions of carbon dioxide will be reduced by around 10,000 tonnes per year.

Torbjörn Hjerpe
SVP Supply Chain
Göteborg, Sweden

ENVIRONMENTAL RESPONSIBILITY

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 improvement. 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.

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

All significant environmental aspects are measured at each site and reported according to authorities requests as well as internally for records and follow-up. The fact that Bulten has well-functioning environment management systems and engaged 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. The unit in Russia was certified in the beginning of 2016.

REDUCED ENVIRONMENTAL IMPACT

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.

Pro-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 company's surface treatment facility in China that meets very strict environmental requirements. Other focus areas include reducing energy consumption and monitoring of external suppliers' processes and the potential environmental impact. In addition, work is underway to follow up on transportation and its environmental impact.

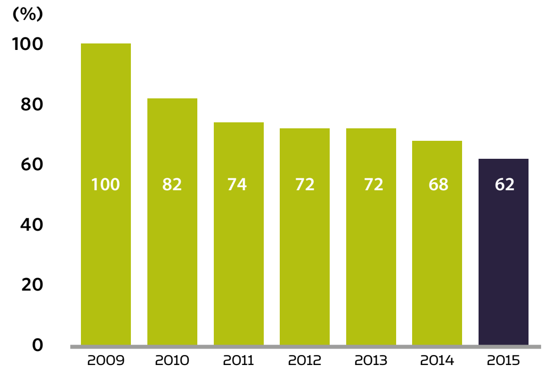
REDUCED WEIGHT CONTRIBUTES TO LOWER CO_2 EMISSIONS

As a manufacturer of automotive components Bulten can also contribute to reduced environmental impact by striving to offer optimized application solutions in vehicles that reduce fuel consumption, which in turn means lower CO_2 emissions.

Bulten works proactively 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.

Bulten is furthermore a leading producer of fasteners that can withstand very high temperatures, whose production requires modern and energy-efficient machines.

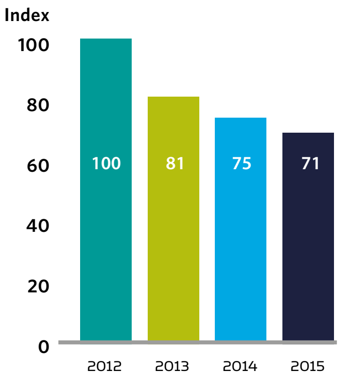
ENERGY CONSUMPTION IN RELATION TO PRODUCED TON



Status indicator
December 2015

Energy consumption in Bulten's factories in Western Europe. Measurement takes place in all the main processes and approximately 95% of the energy consumption is monitored.

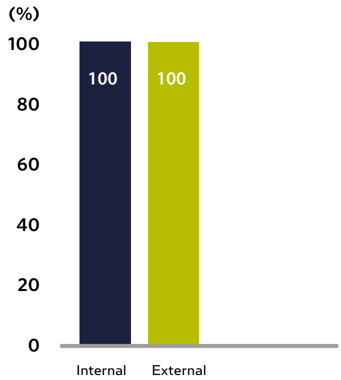
SCRAP COST IN RELATION TO TURNOVER



Status indicator
December 2015

Scrap outcome, total per plant, is monitored throughout the whole process. Residual waste materials are recycled and refined by recycling companies.

COMPLETED TRAINING IN BULTEN'S CODE OF CONDUCT



Status indicator
December 2015

Internal training is done in conjunction with introduction of new employees and the external at supplier visits.

FINANCIAL PLATFORM

BULTEN HAS A STRONG FINANCIAL PLATFORM TO SUPPORT FURTHER GROWTH ON NEW AND EXISTING MARKETS.

Bulten has in 2015 continued its strong organic growth of approximately 11.6% and an operating profit equivalent to 6.1% of sales, an increase of 0.6 percentage points compared to last year. The gradually strengthening profit is a clear effect of higher volumes, but the optimisation programme that was carried out during the year also had an impact. This programme also affected the capital turnover rate, which rose from 1.7 times to 1.9 during the year.

Bulten has grown strongly with a clear focus on organic growth in Europe and in emerging countries Russia and China. The company has made investments to match the pace of this growth and capacity at the production units has been boosted, especially in Poland where capacity has increased by almost 30% per year, two years in a row. In coming years Bulten sees good opportunities for continued organic growth on the global auto market. Bulten also sees possibilities to create value by growth through acquisitions or joint ventures. Bulten currently is active with joint ventures in the UK and Russia and has good experiences from establishing on new markets in this way.

Bulten's strategy is based on close proximity to customers with a clearly competitive product and services offer. As a Full Service Provider, Bulten offers services throughout the value chain, from concept to delivery. The strategy and offer are implemented by operating advanced production at low cost and with a geographic presence close to the customer. Items not manufactured internally are purchased among a network of suppliers so that complete solutions can be supplied. This gives Bulten great flexibility via its own production base and trading network, giving effective use of resources.

Bulten has strong, long-term owners. The largest shareholders, Volito and Öresund, are represented on the Board of Directors. During the year Bulten carried out a share buy back programme and, as a result, by year-end Bulten was the sixth largest shareholder, with a holding of 3.2 % of the shares. The aim of the share buy backs was to optimise the company's capital structure and to create added value for shareholders.

Having a good financial position is an important factor when competing for major projects in the automotive industry. The company has at the end of the second quarter, signed a new financing agreement of SEK 460 million, covering a period of 3 + 1 year and initially runs until June 2018. The new financing agreement involves no significant changes compared to the previous, but has a better adapted structure for the business. Bulten's financial goals are to maintain profitable organic growth and to grow stronger than the sector index, achieve an operating margin of at least 7 per cent and a return on average capital employed of at least 15 per cent.

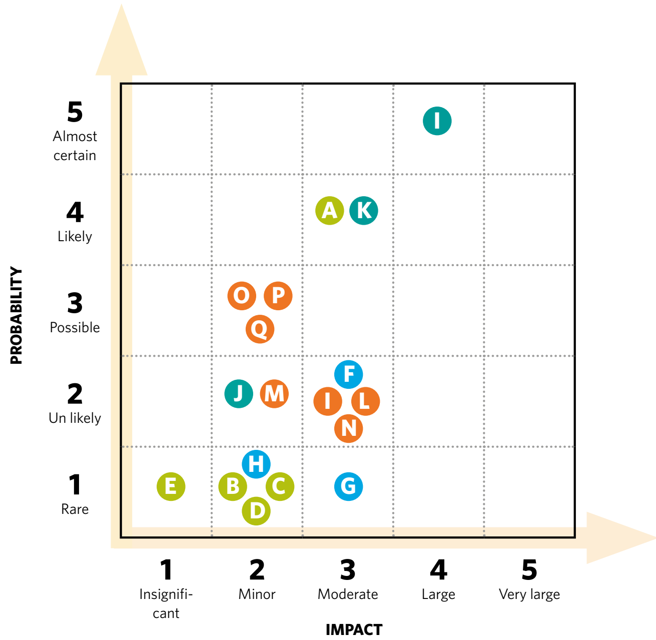
Bulten's business is managed responsibly with regard to financial, environmental and social issues. Our ambitions are to continue growing and improve our profits and return on capital employed. Having a strong financial platform is part of our strategy and creates stability and security, both in the Group and for our owners, customers and suppliers.

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.

Risks can be categorized as business cyclical and external risks, operational risks, sustainability and financial risks. A description of how the Group management assesses and manages the main risks of the operation, see below. A more detailed description can be found in note 3.



PROBABILITY THAT RISK WILL OCCUR 1. Rare 2. Unlikely 3. Possible 4. Likely 5. Almost cetain				IMPACT IF IT HAPPENS 1. Insignificant 2. Minor 3. Moderate 4. Large 5. Very large
RISK AREA	DESCRIPTION			OPPOSING FACTORS
FINANCIAL RISKS				
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 isk**	• 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 2015 the Group's net debt was SEK -176.0 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. • Liquid funds are invested exclusively with credit institutions with high credit ratings.
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 conti-nually monitors refinancing requirements for current activities.
SUSTAINABILITY RISKS				
F **Energy consumption**	• Risk of high prices for conventional energy, including effects of high energy taxes.	2	3	• Bulten works proactively to reduce energy consumption and optimise logistics flows. • Bulten has ISO 14001 certification and is audited regularly.
G **Environmental impact**	• Risk of negative impact on finite and infinite natural resources through the production process.	1	3	• Bulten focuses on continuous improvement. Sustainability issues are a normal part of activities. Development towards more efficient products and production, reduced waste and recycling of resources reduces negative impacts on health and the environment. • Bulten has ISO 14001 certification and is audited regularly.
H **Business disruption**	• Risk of business disruption through poor skills, working conditions and undeveloped personnel strategy	1	2	• ISO 180001 certification, good management, policy documents and formal work procedures. • Relevant remuneration system, good relations with trade union representatives and guiding HR policy document. • Strong corporate culture with historically low staff turnover.

PROBABILITY THAT RISK WILL OCCUR	IMPACT IF IT HAPPENS
1. Rare 2. Unlikely 3. Possible 4. Likely 5. Almost certain	1. Insignificant 2. Minor 3. Moderate 4. Large 5. Very large

RISK AREA	DESCRIPTION			OPPOSING FACTORS
BUSINESS CYCLE AND EXTERNAL RISKS				
I Market and macroeconomic risks	• Bulten operates on a global and cyclica 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 ususally compensate Bulten for price volatility in materials.
J 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.
K Legal and political risks	• Bulten operates within various jurisdictions and is subject to local regulation 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.
OPERATION AL RISKS				
L 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 management of 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.
M 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.
N 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
O 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.
P 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.
Q 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.

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 2015, Nasdaq Stockholm rose by 6.6% (11.9). Bulten's sector index, Stockholm Automobiles & Parts rose by 21.3 (35.0). Bulten's rose by 22.4 (33.3) from a rate at the start of the year of SEK 67.00 (50.25) to SEK 82.00 (67.00). An increase of market value by SEK 259.8 million (352.4). The lowest price, SEK 62.00 was noted on 7 January 2015 and the highest, SEK 104.75 on 16 April 2015. The market value of Bulten at the end of 2015 was SEK 1,669.5 million (1,409.7).

SHARE TURNOVER

Bulten's total share turnover in 2015 was 18.0 (27.4) million shares, corresponding to an average turnover of 71.8 (109.9) thousand shares per day over 251 (249) trading days.

The turnover rate, calculated as the number of traded shares in relation to the total number of shares in the company, was 86.0% (130.0).

SHAREHOLDERS

As of 31 December 2015, Bulten had 6,411 (5,289) shareholders. The number of registered shareholders abroad was 20.8% (26.6), of which 8.6% (12.5) are held by owners in the UK, 5.0% (5.5) by owners in USA and 2.6% (2.6) by owners in Luxemburg. The five largest shareholders as of 31 December 2015 had a total of 48.9% (42.0) of the capital and votes, with the three largest holding 39.9% (35.8).

Bulten is the sixth largest shareholder and owns at year-end 3.2%. Senior management of the Group and elected board members' shareholdings was at the end of the year 2.3% (4.4).

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 2015 the Board intends to propose to the Annual General Meeting that the dividend shall be SEK 3.25 (3.00) per share, which is equivalent to about 60% (38) of net profit after tax adjusted for non-recurring items.

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.

2016 ANNUAL GENERAL MEETING

The Annual General Meeting of Bulten AB (publ) will be held on Tuesday 26 April at 17.00 at the company's head office at August Barks gata 6A in Gothenburg, Sweden.

OWNERSHIP STRUCTURE, 31 DECEMBER 2015

SHARE INTERVAL	NO. OF OWNERS	NO. OF SHARES	SHAREHOLDING, %
1-500	4,833	677,730	3.2
501-1 000	779	677,236	3.2
1 001-5 000	641	1,435,383	6.8
5 001-10 000	67	489,397	2.3
10 001-15 000	12	157,678	0.8
15 001-20 000	12	221,656	1.1
20 001-	67	17,381,127	82.6
TOTAL	6,411	21,040,207	100.0

Source: Euroclear Sweden AB's register, 31 December 2015.

BULTEN'S FIVE LARGEST SHAREHOLDERS, 31 DECEMBER 2015

NAME	NO. OF SHARES	SHARE OF VOTES AND CAPITAL, %
Volito AB	4,435,686	21.1
Investment AB Öresund	2,263,535	10.8
Lannebo fonder	1,689,890	8.0
JP Morgan	1,136,392	5.4
Spiltan Fonder AB	752,479	3.6
Five largest owners	10,277,982	48.9
Other owners	10,762,225	51.1
Total	21,040,207	100.0

Source: Euroclear Sweden AB's register, 31 December 2015.

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	2015	2014
Share price at year-end (final pay price), SEK	82.00	67.00
Highest share price during year (final pay price), SEK	104.75	86.50
Lowest share price during year (final pay price), SEK	62.00	50.25
Market value at year-end	1,669.5	1,409.7
P/E	14.62	15.50
P/E, adjusted for non-recurring items	15.47	17.14
Direct yield, %	3.96	4.48
Data per share		
Earnings before depreciation (EBITDA)	10.80	8.54
Operating earnings (EBIT)	7.92	6.34
Earnings after net financial items (EAFI)	7.38	5.63
Earnings for the year	5.61	4.32
Earnings for the year adjusted for non-recurring items	5.30	3.91
Shareholders' equity	60.58	59.54
Cash flow from operating activities	6.79	-2.84
Cash flow for the year	-10.07	-12.47
Proposed dividend	3.25	3.00
Total outstanding ordinary shares, 000s		
Weighted total	20,829.5	21,040.2
At year end	20,359.7	21,040.2

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

COMPANY	ANALYSTS
Carnegie	Kenneth Toll Johansson
Handelsbanken Capital Markets	Carl Bertilsson
Swedbank	Mats Liss

PRESS RELEASES

Q1

Jan	150116	Invitation to conference call regarding Bulten's Q4 report 2014
Feb	150205	Bulten's Q4 report 2014
March	150305	Bulten's Nomination Committee intends to submit proposal regarding new Chairman of the Board and new Board members to the AGM 2015
March	150326	Notice to attend Annual General Meeting of Bulten AB (publ)
March	150331	Bulten's Annual Report for 2014 released

Q2

April	150415	Invitation to conference call regarding Bulten's Q1 report 2015
April	150429	Bulten's Q1 report 2015
June	150429	Press release from the Annual General Meeting of Bulten AB (publ) April 29, 2015
June	150622	Invitation to conference call regarding Bulten's Q2 report 2015

