Annual Report 2014

BONG

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2014 in brief

- Net sales amounted to SEK 2,533 million (2,564).
- Operating earnings were SEK -123 million (-109) including non-recurring costs for a restructuring programme of SEK -105 million (-69) and extraordinary items of SEK -45 million (-15).
- Cash-flow after investing activities was SEK 94 million (-91).
- A decline of 5 per cent of the envelope market in Europe resulted in continued consolidation among manufacturers and capacity adjustments.
- Net debt at year-end was SEK 790 million (802) and the equity/assets ratio was 19 per cent (26).
- Important milestones have been reached within the three-step action plan aimed at significant improvement in earnings. The programme will be fully completed in 2015 and is expected to lead to annual cost savings of SEK 150–200 million.
- Restructuring of plants in 2014 included closures of production and lay-offs in the Nordic countries, UK, France and Germany in order to increase efficiency and competitiveness and decrease working capital.
- Earnings after tax were SEK -150 million (-141).

Bong in one minute

Bong is a leading provider of speciality packaging and envelope products in Europe, offering solutions for distribution and packaging of information, advertising materials and lightweight goods. The Group has annual sales of approximately SEK 2.5 billion and about 1,800 employees in 16 countries.

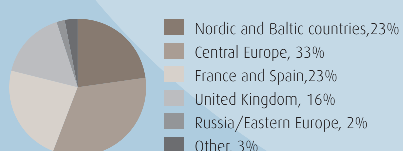
Bong has strong market positions in a majority of key markets in Europe, and the Group sees interesting possibilities for continued expansion and development.

Bong's shares are listed on NASDAQ Stockholm Small Cap.

KEY FIGURES	2014	Q4	Q3	Q2	Q1	2013	2012	2011	2010
Net Sales, MSEK	**2,533**	677	601	594	662	2,564	2,946	3,203	2,326
Operating profit, MSEK	**–123**	–53	–9	–17	–44	–109	15	40	–91
Profit/loss after tax, MSEK	**–150**	–48	–25	–32	–45	–141	–55	–16	–97
Cash flow after investing activities, MSEK	**94**	91	16	–5	–7	–91	–38	137	–277
Operating margin, %[1]	**–4.8**	–4.8	–3.8	–4.8	–7	–4.3	0.5	1.3	–3.9
Average number of employees[1]	**1,873**	1,873	1,882	1,921	1,921	2,051	2,271	2,431	1,540

[1] Year to date.

SALES TO ALL OF EUROPE



Letter to the **shareholders**

Last year was another year with challenging market conditions. However, adjusting for restructuring and nonrecurring costs Bong made an operating profit in 2014. That was the goal we set when we launched our three-step plan in late 2013 and we are now half-way through that journey. Our overall goal is still to make a profit on the bottom line in 2016.

MARKET DEVELOPMENT IN 2014

The European envelope sector continues to suffer from over-capacity, low utilisation rates and flat or declining prices. Volume fell five percent in 2014, which nevertheless was an improvement compared with the double-digit decline in 2013. A subdued European business climate, on top of structural reasons like substitution of electronic channels for physical mail, made 2014 another tough year.

HALFWAY THROUGH OUR THREE-STEP PLAN

When we launched the three-step plan to restore profitability in the last quarter of 2013 we said that this would entail approximately SEK 150-200 million in restructuring costs and that most of that would be incurred in 2014. We predicted that as a result of the measures taken, fixed costs would be SEK 150-200 million lower and that we would feel the full impact of that in 2016.

In 2014 we carried out the plan as envisaged. We closed factories, moved production and made lay–offs in the Nordic countries, UK, France and Germany. With fewer and more efficient factories we are now a company with plants that are better adapted to the market. We have tried to do this in such a way as not to impair the high standards of service that our customers expect from us.

POSITIVE CASH-FLOW

The remaining part of the programme will be implemented before the end of the second quarter of 2015 and we foresee the full effect of all initiatives in 2016. Despite high costs for restructuring, we achieved a positive cash-flow in 2014, which secures the financing of the remaining restructuring costs and other extraordinary costs.

FINANCES

Our equity-to-assets ratio, which was substantially strengthened through the rights issue in 2013, has been negatively impacted by the results in 2014. Net debt as of 31 December 2014 was however slightly lower than a year ago and our financing costs decreased in 2014 due to generally lower interest rates. We foresee a gradual improvement in our financial position as we return to profitability in the coming years.

THE COMPETITION ALSO ADJUSTS

There were no major mergers in the industry in 2014 but all key players in Europe are working on adjusting costs and capacity and a few factories were closed. In all likelihood there will be closures, further restructurings and perhaps even exits on the horizon in 2015 as the industry is still struggling with over-capacity. With our broad presence in Europe we will benefit from measures taken by other manufacturers to improve the balance between supply and demand in almost any market.

BONG CARES ABOUT THE ENVIRONMENT

Consumers in general are increasingly demanding products that make less impact on the environment and Bong is working on several fronts towards meeting such requests.

Our largest plants are certified according to ISO 14 001.

Environmental certification of the products is another important aspect. Bong's Scandinavian range is labeled with the Nordic Ecolabel (the Swan). Going forward, we now aim to comply to an increasing extent with the requirements of the official EU ecolabel ("The EU Flower"). The demands have been developed by the EU Commission in cooperation with the relevant industry and certification is done by national independent bodies.

BONG'S LIGHT PACKAGING BUSINESS

Our sales of Propac were flat in 2014. Retail Gift Bags and packaging for the on-line industry continued to prove their attractiveness while other parts of the range did less well. Our light packaging business is under review and we will communicate how we intend to further develop it in the first half of 2015.

MANAGING FOR PROFITABILITY IN TOUGH CONDITIONS

Many people would probably say that it is hard to make money in the envelope industry but in fact there are plenty of companies in similar industries that are well managed and profitable. It is possible to be successful in industries such as ours and we will prove that envelope