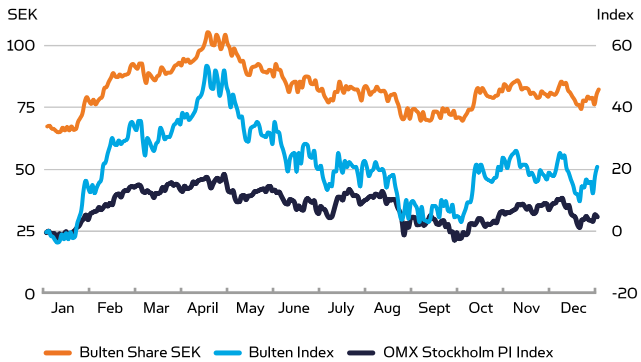
Q3

July	150710	Bulten AB (publ) utilizes authorization for the acquisition of own shares
July	150710	Bulten's Q2 report 2015
Aug	150814	Invitation to Bulten's Capital Market Day on September 17, 2015
Sept	150916	Bulten is continuing to win new FSP contracts and has been awarded new business with an annual value of approximately EUR 20 million
Sept	150916	Clarifying information regarding Bulten FSP contracts with an annual value of approximately EUR 20 million

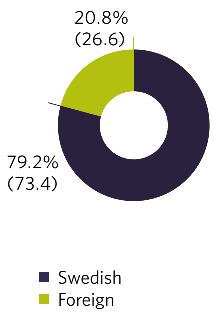
Q4

Oct	151005	Invitation to conference call regarding Bulten's Q3 report 2015
Oct	151022	Bulten AB (publ):s Nomination Committee for 2016 AGM appointed
Oct	151022	Bulten acquires industrial and office property in Hallstahammar
Oct	151022	Bulten's Q3 report 2015
Dec	151218	Bulten moves up to Nasdaq Stockholm's Mid Cap-segment

THE SHARE 2015

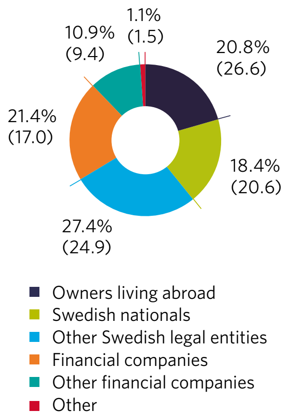


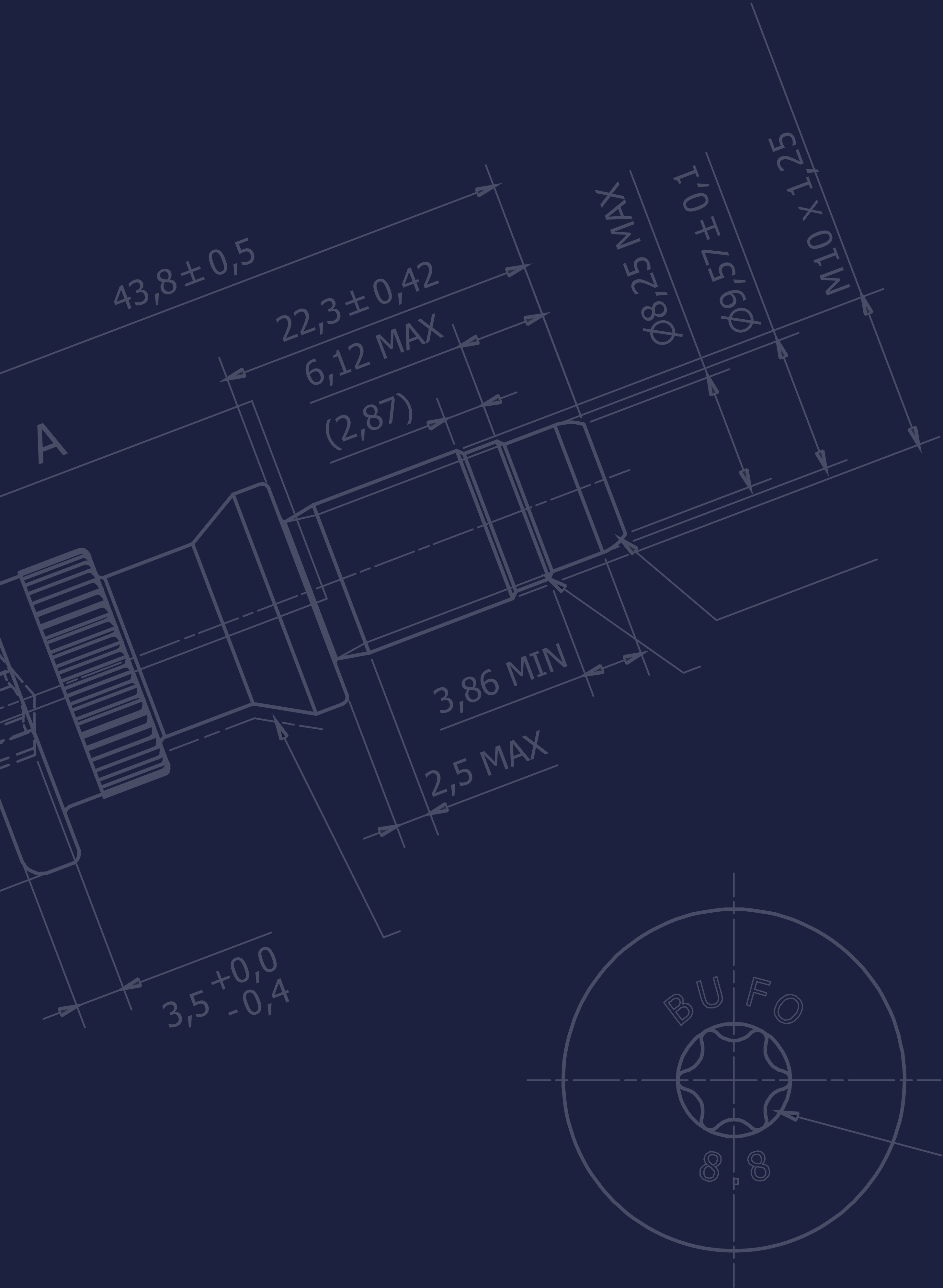
SWEDISH AND FOREIGN OWNERSHIP



Source: Euroclear Sweden AB's register, 31 December 2015.

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
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FINANCIAL INFORMATION

A 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 2015 financial year.

Ownership structure

At the end of the year, Bulten AB (publ) was listed on Nasdaq Stockholm. The largest shareholders were Volito AB 21.1% (20.9), Investment AB Öresund AB 10.8% (9.3) and Lannebo Fonder 8.0% (-).

THE GROUP'S BUSINESS

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 2015, Bulten's business was in eight countries with 1,199 (1,175) full-time employees, an increase of 2% from the end of 2014. The Group's invoiced sales in 2015 were SEK 2,693.5 (2,414.3) million, an increase of 11.6% compared with the previous year.

Year in brief

Bulten reported continued good growth of 11.6%, which was stronger than the market average. The company won additional market shares in 2015 and noted continued strong demand. During 2015 Bulten continued to win new business, with an additional order received from one of Europe's leading manufacturers of heavy vehicles, for which deliveries will start in 2016. During the autumn an additional FSP contract was signed. This order has an annual value of SEK 180 million and deliveries will start in 2017. Furthermore, deliveries have started for a contract that was signed back in 2012. Volumes for this order will increase steadily to reach an annual value of SEK 130 million at the full rate in 2020. Bulten's profitability was reinforced during the year as an effect of additional volumes and the completion of an optimization programme.

To address increased volumes and prepare ahead of future growth through signed contracts, continued investment has been carried out in Bulten's international production and logistics platform, especially in Poland. These investments have led to capacity increases in Poland for the second year in a row of around 30%. Investments were also made at other sites to strengthen production capacity and increase the level of added value. At the end of the year the acquisition was finalized of the property in Hallstahammar at which Bulten's Swedish production unit is located. This was an important strategic move that will bring benefits in terms of profits and cash flow in future. To improve the company's capital structure and create additional value for shareholders, a share buy-back programme has been carried out. During the year the company signed a new financing agreement worth a total of SEK 460 million and covering a period of 3+1 years.

At the start of 2016, as a result of Nasdaq's annual review of average market capitalisation in 2015, Bulten was moved up to the Mid Cap segment.

Order bookings and net sales

Order bookings for the full year were SEK 2,673.5 million (2,556.8), which was 4.6% higher compared with the previous year.

Net sales for the full year totalled SEK 2,693.5 million (2,414.3), an increase of 11.6%.

According to LMC Automotive (LMC), production of light vehicles in Europe increased by 3.4% and production of heavy vehicles climbed by 6.4% in 2015 compared with 2014. Weighted for Bulten's exposure, this means that average growth in the sector was around 3.8% in 2015.

Earnings and profitability

The Group's gross profit was SEK 510.1 (454.6) million, corresponding to a gross margin of 18.9% (18.8).

Earnings before depreciation (EBITDA) were SEK 225.0 (179.8) million, corresponding to an EBITDA margin of 8.4% (7.4).

Earnings (EBIT) were SEK 165.0 (133.4) million, corresponding to an operating margin of 6.1% (5.5). Operating earnings were affected positively by two non-recurring items, capital gains of SEK 3.8 million from property sales relating to a former warehouse in the UK and SEK 4.0 million from the sale of machinery. Last year an insurance payment of SEK 11.2 million was received relating to damage caused to a machine by a fire. EBIT was affected negatively by currency changes amounting net to SEK -18.2 million (-13.1)

Key financial indicators

REMAINING BUSINESS	2015	2014	2013 1)	2012 1)
Net sales	2,693.5	2,414.3	1,805.9	1,711.9
EBITDA margin, %	8.4	7.4	8.4	6.7
EBIT margin (operating margin), %	6.1	5.5	6.0	4.3
Adjusted EBIT margin (operating margin), % *	5.8	5.1	6.0	4.3
Capital turnover, times	1.9	1.7	1.3	1.3
Return on capital employed. %	11.5	9.6	8.1	5.7
Return on equity. %	9.4	15.0	8.3	4.2
Net debt/equity ratio, times	-0.1	0.1	-0.2	-0.2
Interest coverage ratio, times	14.4	8.7	15.4	10.2
Equity/assets ratio, %	64.0	67.5	52.7	54.9
Average no. of employees	1,199	1,175	948	902

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

when converting operating capital on the closing date. Adjusted for non-recurring items, the operating margin was SEK 5.8% (5.1). Net financial items in the Group were SEK -11.3 million (-14.9). Financial income was SEK 0.1 million (0,5), of which SEK 0.1 million (0.5) were other financial items. Financial costs were SEK -11.4 million (-15.4) and comprise interest costs amounting to SEK -5.0 million (-7.7), exchange differences of SEK -2.5 million (-4.9) and other financial costs of SEK -3.9 million (-2.8).

The Group's earnings before tax were SEK 153.7 million (118.5) and earnings after tax were SEK 110.9 million (84.4).

Cash flow, working capital, investments and financial position

Cash flow from operating activities before changes in working capital totalled SEK 186.8 (136.7) million, which equates to 6.9% (5.7) of net sales. Cash flow effects of the change in working capital amounted to SEK -45.5 (-196.5) million. Inventories increased during the year by SEK 46.4 (25.4) million, while operating receivables decreased by SEK -26.9 (-11.1) million.

During the first quarter of the year around SEK 65 million was contributed to the joint venture, BBB Services Ltd, in order to finance build-up of the company's working capital and settle outstanding debts to the Group. Refinancing has meant that the Group's cash flow from changes in working capital had a positive effect of SEK 65 million and that cash flow from investing activities was negatively affected by a corresponding amount.

Accounts receivable during the past year averaged SEK 482.1 (524.9) million, which equates to 20.0% (21.7) of net sales. Average inventories amounted to SEK 449.0 (476.2) million, corresponding to an inventory turnover of 4.4 (4.1) times.

Investments in intangible and tangible fixed assets amounted to SEK 250.3 million (113.2). Investments in tangible fixed assets amounted to SEK 249.2 million (112.8) and investments in intangible fixed assets amounted to SEK 1.1 million (0.4). Depreciation was SEK -60.0 (-46.4). At the end of the year the industrial and office property in which Bulten has operations in Hallstahammar, Sweden, was acquired. The total purchase amount was SEK 116.3 million. The Group has signed a rental contract for property housing the new logistics centre in Poland. This rental contract runs for 15 years and is classed as a financial leasing agreement, which meant that the Group's net loan debt increased by SEK 36.7 million.

Consolidated cash and cash equivalents were SEK 40.5 (255.5) million at year-end. In addition, the Group had approved but unutilised overdraft facilities of SEK 286.6 (315.5) million, which means that disposable cash and cash equivalents were SEK 327.3 (571.0) million. Disposable cash and cash equivalents therefore were about 12.2% (23.7) of net sales.

Consolidated total assets at year-end were SEK 1,944.5 (1,884.9) million. Equity in the Group was SEK 1,245.2 (1,272.7) million at the end of the financial year. In addition to net income for the year of SEK 110.9 (169.0) million, translation differences totalling SEK -21.5 (28.0) million and transactions with shareholders totalling SEK -117.8 (-26.3) million have had an impact on equity.

On the closing date net debt (-)/net cash (+) was SEK -176.0 (137.3) million.

The equity/assets ratio was 64.0% (67.5). Group goodwill at the end of the financial year was SEK 201.3 (202.1) million, or 10.4% (10.7) 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, sustainable 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 2015, 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 cold work 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.

Manufacturing units outside Sweden adapt their operations, apply for the necessary permits and report to the authorities as required by local legislation.

Bulten has a stated strategy for reducing the environmental impact of, among other areas, its process water, energy consumption, transport, chemicals and waste.

DIVESTED BUSINESS

As of 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 remaining business.

Earnings after tax

In 2015 the profit after tax for divested business was SEK - million (84.6).

Cash flow

For the January-December period, cash flow for divested business was SEK -2.5 million (411.2). Cash flow for the comparable year includes cash flow effects from the sale of Finnveden Metal Structures.

PARENT COMPANY

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

The equity/assets ratio was 70.4% (72.5). Equity was SEK 1,100.8 (1,140.2) million.

Disposable cash and cash equivalents in the parent company totalled SEK 1.1 (0.6) million. The company had 8 employees on the closing date.

Total number of shares

The total number of shares is 21,040,207. During the year 680,500 shares were bought back. As of 31 December 2015 the total weighted number of ordinary shares was 20,829,451. The total number of outstanding shares as of 31 December 2015 was 20,359,707.

Share buy-back

The company has utilised its mandate from the 2015 Annual General Meeting to buy back shares. In Q3 the company bought back 427,500 shares for SEK 33.7 million, and in Q4 253,000 shares for SEK 21.0 million. In total, 680,500 shares were bought for a total sum of SEK 54.7 million, or 3.2% of the total number of shares. The purpose of buy-backs is to optimise the company's capital structure and create additional value for shareholders.

A

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, the committee board established, 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 9 minuted meetings during the year and one additional strategy meeting.

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

Guidelines for remuneration to senior management

The 2015 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 2016 AGM the Board is proposing to maintain in principle the same guidelines adopted at the 2015 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 85-92.

Significant events after the end of the financial year

Bulten signed a full-service contract with a new customer in the Chinese auto industry for an annual value of around SEK 60 million. No other significant events took place after the end of the year.

Outlook for 2016

Of Bulten's net sales in 2015, around 86% is attributable to light vehicles and 14% to commercial vehicles, with 89% 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. The management team estimates that Bulten's market share in 2015 was around 17% of the European market for fasteners for the auto sector, an increase of 3 percentage points compared with 2014.

On the corresponding market for FSP business, Bulten's market share is estimated to have increased to 60%, up 4 percentage points on 2014. This estimate is based on data about the European auto industry's purchasing of fasteners in 2015 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 2.3% in 2015 compared with 2014, while annual production of commercial vehicles will have risen by 2.7%. Weighted for Bulten's business exposure, this means a rise of around 2.4%.

Bulten considers that automaker 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	-142 314 389
	990 635 650

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

Board proposal for dividend (SEK 3.25 per share)	63,169,048
To be carried forward to new account	924 466 602
Total	990 635 650

It is proposed that 28 April 2016 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 3 May 2016.

As of 31 December 2015 there are a total 21,040,207 shares in the company, of which 680,500 shares are held by the company. The dividend amount of SEK 66,169,047.75 shall therefore be divided among the 20,359,707 shares that are entitled to receive the dividend.

Statement of the Board concerning the proposed dividend

The equity/assets ratio on 31 December 2015 was 70.4% for the parent company and 64.0% 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 66,169,048 means that the parent company's equity/assets ratio will fall to around 69.1% and the Group's equity/assets ratio will fall to around 62.8%.

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. The Board's statement in accordance with chapter 18, section 4, of the Swedish companies act has been published in a separate document.

CONSOLIDATED INCOME STATEMENT

B

SEK M	NOTE	2015	2014
REMAINING BUSINESS			
Net sales	5	2,693.5	2,414.3
Cost of goods sold	6	-2,183.4	-1,959.7
Gross profit		**510.1**	**454.6**
Other operating income	10	32.5	55.8
Selling expenses	6	-191.6	-180.4
Administrative expenses	6	-166.5	-182.2
Other operating expenses	10	-19.7	-14.1
Share of profit in joint venture	33	0.2	-0.3
Operating profit	7, 8, 9 ,11	**165.0**	**133.4**
Financial income	12	0.1	0.5
Financial expenses	12	-11.4	-15.4
Earnings before tax		**153.7**	**118.5**
Tax on year's earnings	14	-42.8	-34.1
Earnings after tax for remaining business		**110.9**	**84.4**
DIVESTED BUSINESS			
Earnings after tax for divested business	39	–	84.6
Earnings after tax including divested business		**110.9**	**169.0**
Attributable to			
Parent company shareholders		116.8	175.6
Minority interests		-5.9	-6.6
		110.9	**169.0**
Earnings per share attributable to parent company shareholders			
Earnings per share, remaining business, SEK [1]		5.61	4.32
Earnings per share, divested business, SEK [1]		–	4.02
Earnings per share, Group total, SEK [1]	15	**5.61**	**8.34**
Earnings per share, remaining business, adjusted for non-recurring items, SEK [1]	38	5.30	3.91

[1] Both before and after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	NOTE	2015	2014
Income for the year		110.9	169.0
Other comprehensive income			
Items not to be returned in income statement			
Re-assessment of defined-benefit pension plans, net after tax		0.9	-1.5
Items to be returned in income statement at a later date			
Exchange rate differences		-21.3	28.8
Other comprehensive income attributable to joint venture	33	-0.2	-0.8
Total other comprehensive income		**-20.6**	**26.5**
Total comprehensive income for the year		**90.3**	**195.5**
Attributable to			
Parent company shareholders		98.5	206.3
Minority interests	26	-8.2	-10.8
Total comprehensive income for the year		**90.3**	**195.5**
Attributable to			
Remaining business		90.3	111.1
Divested business		–	84.4
Total comprehensive income for the year		**90.3**	**195.5**

CONSOLIDATED BALANCE SHEET

B

SEK M	NOTE	31-12-2015	31-12-2014
ASSETS			
Fixed assets			
Intangible fixed assets			
Goodwill	16	201.3	202.1
Other intangible fixed assets	16	1.6	0.8
Total intangible fixed assets		**202.9**	**202.9**
Tangible fixed assets			
Land and buildings	17	187.7	35.7
Plant and machinery	17	258.1	231.2
Equipment, tools, fixtures and fittings	17	46.0	40.9
Construction in progress and advances for tangible fixed assets	17	55.7	20.6
Total tangible fixed assets		**547.5**	**328.4**
Financial assets			
Receivables from joint venture	33	56.5	–
Other long-term receivables	18, 23	4.7	5.2
Total financial assets		**61.2**	**5.2**
Deferred tax receivables	14	65.7	86.4
Total fixed assets		**877.3**	**622.9**
Current assets			
Inventories	19	472.2	425.8
Current receivables			
Accounts receivable	20, 23	478.0	486.2
Current tax receivables		4.4	4.1
Other receivables	21	42.0	41.5
Prepaid costs and accrued income	22	30.1	48.9
Total current receivables		**554.5**	**580.7**
Cash and cash equivalents	23, 35	40.5	255.5
Total current assets		**1,067.2**	**1,262.0**
Total assets		**1,944.5**	**1,884.9**

SEK M	NOTE	31-12-2015	31-12-2014
EQUITY AND LIABILITIES			
Equity			
Share capital	24	10.5	10.5
Additional contributed capital	24	1,262.9	1,262.9
Other reserves	25	-10.6	7.7
Retained earnings		-29.3	-28.3
Equity attributable to parent company shareholders		**1,233.5**	**1,252.8**
Minority interests	26	11.7	19.9
Total equity		**1,245.2**	**1,272.7**
Liabilities			
Non-current liabilities			
Provisions for pensions and similar commitments	27	20.0	21.1
Other interest-bearing liabilities	23, 28	147.7	98.6
Total non-current liabilities		**167.7**	**119.7**
Current liabilities			
Other interest-bearing liabilities	23, 28	53.5	2.2
Accounts payable	23	316.7	326.0
Current tax liabilities		6.9	9.0
Other liabilities		55.3	46.0
Accrued expenses and deferred income	30	98.5	101.1
Other provisions	31	0.7	8.2
Total current liabilities		**531.6**	**492.5**
Total equity and liabilities		**1,944.5**	**1,884.9**

Pledged assets	29	1,260.8	1,404.1
Contingent liabilities	32	47.2	49.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK M	NOTE	ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS SHARE CAPITAL	ADDITIONAL CONTRIBUTED CAPITAL	OTHER RESERVES	RETAINED EARNINGS	TOTAL	MINORITY INTEREST	TOTAL EQUITY
Opening balance, 1 January 2014		10.5	1,262.9	-23.0	-161.8	1,088.6	14.9	1,103.5
Comprehensive income								
Profit/loss for the year		–	–	–	175.6	175.6	-6.6	169.0
Other comprehensive income								
Items not to be returned in income statement								
Re-assessment 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**
Comprehensive income								
Profit/loss for the year		–	–	–	116.8	116.8	-5.9	110.9
Other comprehensive income								
Items not to be returned in income statement								
Re-assessment of defined-benefit pension plans, net after tax 2)		–	–	0.9	–	0.9	–	0.9
Items to be returned in income statement at a later date								
Exchange rate differences		–	–	-19.0	–	-19.0	-2.3	-21.3
Other comprehensive income attributable to joint venture	33	–	–	-0.2	–	-0.2	–	-0.2
Total comprehensive income		**–**	**–**	**-18.3**	**116.8**	**98.5**	**-8.2**	**90.3**
Transactions with shareholders								
Share buy backs	24	–	–	–	-54.7	-54.7	–	-54.7
Dividend to parent company shareholders (SEK 3.00 per share)		–	–	–	-63.1	-63.1	–	-63.1
Total transactions with shareholders		**–**	**–**	**–**	**-117.8**	**-117.8**	**–**	**-117.8**
Closing balance, 31 December 2015		**10.5**	**1,262.9**	**-10.6**	**-29.3**	**1,233.5**	**11.7**	**1,245.2**

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

CONSOLIDATED CASH FLOW STATEMENT

SEK M	NOTE	2015	2014
REMAINING BUSINESS			
Operating activities			
Earnings after financial items		153.7	118.5
Adjustments for items not included in cash flow	35	54.7	43.8
Taxes paid		-21.6	-25.6
Cash flow from operating activities before changes in working capital		**186.8**	**136.7**
Cash flow from changes in working capital			
Increase(–)/Decrease(+) in inventories		-48.1	-78.7
Increase(–)/Decrease(+) in operating receivables		22.1	-154.8
Increase(+)/Decrease(–) in operating liabilities		-19.5	37.0
Cash flow from operating activities		**141.3**	**-59.8**
Investing activities			
Acquisition of intangible fixed assets		-1.1	-0.4
Acquisition of tangible fixed assets	35	-249.2	-112.8
Divestment of tangible fixed assets		9.1	0.4
Change in financial assets		-65.7	-19.2
Cash flow from investing activities		**-306.9**	**-132.0**
Financing activities			
Loans assumed		59.9	44.9
Amortisation of borrowings		–	-40.0
Change in overdraft facilities and other financial liabilities		13.9	-33.4
Share buy backs		-54.7	–
Dividend to parent company shareholders		-63.1	-42.1
Cash flow from financing activities		**-44.0**	**-70.6**
Cash flow from remaining business		**-209.6**	**-262.4**
DIVESTED BUSINESS			
Cash flow from current activities		-2.5	25.9
Cash flow from investing activities		–	389.1
Cash flow from financing activities		–	-3.8
Cash flow for the year from divested business		**-2.5**	**411.2**
Cash flow for the year		**-212.1**	**148.8**
Change of cash and cash equivalents		**-212.1**	**148.8**
Cash and cash equivalents at start of financial year		255.5	100.6
Exchange rate difference in cash and cash equivalents		-2.9	6.1
Cash and cash equivalents at year end	35	**40.5**	**255.5**

CONSOLIDATED NET DEBT/NET CASH COMPOSITION

SEK M	NOTE	31-12-2015	31-12-2014
Long-term interest-bearing liabilities		-147.7	-98.6
Provisions for pensions		-20.0	-21.1
Current interest-bearing liabilities		-53.5	-2.2
Financial interest-bearing receivables		4.7	3.7
Cash and cash equivalents		40.5	255.5
Net debt (-) / net cash (+)	28	**-176.0**	**137.3**
Less interest-bearing liabilities attributable to financial leasing agreements		38.3	2.3
Adjusted net debt (-) / net cash (+)		**-137.7**	**139.6**

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, 400 93 Göteborg, Sweden.

These consolidated financial statements were approved by the Board on 23 March 2016 for publication and will be presented to the annual general meeting of shareholders on 26 April 2016.

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	Group reporting	IFRS 3
Segment	4	Segment reporting	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 costs	12	Financial income and costs	IAS 39
Incomes taxes	14	Tax on profit 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 allocations	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	39	Divested business	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
Assessment of deficit deduction	14	Tax on profit for the year
Impairment of goodwill	16	Intangible fixed assets
Inventory obsolescence	19	Inventories
Transfer of accounts receivable	20	Accounts receivable
Legal risks, compensation demands	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.

Standards, amendments and interpretations of existing standards that came into effect in 2015

During the year, no standards, amendments or interpretations of existing standards came into effect that had a material impact on the Group's 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.

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 RATE		CLOSING RATE	
	2015	2014	2015	2014
CNY	1.34	1.11	1.29	1.26
EUR	9.36	9.10	9.14	9.52
GBP	12.90	11.29	12.38	12.14
PLN	2.24	2.17	2.15	2.21
RUB	0.14	0.18	0.11	0.14
USD	8.44	6.86	8.35	7.81

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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 2015 and they have not been applied in preparing this financial report. These new standards and interpretations are expected to affect the Group's financial statements in the following ways:

- IFRS 9 "Financial Instruments" covers the classification, measurement and recognition of financial assets and liabilities and introduces new rules for hedge accounting. 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 and introduces a new impairment model. The standard is effective for fiscal years beginning 1 January 2018 or later. The Group does not expect this to have any significant impact on classification, measurement or recognition of the Group's financial assets and liabilities.

- 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 2018. Earlier application is permitted. The Group has not yet assessed the impact of the introduction of the standard.

- IFRS 16 "Leases". In January 2016 the IASB published a new leasing standard that will replace IAS 17 Leases and related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities relating to all leases, with some exceptions, are recognized in the balance sheet. This recognition is based on the view that the lease holder has a right to use an asset for a specific period of time while at the same time having an obligation to pay for that right. Recognition for the lease holder will essentially be unchanged. The standard is applicable to fiscal years beginning 1 January 2019 or later. Early application is permitted provided that IFRS 15 "Revenue from contracts with customers" is also applied. The EU has not yet adopted the standard.

  The Group is the lease holder in operating leases that are expected to be affected by IFRS 16 such that these agreements shall be recognized in the balance sheet through assets and liabilities and in the income statement through depreciation of assets and interest expenses for the lease liabilities. Under the current IAS 17, lease payments are capitalised over the lease term. The Group has not yet evaluated the full effect on the Group's financial position.

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 SEK had weakened/strengthened by 10% against the EUR with all other variables constant, the change in gross profit would be around SEK 61 (64) million. A 10% change in the exchange rate for PLN would have affected gross profits by SEK -13 (-12) million. A 10% change in GBP would have had an SEK -17 (-16) million effect and for RUB around SEK -1 (-1) million. Given current exposure the net effect would have been a net improvement of SEK 23 (35) million if SEK had changed in value by 10% against EUR, PLN, GBP and RUB. The corresponding effect on equity would have been SEK 61 (69) million.

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

	2015			2014		
CURRENCY*	INCOME	COSTS	OPERATING PROFIT/ LOSS	INCOME	COSTS	OPERATING PROFIT/ LOSS
SEK	255	-441	-186	252	-506	-254
EUR	2,167	-1,557	610	1,988	-1,351	637
PLN	18	-151	-133	19	-136	-117
GBP	83	-253	-170	53	-209	-156
RUB	28	-36	-8	10	-20	-10
Other currencies	**142**	-90	52	92	-59	33
Summa	**2,693**	**-2,528**	**165**	**2,414**	**-2,281**	**133**

* Expressed in SEK million.

The Group regularly assesses the functional currencies used by foreign operations. Partly as a result of a number of newly acquired customer contracts having sales prices denominated in EUR, management has determined that the functional currency of the joint venture company BBB Services Ltd and the subsidiary Bulten Ltd, UK is EUR rather than GBP as previously. The functional currency will be changed prospectively from December 2015 for BBB Services Ltd., and from January 2016 for Bulten Ltd, UK. The change in functional currency is expected to reduce the transaction-related currency exposure between GBP and EUR significantly. In 2015, the Group's foreign exchange losses attributable to the translation of operating assets and liabilities in EUR to GBP amounted to around SEK -22.3 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

	2015			2014		
CURRENCY*	INTEREST-BEARING LIABILITIES[1]	ACCOUNTS PAYABLE	TOTAL	INTEREST-BEARING LIABILITIES[1]	ACCOUNTS PAYABLE	TOTAL
SEK	50.0	40.4	90.4	–	43.2	43.2
EUR	82.7	206.1	288.8	23.3	213.3	236.6
GBP	30.4	39.5	69.9	75.7	33.7	109.4
PLN	35.3	14.8	50.1	0.3	21.9	22.2
RUB	–	3.0	3.0	–	7.2	7.2
USD	–	7.8	7.8	–	4.0	4.0
CNY	–	5.0	5.0	–	2.7	2.7
Total	**198.4**	**316.6**	**515.0**	**99.3**	**326.0**	**425.3**

* Expressed in SEK million.
1) Excluding pensions and similar commitments.

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 three levels in the Group; at a local level in the Group's operating companies, at a division level and at Group level.

During 2015 the company signed a new financing agreement establishing a total credit of SEK 460 million covering a period of 3+1 years and running initially up to and including June 2018. The new financing agreement does not include any substantial changes compared to the previous agreement, but its structure is better adapted to the business.

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 2015 transferred accounts receivable were SEK 50.8 (54.2) million. The total capacity of the agreement covering purchases of accounts receivables is SEK 68 (68) million.

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At the end of 2015, the available liquidity reserve for the Group was SEK 332.0 (574.7) million, which corresponds to 12.3% (23.8) 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.

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AS OF 31 DECEMBER 2015 (INCLUDING INTEREST PAYMENTS)	LESS THAN 1 YEAR	1-5 YEARS	MORE THAN 5 YEARS
Bank loans and overdrafts	50.2	113.6	–
Accounts payable and other liabilities	478.1	–	–
Liabilities for financial leases	4.6	16.7	38.3
Total	**532.9**	**130.3**	38.3

AS OF 31 DECEMBER 2014 (INCLUDING INTEREST PAYMENTS)	LESS THAN 1 YEAR	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	1.6	–
Total	**491.0**	**111.8**	–

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 2015 and 2014 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 2015 and 20143 Group borrowing with variable interest was in SEK, EUR and GBP. If the interest rates on borrowing in Swedish kronor in 2015 were 1% higher/lower with all other variables constant, after-tax earnings for the financial year would have been SEK 1.7 (2.0) 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. In Q2 2015 the company signed a new financing agreement establishing a total credit of SEK 460 million covering a period of 3+1 years and running initially up to and including June 2018. 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 2015, average capital employed was SEK 1,430.5 (1,395.0) million. Return, defined as earnings after financial items plus financial costs, on average capital employed was 11.5% in 2015 and 9.6% in 2014.

The consolidated equity/assets ratio was 64.0 (67.5)%, compared with the target of 45%. The target for net debt in relation to EBITDA shall be under 3. The outcome for 2015 was 0.8 (-0.8). The target for EBITDA in relation to net financial items is above 3. The outcome for 2015 was 19.9 (12.1).

EQUITY/ASSETS RATIO	2015	2014
Equity	1,245.2	1,272.7
Balance sheet total	1,944.5	1,884.9
Equity/assets ratio, %	**64.0**	**67.5**

The net debt/equity ratio at 31 December 2015 and 2014 was as follows:

DEBT/EQUITY RATIO	2015	2014
Total borrowings	-201.2	-100.8
Provisions for pensions	-20.0	-21.1
Minus: interest-bearing assets	4.7	3.7
Minus: cash and cash equivalents	40.5	255.5
Net debt (-)/net cash(+)	**-176.0**	**137.3**
Total equity	1,245.2	1,272.7
Net debt/equity ratio	0.1	0.1

The net debt/equity ratio is calculated as net debt/net cash divided by equity including minority interests. Net debt/net cash 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.

Average interest on borrowing liabilities excluding shareholder loan and preference shares amounted to 2.9% (3.7%).

SUSTAINABILITY RISKS

Bulten operates in an industry that both directly and indirectly has an impact in the following areas that Bulten has identified as important for sustainable business; environment, social responsibility and corporate governance.

Environment

Within the framework of Bulten's operations both renewable and non-renewable natural resources are used, which could have a negative impact on the environment for the future. Resources such as fossil fuels, coal and metals are considered to be finite, whereas metals can be recycled. Examples of renewable resources are water, wind and solar energy.

Active environmental work is conducted by all Group units to ensure that operations are conducted with as little environmental impact as practicable while being economically viable. Processes are in place to ensure that renewable resources such as water and air will not be adversely affected by, for example, hazardous emissions due to inadequate treatment equipment. The main consumption of resources impacting on the environment occurs in the field of energy, where the Group strives to use renewable energy, perform recycling and implement energy-efficient production processes. To minimize the use of fossil fuels, a central logistics team works to ensure efficient logistics and transport.

Social responsibility

Bulten operates in a global market alongside various interest groups for whom the interests of public health, welfare and general rights are fundamental values. If imbalances occur in these areas, there is a risk of unrest and conflict, both for the individual and for society at large.

Bulten's ambition is to respond to all stakeholders with respect and good ethics. The Group complies with the UN Global Compact in areas such as human rights, employment rights and anti-corruption. All employees should know and follow the code of conduct. Bulten also urges its suppliers, consultants and other business partners to apply the principles. All employees and board members of Bulten have an individual responsibility to report conflict of interest, crime or breaches of this code of conduct.

Corporate governance

Risks exist when activities directly or indirectly fail to comply with applicable laws, rules, policies and society's accepted norms. Bulten conducts its business in a responsible and efficient manner, with high business ethics, good risk management and a sound corporate culture. Governance guidelines and policies are the basis for a sustainable and long-term business, where the Group's code of conduct provides guidance for all decisions made in the business.

BUSINESS CYCLE AND EXTERNAL RISKS

Market and macroeconomic risks

Bulten operates in cyclical markets where customers are affected by macroeconomic factors and political decisions. Demand for the Group's products is dependent on demand for transport of goods and passengers, 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. 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 85-92, 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.

OPERATIONAL RISKS

Organization and competence procurement

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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. No significant claim for damages concerning product liability or recall has occurred. 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.

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 such as property damage.

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 27 (24) million.
- Development of raw material prices affects Bulten's earnings. A change of 1% to raw material prices, affects earnings by about SEK 16 (15) million, however Bulten, and other actors in this sector, can pass higher raw material costs onto its customers to compensate for higher costs.
- Payroll costs comprise a major share of Group expenses. An increase of 1% affects earnings by approximately SEK 4 (4) million.
- A one percentage point change in interest rates on the closing net debt which is attributable to variable interest rates affects earnings by about SEK - (-) million. None of the net debt(-)/net cash(+) of SEK -176.0 (137.3) million has fixed rates of interest.
- For a description of Bulten's exposure against changes in currencies, see "Exchange risks" on page 47.

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 Divested business, see note 39.

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 reportable 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	2015	2014
Sweden	869.7	840.8
Germany	661.3	584.2
UK	1,047.9	910.1
Poland	37.7	39.9
Other countries	76.9	39.3
Total income	**2,693.5**	**2,414.3**

The Group's customers
The Group's customers are almost exclusively based in the automotive industry. The Group has four external customers, each of which generate revenues greater than 10% of total Group sales. Sales to these customers amounted to SEK 949 (881) million, SEK 479 (306) million, SEK 387 (403) million and SEK 289 (258) million, which together constitutes 78.1% (76.6) of sales. Customer agreements cover a wide range of products with various periods of validity and counter 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	2015	2014
Changes in inventories, costs for sold goods	-1,874.2	-1,693.7
Costs for remuneration to employees and directors (note 7)	-448.3	-413.1
Depreciation (note 9	-60.0	-46.4
Costs for operational leasing (note 11)	-64.7	-57.5
Other costs	-94.2	-111.6
Total costs for sold goods, sales and administration	**-2,541.4**	**-2,322.3**

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

NO. OF EMPLOYEES	NO. OF PEOPLE 2015	NO. OF PEOPLE 2014	MEN AS PERCENTAGE 2015	MEN AS PERCENTAGE 2014
Parent company	8	7	38	43
Subsidiaries				
Sweden	312	309	78	77
Germany	190	174	81	79
Poland	447	414	76	73
UK	81	83	69	70
China	60	62	63	61
Russia	101	126	66	66
Total, subsidiaries	1,191	1,168	75	74
Remaining business	**1,199**	**1,175**	**75**	**73**
Divested business	–	845	–	76
Group total	**1,199**	**2,020**	**75**	**74**

GENDER DISTRIBUTION IN SENIOR POSITIONS	NO. OF PEOPLE 2015	NO. OF PEOPLE 2014	WOMEN AS PERCENTAGE 2015	WOMEN AS PERCENTAGE 2014
Board *)	9	9	11	11
Executive management	7	7	29	29

*) Including deputies

SALARIES, OTHER REMUNERATION AND SOCIAL COSTS	SALARIES AND REMUNERATION 2015	SALARIES AND REMUNERATION 2014	SOCIAL COSTS 2015	SOCIAL COSTS 2014
Parent company	11.4	13.3	6.5	6.3
(of which pension costs)	–	–	2.3	2.7
Subsidiaries	335.2	302.0	95.2	91.5
(of which pension costs)	–	–	15.1	13.7
Remaining business	**346.6**	**315.3**	**101.7**	**97.8**
(of which pension costs)	–	–	17.4	16.3
Divested business	–	**131.2**	–	**49.6**
(of which pension costs)	–	–	–	10.3
Group total	**346.6**	**446.5**	**101.7**	**147.4**
(of which pension costs)	–	–	17.4	26.6

SALARIES, OTHER REMUNERATION DIVIDED PER COUNTRY AND AMONG SENIOR MANAGERS AND OTHER EMPLOYEES	SENIOR MANAGERS[1] 2015	SENIOR MANAGERS[1] 2014	OTHER EMPLOYEES 2015	OTHER EMPLOYEES 2014
Parent company in Sweden	7,8	6,5	3,6	6,8
(of which, bonus)	0,8	0,9	0,2	1,1
Subsidiaries in Sweden	2,4	3,9	123,3	120,2
(of which, bonus)	0,3	0,4	1,7	2,7
Subsidiaries overseas				
Countries within EU	8,2	6,1	181,5	160,0
(of which, bonus)	0,6	1,0	1,3	0,8
Other countries	3,6	2,1	16,1	9,7
(of which, bonus)	0,8	–	0,1	–
Remaining business	**22,0**	**18,6**	**324,6**	**296,7**
(of which, bonus)	2,5	2,3	3,3	4,6
Divested business	–	**10,6**	–	**120,5**
(of which, bonus)	–	5,2	–	4,5
Group total	**22,0**	**29,2**	**324,6**	**417,2**
(of which, bonus)	2,5	7,5	3,3	9,1

Pension costs for the Board and President are SEK 4.5 (3.6) 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 2.4 (2.9) million, which was distributed in accordance with the AGM decision. The Chairman of the Board received remuneration of SEK 0.5 (0.7) 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 and other senior executives, remuneration is proposed by the remuneration committee and adopted by the Board. 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 2.6 (1.3) million in remuneration for the year. In 2014 remuneration including severance pay of SEK 4.9 million was paid to the former President. Other senior executives during the year received base salary of SEK 7.8 (5.7) million.

For 2015, the current President earned a variable remuneration of SEK 0.5 (0.4) million. In 2014 the former President received variable remuneration of SEK 6.5 million. Other senior executives earned a variable remuneration of SEK 0.9 (1.9) million.

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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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	2015				2014			
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								
Ulf Liljedahl (from 29/4/2015)	0.5	–	–	–	–	–	–	–
Roger Holtback (up to 29/4/2015)	–	–	–	–	0.7	–	–	–
Ann-Sofie Danielsson (from 29/4/2014)	0.4	–	–	–	0.4	–	–	–
Hans Gustavsson	0.3	–	–	–	0.4	–	–	–
Hans Peter Havdal	0.3	–	–	–	0.4	–	–	–
Peter Karlsten (from 29/4/2015)	0.3	–	–	–	–	–	–	–
Arne Karlsson (up to 29/4/2015)	–	–	–	–	0.4	–	–	–
Gustav Linder (from 29/4/2015)	0.3	–	–	–	–	–	–	–
Adam Samuelsson (up to 29/4/2015)	–	–	–	–	0.4	–	–	–
Johan Lundsgård	0.3	–	–	–	0.4	–	–	–
Senior executives								
CEO Johan Westman (to 30/6/2014) [2]	–	–	–	–	4.9	6.5	0.1	0.9
CEO Tommy Andersson (from 1/7/2014) [3]	2.6	0.5	0.1	1.0	1.3	0.4	0.1	0.4
Other senior executives, 6 (6)	7.8	0.9	0.5	1.9	5.7	1.9	0.4	1.7

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 was included in remuneration for other senior executives.

Until 30 June 2014 the senior management group consisted of three people; President 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 amended to include, in addition to the President, six people (two previously). The table above includes remuneration to the former CEO until 30 June 2014. Remuneration to the current President 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'.

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NOTE 8 FEES AND REIMBURSEMENT TO AUDITORS

PRICEWATERHOUSECOOPERS	2015	2014
Audit	2.7	2.7
Other auditing assignments	0.2	0.2
Tax advice	0.9	1.4
Other services	0.7	0.3
Remaining business	**4.5**	**4.6**
Divested business – total	–	1.0
Total	**4.5**	**5.6**

'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	2015	2014
Intangible assets	-0,2	-0,2
Buildings	-3,9	-1,9
Plant and machinery	-46,3	-36,4
Equipment, tools, fixtures and fittings	-9,6	-7,9
Total depreciation	**-60,0**	**-46,4**

DEPRECIATION ACCORDING TO PLAN BY FUNCTION	2015	2014
Cost of goods sold	-52.2	-40.8
Selling expenses	-3.9	-2.8
Administration expenses	-3.9	-2.8
Total depreciation	**-60.0**	**-46.4**

Assets are primarily machinery and other equipment.

NOTE 10 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME	2015	2014
Profit from sale of fixed asset	8.0	0.9
Income from administrative services	21.9	34.8
Insurance payments [1]	0.1	13.7
Other operating income	2.5	6.4
Total other operating income	**32.5**	**55.8**

1) Last year includes non-recurring items concerning insurance payment for damages caused by fire amounting to SEK 11.2 million.

OTHER OPERATING EXPENSES	2015	2014
Loss from sale of fixed asset	-0.3	-0.3
Exchange losses on receivables/liabilities relating to operations	-18.2	-13.1
Other operating expenses	-1.2	-0.7
Total other operating expenses	**-19.7**	**-14.1**

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 divested business is applicable.

NOTE 11 LEASING

Operating leases mostly comprise rental agreements for industrial premises in Germany and Poland, and to a lesser extent -vehicles and machinery. The rental agreements for industrial premises cover a remaining rental period of around 6 years, with a right to extend the agreement for 5 years with unchanged conditions.

OPERATIONAL LEASING	2015	2014
Assets held via operating leases		
Minimum lease fees	65.3	58.1
Variable lease fees paid	–	–
Income from hired-out leases	-0.6	-0.6
Total lease fees for the year	**64.7**	**57.5**
Contractual future minimum lease fees with respect to irrevocable contracts due for payment:		
Within 1 year	48.1	60.8
1-5 years	149.5	190.9
Later than 5 years	39.7	85.7

Financial leasing contracts refer to production equipment, reported at the following amounts among tangible fixed assets. In 2015 the Group signed a new rental contract concerning property for the new logistics centre in Poland. The contract runs for 15 years and is classed as a financial leasing agreement, which meant that the Group's net debt increased by SEK 36.7 million.

	ACQUISITION VALUE		ACCUMULATED DEPRECIATION	
FINANCIAL LEASING	31-12-2015	31-12-2014	31-12-2015	31-12-2014
Buildings	37.1	–	-0.6	–
Machinery and plant	32.1	40.7	-26.5	-32.2
Inventory, tools and installations	3.7	1.6	-1.0	-1.1
Total financial leasing contracts	**72.9**	**42.3**	**-28.1**	**-33.3**

Contractual future minimum lease fees have following maturities:

	NOMINAL VALUE		CURRENT VALUE	
FINANCIAL LEASING	2015	2014	2014	2013
Within 1 years	4.6	0.7	4.3	0.7
1-5 years	16.7	1.6	13.7	1.5
Later than 5 years	38.2	–	20.3	–
Total future leasing fees	**59.5**	**2.3**	**38.3**	**2.2**

The present value of the future minimum lease payments are recognized as interest-bearing debt. The consolidated 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.

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	2015	2014
Interest income	–	0.1
Other	0.1	0.4
Total financial income	**0.1**	**0.5**

FINANCIAL EXPENSES	2015	2014
Interest expenses	-5.0	-7.7
Exchange rate differences on loan	-2.5	-4.9
Other	-3.9	-2.8
Total financial expenses	**-11.4**	**-15.4**

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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

	2015	2014
Exchange rate differences affecting operating earnings	-18.2	-13.1
Exchange rate differences on financial items	-2.5	-4.9
Total	**-20.7**	**-18.0**

NOTE 14 TAX ON INCOME FOR THE YEAR

REPORTED TAX	2015	2014
Current tax		
Current tax for the year	-22.4	-20.6
Current tax from previous year	–	0.1
Total current tax	**-22.4**	**-20.5**
Deferred tax expense (-)/tax income (+)		
Change in deferred tax	-20.4	-13.6
Total deferred tax	**-20.4**	**-13.6**
Total reported taxes	**-42.8**	**-34.1**

RECONCILIATION OF EFFECTIVE TAX	2015	2014
Earnings before tax	153.7	118.5
Tax according to applicable tax rate for parent company 22.0%	-33.8	-26.1
Tax effects of:		
Differences in tax rates for foreign subsidiaries	-2.3	-3.6
Non-taxable income	1.7	0.5
Non-deductible expenses	-3.1	-4.4
Deferred tax for previous years' non-reported other temporary differences	1.6	2.2
Tax losses for which no deferred tax is recognized	-3.4	-2.7
Impairment of deferred tax for loss carry-forwards	-3.6	–
Earnings from associated company reported after tax	0.1	-0.1
Adjustment of previous years' tax	–	0.1
Tax on income for the year according to income statement	**-42.8**	**-34.1**

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

DEFERRED TAX ASSETS AND LIABILITIES

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	31-12-2015	31-12-2014	31-12-2015	31-12-2014
Machinery and equipment	0.2	0.2	3.9	8.0
Inventories	2.8	2.5	–	–
Accounts receivable	0.5	0.3	–	–
Loss carry-forwards in Swedish companies	53.6	76.2	–	–
Loss carry-forwards in foreign companies	–	3.3	–	–
Pensions	12.4	11.8	–	–
Other	0.1	0.1	–	–
Netting of receivables/liabilities in same jurisdiction	-3.9	-8.0	-3.9	-8.0
TOTAL	**65.7**	**86.4**	–	–

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 2015, the accumulated tax losses in the Swedish company are SEK 244 (346) million. The Group has also calculated tax loss carry-forwards amounting to SEK 29.6 (16.9) million attributable to China and SEK 23.5 million attributable to Russia, for which deferred tax assets are not reported as of 31 December 2015, of which SEK 2.1 million falls due in 2016, SEK 11.9 million in 2017, SEK 1.5 million in 2018, SEK 14.1 million in 2020, SEK 13.5 million in 2025 and SEK 10.0 million in 2026.

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 2015, 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 2015 and, based on existing business plans, this is expected to continue in coming years.

As of 31 December 2015, the Group is reporting a deferred tax asset attributable to deficit deductions and other temporary fiscal differences amounting to SEK 65.8 (86.4) million, of which SEK 64.0 (82.7) million is attributable to Sweden.

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NOTE 15 EARNINGS PER SHARE

EARNINGS PER SHARE	2015	2014
Profit/loss for the year attributable to shareholders of Bulten AB (publ)	116.8	175.6
Weighted average number of outstanding shares [1]	20,829,451	21,040,207
Earnings per share, Remaining business, SEK [1]	5.61	4.32
Earnings per share, Divested business, SEK [1]	–	4.02
Earnings per share, SEK [1]	**5.61**	**8.34**

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

	31-12-2015			31-12-2014		
	GOODWILL	OTHER INTANGIBLE ASSETS[1]	TOTAL	GOODWILL	OTHER INTANGIBLE ASSETS[1]	TOTAL
Accumulated cost						
At start of the year	322.1	3.2	325.3	316.3	22.6	338.9
Acquisitions for the year	–	1.1	1.1	5.8	4.2	10.0
Divestments and disposals	–	–	–	–	-23.9	-23.9
Exchange rate differences for the year	-0.8	-0.1	-0.9	–	0.3	0.3
At year end	**321.3**	**4.2**	**325.5**	**322.1**	**3.2**	**325.3**
Accumulated depreciation according to plan						
At start of year	–	-2.4	-2.4	–	-3.0	-3.0
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
At year end	**–**	**-2.6**	**-2.6**	**–**	**-2.4**	**-2.4**
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	202.1	0.8	202.9	196.3	19.6	215.9
At end of year	**201.3**	**1.6**	**202.9**	**202.1**	**0.8**	**202.9**

1) Relates primarily to expenses for licences.

Impairment test for goodwill

Consolidated goodwill amounted to SEK 201.3 (202.1) 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 7.6% (8.8) before tax.

In both 2015 and 2014 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 201.3 (202.1) million at the end of 2015 and 2014, no impairment was identified.

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NOTE 17 TANGIBLE FIXED ASSETS

	31-12-2015					31-12-2014				
	LAND AND BUILDINGS	PLANT AND MACHINERY[1]	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS[1]	CONTRUCTION IN PROGRESS AND ADVANCES	TOTAL[1]	LAND AND BUILDINGS	PLANT AND MACHINERY[1]	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS[1]	CONTRUCTION IN PROGRESS AND ADVANCES	TOTAL[1]
Accumulated cost										
At start of the year	45.8	438.5	62.1	20.6	567.0	37.8	826.6	109.9	78.9	1 053.2
Acquisitions for the year	155.1	7.9	7.5	120.7	291.2	11.0	52.7	9.5	81.8	155.0
Reclassification during the year	1.6	75.5	8.3	-85.4	–	5.6	78.7	5.3	-132.1	-42.5
Divestments and disposals	-3.9	-9.7	-2.2	–	-15.8	-10.4	-536.0	-68.8	-12.2	-627.4
Exchange rate differences for the year	-1.1	-19.6	-3.0	-0.2	-23.9	1.8	16.5	6.2	4.2	28.7
At year end	**197.5**	**492.6**	**72.7**	**55.7**	**818.5**	**45.8**	**438.5**	**62.1**	**20.6**	**567.0**
Accumulated depreciation according to plan										
At start of year	-10.1	-163.3	-21.2	–	-194.6	-8.5	-475.2	-65.6	–	-549.3
Reclassification during the year	–	–	–	–	–	–	–	–	–	–
Divestments and disposals	3.9	8.5	2.0	–	14.4	1.5	376.9	57.4	–	435.8
Depreciation according to plan	-3.9	-46.3	-9.6	–	-59.8	-2.4	-51.3	-9.6	–	-63.3
Exchange rate differences for the year	0.3	10.6	2.1	–	13.0	-0.7	-13.7	-3.4	–	-17.8
At year end	**-9.8**	**-190.5**	**-26.7**	**–**	**-227.0**	**-10.1**	**-163.3**	**-21.2**	**–**	**-194.6**
Accumulated impairment										
At start of year	–	-44.0	–	–	-44.0	–	-58.4	-0.6	–	-59.0
Impairment for the year	–	–	–	–	–	–	–	–	–	–
Divestments and disposals	–	–	–	–	–	–	14.4	0.6	–	15.0
Exchange rate differences for the year	–	–	–	–	–	–	–	–	–	–
At year end	**–**	**-44.0**	**–**	**–**	**-44.0**	**–**	**-44.0**	**–**	**–**	**-44.0**
Reported value										
At start of the year	35.7	231.2	40.9	20.6	328.4	29.3	293.0	43.7	78.9	444.9
At end of year	**187.7**	**258.1**	**46.0**	**55.7**	**547.5**	**35.7**	**231.2**	**40.9**	**20.6**	**328.4**

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

TANGIBLE FIXED ASSETS PER COUNTRY

	31-12-2015	31-12-2014
Sweden	247.9	100.4
Germany	51.4	36.1
UK	13.2	12.7
Poland	173.3	105.2
China	19.0	16.9
Russia	42.7	57.1
Total tangible fixed assets	**547.5**	**328.4**

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	15–40 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	31-12-2015	31-12-2014
At start of year	5.2	23.1
Amortisation, outgoing receivables	-2.2	-0.5
Cancelled through business transfer	–	-20.5
Other receivables	2.5	3.0
Translation differences	-0.8	0.1
Reported value at year-end	**4.7**	**5.2**

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NOTE 19 INVENTORIES

	31-12-2015	31-12-2014
Raw materials and consumables	61.1	54.5
Production in progress	95.5	114.8
Completed products and tradable goods	315.6	256.5
Total inventories	**472.2**	**425.8**

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 472.2 (425.8) 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

	31-12-2015	31-12-2014
Accounts receivable	481.4	491.1
Less provision for doubtful accounts receivable	-3.4	-4.9
Total accounts receivable	**478.0**	**486.2**

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	31-12-2015	31-12-2014
SEK	30.3	30.5
EUR	378.7	387.5
USD	29.2	30.6
GBP	13.4	20.0
PLN	5.1	2.4
Other	21.3	15.2
Total accounts receivable	**478.0**	**486.2**

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 436.7 (429.6) million, of which 96 (98)% 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 2015, the accounts receivable were SEK 44.6 (61.5) 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	31-12-2015	31-12-2014
Less than 3 months	37.9	55.0
3-6 months	3.1	0.6
More than 6 months	3.6	5.9
Total, accounts receivable due	**44.6**	**61.5**

At 31 December 2015 the Group recognised accounts receivable where the impairment requirement was SEK -3.4 (-4.9) million, which corresponds to the reserve for doubtful accounts receivable. The age analysis of these is as follows:

AGE ANALYSIS, DOUBTFUL ACCOUNTS RECEIVABLE	31-12-2015	31-12-2014
Less than 3 months	-0.7	-3.1
3-6 months	-1.1	-0.8
More than 6 months	-1.6	-1.0
Total, doubtful accounts receivable due	**-3.4**	**-4.9**

Change in reserve for doubtful accounts receivable is as follows:

RESERVE FOR DOUBTFUL ACCOUNTS RECEIVABLE	31-12-2015	31-12-2014
At start of the year	-4.9	-4.8
Provision for doubtful receivables	-0.9	-0.4
Receivables written off during the year that are non-recoverable	1.8	–
Reversal of unused amounts	0.5	0.3
Årets valutakursdifferenser	0.1	–
At year-end	**-3.4**	**-4.9**

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 2015 the value of transferred accounts receivable was SEK 50.8 (54.2) million.

NOTE 21 OTHER RECEIVABLES

	31-12-2015	31-12-2014
Receivable attributable to VAT	37.5	36.7
Other receivables	4.5	4.8
Total other receivables	**42.0**	**41.5**

NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

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	31-12-2015	31-12-2014
Prepaid rents	4,5	8,8
Prepaid licences	2,8	0,6
Prepaid insurance	2,3	2,3
Other prepaid expenses	10,3	23,5
Accrued income	10,2	13,7
Total prepaid expenses and accrued income	**30,1**	**48,9**

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 2015 and 2014 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	31-12-2015	31-12-2014
Receivables from joint venture	56.5	–
Other long-term receivables	4.7	5.2
Accounts receivable	478.0	486.2
Liquid funds	40.5	255.5
Total loans and accounts receivable	**579.7**	**746.9**

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 debt.

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 2015 and 2014 the only financial liabilities held were those classified as Other financial liabilities, distributed among the following g items in the balance sheet.

OTHER FINANCIAL LIABILITIES	31-12-2015	31-12-2014
Other long-term interest-bearing liabilities	147.7	98.6
Other current interest-bearing liabilities	52.2	0.7
Accounts payable	316.7	326.0
Total other financial liabilities	**516.6**	**425.3**

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 2015 and 2015 the Group had no open derivative contracts.

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 2015 and 2014 there were no financial assets and liabilities reported at fair value.

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 2014	**21,040,207**	**–**	**21,040,207**
Share buy backs	-680,500	–	-680,500
Number of shares outstanding at 31 December 2015	**20,359,707**	**–**	**20,359,707**

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The total number of ordinary shares at 31 December 2015 was 21,040,207. The quotient value of the share is SEK 0.50. All issued shares have been paid in full.

Share buy-backs
The company has used its mandate from the 2015 Annual General Meeting to buy back the company's own shares. In Q3 2015 427,500 shares were acquired for SEK 33.7 million and in Q4 2015 253,000 shares were acquired for SEK 21.0 million. The total number of share buy-backs was thus 680,500, at a cost of SEK 54.7 million.

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

	TRANSLATION DIFFERENCE		TOTAL	
	2015	2014	2015	2014
Opening balance	7.7	-23.0	7.7	-23.0
Reassessment of defined-benefit pension plans, net after tax	0.9	-1.5	0.9	-1.5
Exchange rate differences	-13.8	33.0	-13.8	33.0
Other comprehensive income attributable to joint venture	-5.4	-0.8	-5.4	-0.8
Closing balance	**-10.6**	**7.7**	**-10.6**	**7.7**

ACCOUNTING PRINCIPLES

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.

SUMMARISED INCOME STATEMENT	2015	2014
Income items		
Income	31.0	9.8
Earnings after tax	**-15.9**	**-17.8**
Other comprehensive income		
Exchange rate differences	-6.2	-11.4
Total comprehensive income	**-22.1**	**-29.2**
Attributable to		
Parent company shareholders	-13.9	-18.4
Minority interest (37%)	-8.2	-10.8
Total comprehensive income	**-22.1**	**-29.2**

SUMMARISED BALANCE SHEET	31-12-2015	31-12-2014
Assets		
Fixed assets	43.1	61.7
Current assets	23.2	28.9
Total assets	**66.3**	**90.6**
Liabilities		
Long-term liabilities	17.1	17.1
Current liabilities	17.4	19.6
Total liabilities	**34.5**	**36.7**
Net assets	**31.8**	**53.9**
Total net assets attributable to minority interest (37%)	11.7	19.9

CASH FLOW	2015	2014
Cash flow from operating activities	-12.8	-32.9
Cash flow from investing activities	4.8	-45.7
Cash flow from financing activities	0.2	54.1
Cash flow for the period	**-7.8**	**-24.5**

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.

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 40.1 (39.3) 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.

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DEFINED-BENEFIT PENSION PLANS AND SIMILAR OBLIGATION	31-12-2015	31-12-2014
FPG/PRI	15.5	17.5
Other retirement pensions in Swedish companies	0.9	1.0
Retirement pensions in foreign companies	0.7	0.5
Other long-term remuneration to employees	4.2	3.6
Total defined-benefit commitments	**21.3**	**22.6**

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

	SWEDEN	
PENSION OBLIGATIONS	2015	2014
Discount rate	2.2	2.5
Inflation, %	1.5	1.5

There is no further vesting in the defined benefit system in Sweden. 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.

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 (9 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 0.6 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 VALUE OF PLAN	31-12-2015	31-12-2014
Present value of defined benefit obligations	21.3	22.6
Fair value of plan assets	-0.7	-0.8
The Group's net obligation in respect of defined-benefit pension plans	**20.6**	**21.8**
- of which, Provisions for pensions	20.0	21.1
- of which, Other provisions	1.3	1.5
- of which, Other long-term receivables	0.7	0.8

RECONCILIATION OF NET OBLIGATION IN DEFINED-BENEFIT OBLIGATION	31-12-2015	31-12-2014
Opening net debt	21.8	21.5
Net pension expense (+) income (-)	1.6	3.6
Pension payments	-1.5	-1.8
Restatement effect of changed assumptions	-1.1	1.9
Divested business during the year	-	-3.5
Translation difference	-0.2	0.1
Closing net debt	**20.6**	**21.8**

SPECIFICATION OF TOTAL COSTS FOR REMUNERATION AFTER COMPLETED EMPLOYMENT AS RECOGNISED IN THE INCOME STATEMENT	2015	2014
Costs relating to defined-benefit plans		
Costs for service in current year	-1.2	-3.0
Interest costs	-0.4	-0.6
Total costs for defined-benefit plans	**-1.6**	**-3.6**
Costs relating to defined-contribution plans	-18.0	-16.3
Total costs recognised in income statement	**-19.6**	**-19.9**
Restatement effect reported in Other comprehensive income (before tax)	**1.1**	**-1.9**

ASSETS PLEDGED FOR PENSION OBLIGATION	31-12-2015	31-12-2014
Capital insurance [1]	40,1	39,3
Total	**40,1**	**39,3**
Amount by which provision item is expected to be paid after more than 12 months	38,8	37,9

1) Pension obligations are funded through capital insurance, which means that any changes to the pension obligation will be fully compensated by the corresponding change in value of the capital insurance. Both the benefit obligation and the capital 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 LONG-TERM LIABILITIES	31-12-2015	31-12-2014
Liabilities to credit institutions	49.7	44.9
Bank overdraft	61.9	52.1
Liabilities for finance leases	36.1	1.6
Other interest-bearing liabilities	**147.7**	**98.6**
Which mature between 1–5 years	147.7	98.6
Of which mature after more than five years	–	–
Total	**147.7**	**98.6**
Provisions for pensions	20.0	21.1
Total long-term interest-bearing liabilities	**167.7**	**119.7**

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INTEREST-BEARING CURRENT LIABILITIES	31-12-2015	31-12-2014
Liabilities to credit institutions	50.0	–
Provisions for pensions	1.3	1.5
Liabilities for finance leases	2.2	0.7
Total current interest-bearing liabilities	**53.5**	**2.2**

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 2015 and 2014.

Long-term 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 2018 with an extension option of one year.

BANK OVERDRAFT FACILITIES	31-12-2015	31-12-2014
Approved overdraft facilities	267.0	277.8
Unutilised portion	-205.1	-225.7
Credits utilised [1]	**61.9**	**52.1**

1) Of which SEK 61.9 (52.1) 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 DEBT/NET CASH	2015	2014
Net cash(+)/debt(-) at start of year	137.3	-188.7
Change in bank overdraft and other financial liabilities	-14.6	71.1
Loan raised	-50.0	-44.9
Amortisation of interest-bearing liabilities	–	102.9
Change of finance lease liabilities	-36.0	41.1
Changes in provisions for pensions	1.3	-0.2
Change in interest-bearing assets	1.0	1.0
Change in liquid funds	-215.0	155.0
Net debt (-) / net cash (+)	**-176.0**	**137.3**
Less interest-bearing liabilities attributable to financial leases	38.3	2.3
Adjusted net debt (-) / net cash (+)	**-137.7**	**139.6**

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

	31-12-2015	31-12-2014
Business mortgages	–	194.7
Property mortgages	74.0	–
Shares in subsidiaries	1 186.0	1 208.5
Other long-term receivables	0.8	0.9
Total pledged assets for liabilities to credit institutions	**1 260.8**	**1 404.1**

NOTE 30 ACCRUED EXPENSES AND PREPAID INCOME

	31-12-2015	31-12-2014
Accrued wages/salary inc. holiday pay	30.7	30.8
Accrued social security costs	33.4	34.1
Other accrued expenses	31.2	35.0
Accrued wages/salary inc. holiday pay	3.2	1.2
Total accrued expenses and prepaid income	**98.5**	**101.1**

NOTE 31 OTHER PROVISIONS

	31-12-2015	31-12-2014
Costs for restructuring programmes	0.7	0.7
Share of negative assets, joint venture [1]	–	7.5
Total other provisions	**0.7**	**8.2**

RESTRUCTURING MEASURES		
Carrying amount at start of period	0.7	12.5
Provisions during the year	–	–
Amount included in divested business	–	-11.8
Amounts utilised during the period	–	–
Carrying amount at end of period	**0.7**	**0.7**
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

	31-12-2015	31-12-2014
Pension commitments in addition to those accounted for as liabilities or provisions [1]	40.4	39.7
Other contingent liabilities	6.8	9.3
Total contingent liabilities	**47.2**	**49.0**

1) Of which SEK 40.1 (39.3) 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. Although it cannot be ruled out, it is judged that these seller's guarantees will not be realised.

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NOTE 33 INVESTMENT IN JOINT VENTURE

The Group has a shareholding of 60% in a joint venture, BBB Services 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.

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.

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.

GROUP'S SHARE OF JOINT VENTURE	31-12-2015	31-12-2014
Opening balance	-7.5	-6.4
Share of profit for the year	0.2	-0.3
Other comprehensive income	-0.2	-0.8
Closing balance	**-7.5**	**-7.5**

The Group's share of BBB Service Ltd.'s negative net assets amounts to SEK -7.5 million (-7.5). 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 reported its share of the company's negative net assets as 'Other provisions' in the balance sheet at the end of 2014.

In 2015 the Group made a long-term loan to the joint venture, BBB Services Ltd., with the purpose of financing the build-up of the company's operating capital and settling outstanding operating liabilities owed to the Group. In reality this loan represents a part of the Group's net investment in BBB and is therefore reported net after deductions for the Group's share in the joint venture's accumulated losses.

PRESENTATION IN CONSOLIDATED BALANCE SHEET	2015	2014
Long-term loan to joint venture	64.0	–
Less Bulten's share of JV's negative net assets	-7.5	-7.5
Receivables in joint venture (+) / Other allocations (-)	**56.5**	**-7.5**

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	2015	2014
Income items		
Income	578.9	539.7
Expenses	-578.4	-540.3
Depreciation	–	–
Income before tax	**0.5**	**-0.6**
Tax on year's earnings	-0.1	0.1
Income after tax	**0.4**	**-0.5**
Other comprehensive income		
Exchange rate differences	-0.4	-0.8
Total comprehensive income	**–**	**-1.3**
Attributable to		
Bulten Fasteners AB	–	-0.8
Other participants	–	-0.5
Total comprehensive income	**–**	**-1.3**

SUMMARISED BALANCE SHEET	31-12-2015	31-12-2014
Assets		
Fixed assets	2.9	3.6
Current assets. excluding liquid funds	159.5	142.6
Liquid funds	2.1	1.5
Total assets	**164.5**	**147.7**
Liabilities		
Current liabilities	177.0	160.2
Total liabilities	**177.0**	**160.2**
Net assets/liabilities	**-12.5**	**-12.5**
Investment in joint venture (60%)	-7.5	-7.5

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 remaining business sold administrative services to the divested business amounting to SEK 5.2 (20.0) million, of which SEK - (14.7) million was for sold services up to the divestment date of 30 June 2014 (when the divested business 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.

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	2015	2014
Sale of goods	342.4	323.2
Other income	16.6	14.8
Long-term loan [1]	64.0	–
Accounts receivable	57.0	104.9

1) The long-term loan to BBB Services constitutes in reality a part of Bulten's net investment in BBB Services and is reported net after deductions for the Group's share in the negative net assets of the joint venture (SEK -7.5 million), 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	2015	2014
Depreciation of fixed assets	60.0	46.4
Unrealized currency gain/currency loss	-0.1	-2.2
Earnings from participation in joint venture	-0.2	0.3
Earnings from sale of fixed assets	-7.6	-0.6
Other non cash-affecting items	2.6	-0.1
Total adjustment for items not included in cash flow	**54.7**	**43.8**

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INTEREST PAID AND RECEIVED	2015	2014
Interest paid	-5.0	-7.7
Interest received	–	0.1

LIQUID FUNDS	31-12-2015	31-12-2014
Cash and bank accounts	40.5	255.5
Total cash and bank accounts	**40.5**	**255.5**

Liquid funds in the balance sheet and cash flow statement refer solely to cash and bank accounts. Outstanding cash and cash equivalents of SEK 40.5 (255.5) million are in their entirety placed at banks with the highest credit rating from leading credit institutions.

Tangible fixed assets were acquired via financial leasing for SEK 37.1 million (-), which did not affect cash flow.

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.

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NOTE 36 SPECIFICATION OF GROUP HOLDINGS OF PARTICIPATIONS IN GROUP COMPANIES

SUBSIDIARY/CORPORATE REG. NO./ REGISTERED OFFICE	COUNTRY	SHARE, % 31-12-2015
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 Ltd, Edinburgh, UK	United Kingdom	100.0
Bulten Polska S,A, Bielsko-Biala, PL	Poland	99.9
Bulten GmbH, Bergkamen, DE	Germany	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 Services Ltd, 880 6643 02, Scunthorpe, UK	United Kingdom	60.0
BBB Fasteners Craiova S.R.L. 381312, Bucharest, Romania	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 Industrifastighet AB, 556872-5534, Göteborg	Sweden	100.0
Bulten HallstahamHall AB, 556689-7178, 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

At the end of 2015, the industrial and office property was acquired in which Bulten currently conducts activities in Hallstahammar, Sweden. The total acquisition value was SEK 116.3 million for the property company Söderport HallstahamHall AB (name changed to Bulten HallstahamHall AB).

NOTE 38 RECONCILIATION BETWEEN IFRS AND USED KEY INDICATORS

TERM USED	2015	2014
Operating income (EBIT)	165.0	133.4
Depreciation and impairments	60.0	46.4
Operating income before depreciation (EBITDA)	**225.0**	**179.8**

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

TERM USED	2015	2014
Operating income (EBIT)	165.0	133.4
Capital gain on divestment of fixed asset	-7.8	–
Non-recurring items, insurance remuneration	–	-11.2
Adjusted earnings (EBIT)	**157.2**	**122.2**

TERM USED	2015	2014
Earnings after tax	110.9	84.4
Capital gain on divestment of fixed asset	-7.8	–
Insurance remuneration after tax	–	-8.7
Adjusted earnings after tax	**103.1**	**75.7**

TERM USED	2015	2014
Earnings after tax attributable to parent company shareholders	116.8	90.9
Capital gain on divestment of fixed asset after tax attributable to parent company shareholders	-6.4	–
Insurance remuneration after tax	–	-8.7
Adjusted earnings after tax attributable to parent company shareholders	**110.4**	**82.2**
Weighted average number of outstanding ordinary shares	20 829 451	21 040 207
Adjusted earnings per share [1]	**5.30**	**3.91**

1) Attributable to parent company shareholders.

TERM USED	31-12-2015	31-12-2014
Net debt (-) / net cash (+)	-176.0	137.3
Less interest-bearing liabilities attributable to financial leases	38.3	2.3
Adjusted net debt (-) / net cash (+))	**-137.7**	**139.6**

NOTE 39 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	2015	2014
Sales revenues	–	638.3
Expenses	–	-598.0
Earnings before tax (EBT)	–	40.3
Tax	–	-9.3
Post-tax profit	–	31.0
Consolidated capital gains [1]	–	53.6
Total	-	**84.6**

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

CASH FLOW FROM DIVESTED BUSINESS	2015	2014
Current activities	-2.5	25.9
Investing activities	–	389.1
Financing activities	–	-3.8
Total cash flow from divested business	**-2.5**	**411.2**

The effect on the Group's liquid funds of the sale of Finnveden Metal Structures has been recognised in Cash flow from investing activities in divested business.

PURCHASE AMOUNT	2015	2014
Debt-free purchase amount	–	487.0
- Minus net debt [1]	–	-112.8
Purchase amount, cash	–	**374.2**

1) Of which liquid funds 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 40 EVENTS AFTER THE CLOSING DATE

Bulten signed an FSP contract with a new customer in the Chinese vehicle industry worth a total of around SEK 60 million.

No significant events have occurred after the closing date.

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PARENT COMPANY'S INCOME STATEMENT

SEK M	NOTE	2015	2014
Net sales	2	27.0	38.0
Cost of goods sold		–	–
Gross profit		**27.0**	**38.0**
Administrative expenses	3,5	-36.0	-71.8
Operating earnings		**-9.0**	**-33.8**
Interest expenses and similar items	4	-10.0	-10.8
Earnings after net financial items		**-19.0**	**-44.6**
Appropriations	6	120.0	38.3
Earnings before tax		**101.0**	**-6.3**
Tax on year's earnings	7	-22.6	0.6
Profit/loss for the financial year		**78.4**	**-5.7**

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PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

SEK M	2015	2014
Profit/loss for the year	78.4	-5.7
Other comprehensive income	–	–
Total comprehensive income for the year	**78.4**	**-5.7**

PARENT COMPANY'S BALANCE SHEET

SEK M	NOTE	31-12-2015	31-12-2014
ASSETS			
Fixed assets			
Intangible fixed assets		1.1	–
Tangible fixed assets		1.7	1.1
Total intangible and tangible fixed assets		**2.8**	**1.1**
Financial assets			
Participations in Group companies	8	1,382.5	1,382.5
Deferred tax receivables	7	53.6	76.1
Other long-term receivables		0.4	0.3
Total financial assets		**1,436.5**	**1,458.9**
Total fixed assets		**1,439.3**	**1,460.0**
Current assets			
Current receivables			
Receivables from Group companies		120.2	108.8
Other receivables		0.2	0.2
Current tax receivables		0.5	0.5
Prepaid costs and accrued income		1.8	1.5
Total current receivables		**122.7**	**111.0**
Cash and cash equivalents		1.1	0.6
Total current assets		**123.8**	**111.6**
Total assets		**1,563.1**	**1,571.6**

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SEK M	NOTE	31-12-2015	31-12-2014
EQUITY AND LIABILITIES			
Equity			
Share capital	9	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		-142.3	-102.9
Total unrestricted equity		**990.7**	**1,030.1**
Total equity		**1,100.8**	**1,140.2**
Liabilities			
Non-current liabilities			
Liabilities to Group companies		328.4	348.1
Total non-current liabilities		**328.4**	**348.1**
Current liabilities			
Liabilities to credit institutions		50.0	–
Accounts payable		2.5	2.6
Liabilities to Group companies		71.0	67.1
Other liabilities		1.0	0.8
Accrued expenses and deferred income		9.4	12.8
Total current liabilities		**133.9**	**83.3**
Total equity and liabilities		**1,563.1**	**1,571.6**
Pledged assets	10	1,382.5	1,382.5
Contingent liabilities	11	6.6	6.1

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY	RESTRICTED EQUITY SHARE CAPITAL	RESTRICTED EQUITY RESERVE	NON-RESTRICTED EQUITY PREMIUM RESERVE	NON-RESTRICTED EQUITY RETAINED EARNINGS	TOTAL EQUITY
Opening balance, 31 December 2014	**10.5**	**99.6**	**1,133.0**	**-55.1**	**1,188.0**
Comprehensive income					
Profit/loss 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**
Comprehensive income					
Profit/loss for the year	–	–	–	78.4	78.4
Other comprehensive income	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**78.4**	**78.4**
Transactions with shareholders					
Share buy backs	–	–	–	-54.7	-54.7
Dividend to parent company shareholders (SEK 3.00 per share)	–	–	–	-63.1	-63.1
Total transactions with shareholders	**–**	**–**	**–**	**-117.8**	**-117.8**
Closing balance, 31 December 2015	**10.5**	**99.6**	**1,133.0**	**-142.3**	**1,100.8**

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PARENT COMPANY'S CASH FLOW STATEMENT

SEK M	2015	2014
Operating activities		
Earnings after financial items	-19.0	-44.6
Adjustments for items not included in cash flow	9.4	10.9
Taxes paid	–	–
Cash flow from operating activities before changes in working capital	**-9.6**	**-33.7**
Cash flow from changes in working capital		
Increase(–)/Decrease(+)in operating receivables	2.8	-3.0
Increase(+)/Decrease(–) in operating liabilities	-3.3	3.8
Cash flow from operating activities	**-10.1**	**-32.9**
Investing activities		
Acquisition of tangible fixed assets	-1.8	-0.1
Cash flow from investing activities	**-1.8**	**-0.1**
Financing activities		
Increase in loan liabilities	50.0	–
Changes in financial receivables/liabilities, Group companies	80.2	71.6
Share buy backs	-54.7	–
Dividend to parent company shareholders	-63.1	-42.1
Cash flow from financing activities	**12.4**	**29.5**
Cash flow for the year	**0.5**	**-3.5**
Cash flow for the year	**0.5**	**-3.5**
Cash and cash equivalents at start of financial year	0.6	4.1
Cash and cash equivalents at year end	**1.1**	**0.6**

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 impairment.

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.

NOTE 2 NET SALES

	2015	2014
Intra-Group services	25.7	36.3
Other income	1.3	1.7
Total net sales	**27.0**	**38.0**

Intra-Group services include management, IT services and administrative support. Debiting is based on market terms.

NOTE 3 FEES AND REMUNERATION FOR AUDITING

PRICEWATERHOUSECOOPERS	2015	2014
Audit	1.3	0.9
Other audit assignments	0.1	0.2
Tax advice	0.3	0.5
Other services	0.7	0.5
Total fees and remuneration for auditing	**2.4**	**2.1**

'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 INTEREST EXPENSES AND SIMILAR ITEMS

	2015	2014
Interest expenses, Group companies	-9.2	-10.4
Other	-0.8	-0.4
Total interest expenses and similar items	**-10.0**	**-10.8**

None of the interest expenses for 2015 and 2014 are paid.

NOTE 5 EMPLOYEES, PERSONNEL COSTS AND FEES TO THE BOARD

The company has 8 (7) employees. Remuneration to Board members, the 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	2015	2014
Women	5	4
Men	3	3
Total	**8**	**7**

SALARIES, REMUNERATION, SOCIAL FEES AND PENSION COSTS	2015	2014
Salaries and remuneration to Board members, CEO and deputy CEO	7.8	17.4
Salaries and remuneration to other employees	3.6	11.7
Sum of wages and salaries	**11.4**	**29.1**
Statutory social security costs	4.1	8.7
Pensions costs for Board members, CEO and deputy CEO	1.7	1.6
Pension costs for other employees	0.7	1.7
Sum of social security and remuneration cost	**6.5**	**12.0**
Total	**17.9**	**41.1**

NUMBER OF BOARD MEMBERS ON CLOSING DATE	2015	2014
Women	1	1
Men	7	7
Total	**8**	**8**

NUMBER OF PRESIDENT AND CEOS AND OTHER SENIOR EXECUTIVES	2015	2014
Women	2	2
Men	1	1
Total	**3**	**3**

NOTE 6 APPROPRIATIONS

	2015	2014
Group contribution, received	120.0	105.4
Group contribution, rendered	–	-67.1
Total appropriations	**120.0**	**38.3**

NOTE 7 TAX ON INCOME FOR THE YEAR

REPORTED TAX	2015	2014
Current tax		
Current tax for the year	–	–
Total current tax	**–**	**–**
Deferred tax expense (-)/tax income(+)		
Deferred tax on temporary differences	-22.6	0.6
Total deferred tax	**-22.6**	**0.6**
Recognised tax	**-22.6**	**0.6**

RECONCILIATION OF EFFECTIVE TAX	2015	2014
Earnings before tax	101.0	-6.3
Tax according to applicable tax rate for parent company	-22.2	1.4
Tax effect of:		
Non-deductible expenses	-0.4	-0.8
Tax on income for the year according to income statement	**-22.6**	**0.6**

The deferred tax asset of SEK 53.6 (76.1) million is fully attributable to a taxable deficit deduction.

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NOTE 8 PARTICIPATIONS IN GROUP COMPANIEST

	31-12-2015	31-12-2014
Opening balance	1,382.5	1,382.5
Acquisitions during the year	–	–
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, % 31-12-2015	REPORTED VALUE 31-12-2015
Bulten Holding AB,556224-0894, Göteborg	100%	1,382.5
Reported value at year end		**1,382.5**

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

NOTE 9 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 2014	21,040,207	–	21,040,207
Share buy backs	-680,500	–	-680,500
Number of shares outstanding at 31 December 2015	20,359,707	–	20,359,707

The total number of ordinary shares at 31 December 2015 was 21,040,207. The quotient value of the share is SEK 0.50. All issued shares have been paid in full. The company has used its mandate from the 2015 Annual General Meeting to buy back the company's own shares. In Q3 2015 427,500 shares were acquired for SEK 33.7 million and in Q4 2015 253,000 shares were acquired for SEK 21.0 million. The total number of share buy-backs was thus 680,500, at a cost of SEK 54.7 million.

NOTE 10 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTION

	31-12-2015	31-12-2014
Shares in subsidiaries	1,382.5	1,382.5
Total pledged assets for liabilities to credit institution	**1,382.5**	**1,382.5**

NOTE 11 CONTINGENT LIABILITIES

	31-12-2015	31-12-2014
Guarantees on behalf of Group companies	5.2	4.9
Other contingent liabilities	1.4	1.2
Total contingent liabilities	**6.6**	**6.1**

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 5 (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, Sweden, 23 March 2016

Ulf Liljedahl Chairman of the Board	Ann-Sofie Danielsson Board member	Hans Gustavsson Board member
Hans Peter Havdal Board member	Peter Karlsten Board member	Gustav Lindner Board member
Johan Lundsgård Board member	Tony Frunk Employee representative	Tommy Andersson President and CEO

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Our Auditor's report was submitted on 23 March 2016

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 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 36-82.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts
The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts 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 CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the 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 2015 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 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Report on other legal and regulatory requirements
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Bulten AB (publ) for the year 2015.

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

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As 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 CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 CEO be discharged from liability for the financial year.

Gothenburg, 23 March 2016

PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

DEFINITIONS

Return on equity
Profit/loss for the year excluding minority interests in relation to average equity excluding minority interests.

Return on adjusted equity
Profit/loss 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
Profit/loss 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 profit/loss before depreciation and amortisation as a percentage of year's net sales.

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

Adjusted EBIT-margin (operating margin)
Operating profit/loss 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 debt/net cash
Interest-bearing liabilities, less interest-bearing assets, everything calculated at year-end.

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

Net margin
Profit/loss 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 results.

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

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

Interest-coverage ratio
Profit/loss after net financial items, plus financial expenses, divided by financial expenses.

Operating margin
Operating profit/loss as a percentage of net sales.

Operating profit per employee
Profit/loss after financial items divided by average number of annual employees.

Equity/assets ratio
Shareholders' equity including minority interests 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 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 2015 the Company had a total of 6,411 (5,289) shareholders. The five largest shareholders controlled 48.9% (42.0) of capital and votes by the end of the year. The single largest shareholder, Volito AB, controlled 21.1% (20.9) of the capital and votes.

2016 Annual General Meeting

The 2016 Annual General Meeting (AGM) of Bulten AB (publ) will be held at the company's head office, August Barks gata 6A in Göteborg, Sweden, on 26 April at 5 PM. More information is available at www.bulten.se

Nominations Committee

The Nominations Committee shall comprise four members – one representative each for the three largest shareholders on the final banking day in September who wish to appoint a member of the committee, and the chairman of the Board. The three largest shareholders are considered to be the three largest shareholders registered as owners with Euroclear Sweden AB on the final banking day in September. In the event of a major change in ownership the new largest shareholder shall have the right, if a request is submitted, to appoint a representative to the Nominations Committee. Instructions for the Nominations Committee were adopted at the Annual General Meeting held on 29 April 2015. The Nominations Committee shall, among other activities, submit proposals for the chairman of the AGM, the number of elected Board members, names of the chairman of the Board and other elected Board members, members of Board committees, election of auditors and fees for auditors. Öystein Engebretsen was appointed chairman of the Nominations Committee.

NOMINATIONS COMMITTEE	COMPANY
Öystein Engebretsen	Investment AB Öresund
Pär Andersson	Spiltan Fonder AB
Ulf Strömsten	Catella Fondförvaltning AB
Ulf Liljedahl, styrelsens ordförande	Bulten AB

Board members elected at 2015 Annual General Meeting

The table below provides an overview of the Board in 2015. Additional information about Board members can be found on pages 90-91.

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							
Ulf Liljedahl	Chairman	2015	–	–	Member	Yes	No
Roger Holtback	Chairman	2005	2015	–	–	Yes	Yes
Ann-Sofie Danielsson	Member	2014	–	Chairman	–	Yes	Yes
Hans Gustavsson	Member	2005	–	–	Member	Yes	Yes
Hans Peter Havdal	Member	2013	–	–	–	Yes	Yes
Peter Karlsten	Member	2015	–	Member	–	Yes	Yes
Arne Karlsson	Member	2010	2015	Chairman	–	Yes	Yes
Gustav Lindner	Member	2015	–	Member	–	Yes	No
Johan Lundsgård	Member	2012	–	Member	Chairman	Yes	Yes
Adam Samuelsson	Member	2005	2015	Member	–	Yes	Yes
Tony Frunk	Employee representative	2011	–	–	–	–	–
Deputy							
Thure Andersen	Employee representative	2011	–	–	–	–	–

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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 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'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 CEO. At the time of the constituting Board meeting, the Board of Directors also establishes instructions for financial reporting and instructions for the CEO.

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 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. Board members are presented in more detail in the section headed 'Board of Directors, senior executives and auditors'.

Board meetings in 2015

Attendance of Board members at Board meetings in 2015.

BOARD MEMBER	ATTENDANCE/ TOTAL MEETINGS
Ulf Liljedahl (elected 29/4/2015)	6/9
Roger Holtback (resigned 29/4/2015)	3/9
Ann-Sofie Danielsson	7/9
Arne Karlsson (resigned 29/4/2015)	3/9
Hans Gustavsson	8/9
Hans Peter Havdal	8/9
Peter Karlsten (elected 29/4/2015)	6/9
Gustav Lindner (elected 29/4/2015)	6/9
Johan Lundsgård	9/9
Adam Samuelsson (resigned 29/4/2015)	3/9
Tony Frunk	9/9
Deputy	
Thure Andersen	8/9

Board assessment, 2015

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 Nominations Committee is informed of the outcome of the assessment.

AUDIT COMMITTEE

Bulten has an audit committee consisting of four members: Ann-Sofie Danielsson (chairwoman), Peter Karlsten, Gustav Lindner and Johan Lundsgård.

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 (resigned 29/4/2015)	3/7
Ann-Sofie Danielsson	6/7
Johan Lundsgård	7/7
Peter Karlsten (elected 29/4/2015)	3/7
Gustav Lindner (elected 29/4/2015)	3/7
Adam Samuelsson (resigned 29/4/2015)	3/7

REMUNERATION COMMITTEE

Bulten has a remuneration committee consisting of three members: Johan Lundsgård (chairman), Ulf Liljedahl and Hans Gustavsson. The remuneration committee shall prepare matters concerning remuneration principles, remuneration and other employment terms for the 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	4/4
Ulf Liljedahl (elected 29/4/2015)	2/4
Roger Holtbäck (resigned 29/4/2015)	2/4
Hans Gustavsson	4/4

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THE CEO AND OTHER SENIOR EXECUTIVES

The 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 CEO is set out in the rules of procedure governing the activities of the Board and the instructions for the CEO. The 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 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 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 2015 decided that a total fixed remuneration of SEK 2,400,000 shall be paid to the board of directors for the period until the next AGM, whereof SEK 450,000 shall be paid to the chairman and SEK 300,000 shall be paid to each of the other board members who are elected at a shareholder meeting and not employed by the company. It shall be a condition of payment that the Board member shall be elected at a shareholder meeting and not be employed by the company. The AGM also decided that a fixed fee of SEK 75,000 should be paid to the chairman of the audit committee and SEK 25,000 to other members of the committee. 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 7.

Remuneration for senior executives

By the decision of the AGM on 29 April 2015, the following guidelines shall apply to remuneration and other employment terms and conditions for the 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 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

During 2015 the executive management team comprised seven members: the CEO, deputy CEO and CFO, director of technology and business development, director of purchasing, director of marketing and sales, director of production, and director of 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.

INTERNAL CONTROLS

This section contains the Board's annual report on how 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 SRS.

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 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 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, its divisions 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 and subsidiaries.

A Group-wide internal control programme for key processes at the subsidiary and corporate level has been implemented. The internal control programme covers essential processes and aims to ensure that appropriate controls are designed and implemented to prevent errors in financial reporting.

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.

The Group's reporting units also conduct regular self-assessments on the effectiveness of internal control over financial reporting. The assessments are reported to the Group, which summarizes the results for the Audit Committee to discuss measures and ongoing monitoring.

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, with Fredrik Göransson as authorised public accountant in charge of the audit. PwC carries out the audit of Bulten AB (publ) and all 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 2015, 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 2015 is shown in Note 8 on page 54.

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.se

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 2015 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, Sweden, 23 March 2016

Ulf Liljedahl Chairman of the Board	Ann-Sofie Danielsson Board member	Hans Gustavsson Board member
Hans Peter Havdal Board member	Peter Karlsten Board member	Gustav Lindner Board member
Johan Lundsgård Board member	Tony Frunk Employee representative	Tommy Andersson President and CEO

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 2015 and that it has been prepared in accordance with the Annual Accounts Act.

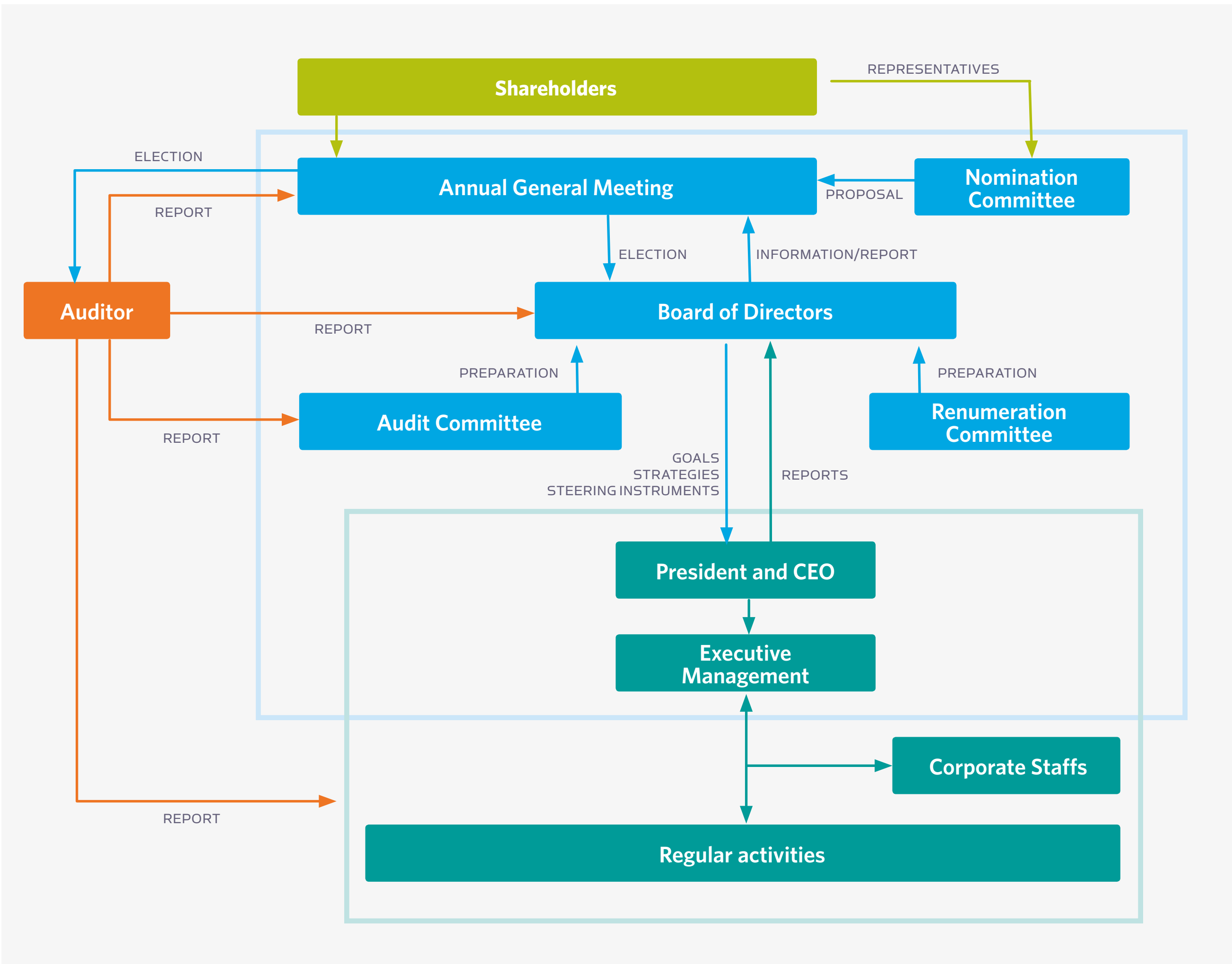
We have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Statement is different and substantially less in 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.

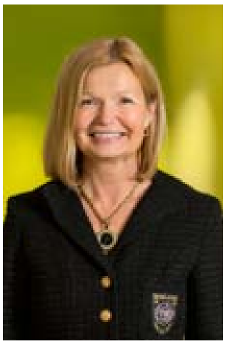
Gothenburg, 23 March 2016
PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

OVERVIEW OF CORPORATE GOVERNANCE



BOARD OF DIRECTORS

					
Name	ULF LILJEDAHL	ANN-SOFIE DANIELSSON	HANS GUSTAVSSON	HANS-PETER HAVDAL	PETER KARLSTEN
Role on the Board	Chairman of the Board	Board member Charirman of the audit committee	Board member	Board member	Board member
Elected	2015	2014	2005	2013	2015
Current occupation	President and CEO of Volito AB	CFO of NCC Housing	Has a management consultancy company and is advisor for Denso Sweden AB	President and CEO of Kongsberg Automotive ASA	Senior advisor of AB Volvo
Born	1965	1959	1946	1964	1957
Education	Master of Business Administration	Master of Business Administration	Mechanical engineer, finance and management educations	master of Science in Mechanical Engineering	Master of Science in Mechanical Engineering
Nationality	Swedish	Swedish	Swedish	Norweigen	Swedish
Other assignments	Several board assignments for companys in the Volito Group	Board member of Pandox AB	Board member of Calix Group AB and Klippan Group AB	None	Board member of Prevas AB, Real Holding AB and Deutz AG
Independent of the company and corporate management	YES	YES	YES	YES	YES
Independent of the company's major shareholders	NO	YES	YES	YES	YES
Previous experience	Executive positions at Husqvarna Group and Cardo Group and a number of positions in finance at Alfa Laval	Executive positions at NCC and Nynäs, authorized public accountant at Tönnerviksgruppen and KPMG	Executive positions at Volvo Cars and Jaguar Land Rover	Executive positions in the Kongsberg Group	Executive positions at AB Volvo and ABB
Shareholding in Bulten as of 29 Feb. 2016	-	-	126,268	2,650	3,000
Audit committee *Attendence/Meetings*	NO -	YES *6/7*	NO -	NO -	YES *3/7* *)
Remuneration committee *Attendence/Meetings*	yes *2/4* *)	NO	YES *4/4*	NO	NO
Attendence/Meetings	6/9 *)	7/9	8/9	8/9	6/9 *)
Remuneration 2015	450,000	375,000	300,000	300,000	325,000
of which Board work	*450,000*	*300,000*	*300,000*	*300,000*	*300,000*
of which Committee work	-	*75,000*	-	-	*25,000*

*) See Corporate Governance Report page 86.

Name	GUSTAV LINDNER	JOHAN LUNDSGÅRD	TONY FRUNK	THURE ANDERSEN
Role on the Board	Board member	Board member Charirman of the remu-neration committee	Employee representative for IF Metall	Employee representative for Unionen, deputy
Elected	2015	2012	2011	2011
Current occupation	President of Investment AB Öresund	Board assignment	Purchaser at Bulten's Hallstahammar plant	Production planner at Bulten's Hallstahammar plant
Born	1978	1953	1950	1952
Education	Master of Business Administration	Finance and management educations	Compulsory school and evening classes	Mechanical and electrical engineering courses
Nationality	Swedish	Swedish	Swedish	Swedish
Other assignments	Board member of Bilia AB	None	-	-
Independent of the com-pany and corporate management	YES	YES	-	-
Independent of the company's major share-holders	NO	YES	-	-
Previous experience	Positions within finance and management at HQ Bank and Swedbank	Executive positions at among others Getinge, Trelleborg, Novartis and Finnveden	-	-
Shareholding in Bulten as of 29 Feb. 2016	-	-	-	-
Audit committee *Attendence/Meetings*	YES 3/7 *)	YES 7/7	-	-
Remuneration commit-tee *Attendence/Meetings*	NO	YES 4/4	-	-
Attendence/Meetings	6/9 *)	9/9	9/9	8/9
Remuneration 2015	325,000	325,000	-	-
of which Board work	*300,000*	*300,000*	-	-
of which Committee work	*25,000*	*25,000*	-	-

*) See Corporate Governance Report page 86.

GROUP MANAGEMENT AND AUDITOR




Name	TOMMY ANDERSSON	HELENA WENNERSTRÖM	MAGNUS CARLUNGER	TORBJÖRN HJERPE
Current position	President and CEO	Executive Vice President and CFO	Senior Vice President Techno-logy and Business Development	Senior Vice President of Supply Chain
In current position/ employed	2014/2000	2014/2002	2014/1995	2014/2004
Education	Mechanical engineer. Education in finance and management	MBA	MBA and Mechanical Engineer	Mechanical Engineer
Previous experinece	Head of division Bulten since 2001 and Executive Vice President of FinnvedenBulten since 2011. Previous senior positions mainly within the Autoliv Group and Finnveden	CFO of FinnvedenBulten since 2009 and CFO of Bulten since 2006. Previous positions within Finnveden, Bulten, Digital-fabriken and Topcon among others	Managing Director of Bulten Sweden AB since 2003. Previous positions within C I Pihl among others	Vice President Quality, Environment and Purchasing of Bulten since 2004. Previous positions within Volvo Trucks among others
Born	1953	1965	1967	1950
Nationality	Swedish	Swedish	Swedish	Swedish
Other assignments	None	Member of Handelsbanken's branch board Sisjön, Gothen-burg	None	None
Shareholding in Bulten as of 29 Feb. 2016	182,868	92,590	8,000	21,000

Name	ANDERS KARLSSON	JÖRG NEVELING	KAMILLA ORESVÄRD	FREDRIK GÖRANSSON
Current position	Senior Vice President Market and Sales	Senior Vice President Production	Senior Vice President Corporate Communications	PricewaterhouseCoopers AB Lead auditor
In current position/ employed	2014/1975	2014/1995	2014/2005	Lead auditor of the comapany since 2013
Education	MBA	Mechanical Engineer	Arts degree	Authorised public accountant
Previous experinece	Vice President Marketing of Bulten since 2003. Previous positions within various Bulten companies among others	Vice President Production of Bulten since 2005 and Managing Director of Bulten GmbH since 2009. Previous positions within Knipping – Dorn and GKS GmbH among others	Vice President Corporate Com-munications of FinnvedenBulten since 2011 and manager of Com-munications for Finnveden since 2006. Previous positions within Finnveden and SCA among oth-ers	Lead aduditor for VBG Group AB (publ) and HMS Networks AB (publ) among others
Born	1949	1960	1967	1973
Nationality	Swedish	German	Swedish	Swedish
Other assignments	President of EIFI (European Industrial Fasteners Institute) since 2008	None	None	-
Shareholding in Bulten as of 29 Feb. 2016	23,842	8,842	300	-

KEY INDICATORS

THE GROUP	2015	2014	2013	2012
Margins				
EBITDA margin, %	8.4	7.4	8.4	6.7
Adjusted EBITDA margin, %	8.1	7.0	8.4	6.7
EBIT margin (operating margin), %	6.1	5.5	6.0	4.3
Adjusted EBIT margin (operating margin), %	5.8	5.1	6.0	4.3
Net margin, %	4.1	3.5	5.6	1.8
Adjusted net margin, %	3.8	3.1	4.1	2.9
Return indicators				
Return on capital employed, %	11.5	9.6	8.1	5.7
Adjusted return on capital employed, %	11.0	8.8	8.1	5.7
Return on equity, %	9.4	15.0	8.3	4.2
Adjusted return on equity, %	8.9	13.1	8.6	6.1
Capital structure				
Capital turnover, times	1.9	1.7	1.3	1.3
Net debt/equity ratio, times	-0.1	0.1	-0.2	-0.2
Interest coverage ratio, times	14.4	8.7	15.4	10.2
Equity/assets ratio, %	64.0	67.5	52.7	54.9
Employees				
Net sales per employee, SEK '000	2,246.5	2,054.7	1,905.0	1,897.9
Operating earnings per employee, SEK '000	137.6	113.5	115.2	81.0
Number of employees	1,199	1,175	948	902
Other				
Net debt(-)/Net cash(+), SEK m	-176.0	137.3	-188.7	-247.3
Adjusted Net debt(-)/Net cash(+), SEK m [2)]	-137.7	139.6	-145.3	-233.9
Data per share attributable to parent company shareholders				
Earnings per share – Continuing operations, SEK [*)]	5.61	4.32	4.77	1.47
Earnings per share – Discontinues operations, SEK [*)]	–	4.02	-0.57	0.60
Earnings per share – Total, SEK [*)]	5.61	8.34	4.20	2.07
Earnings per share – Continuing operations adjusted for one-off effect, SEK [*1)]	5.30	3.91	3.49	2.37
Number of issued shares				
Weighted number of issued ordinary shares, 000 [*)]	20,829.5	21,040.2	21,040.2	21,040.2

*) Refers to both before and after dilution
1) Earnings per share-continuing operations adjusted for one-off effect. Earnings after tax adjusted for one-off effect. Current tax is taken into account for all adjusted items. Divided by outstanding number of shares on closing date.
2) Adjusted net debt/net cash. Interest bearing liabilities excluding interest bearing liabilities related to financial leasing contracts minus interest bearing assets.

QUARTERLY DATA

THE GROUP	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q 2	2013 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.

COVER PICTURE

The picture was taken in Bulten new logistics center in Poland, which began operations in autumn 2015. The 7,200-square-foot facility with a ceiling height of ten meters and 7,800 pallet places has strengthened the company's logistics capacity.

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BULTEN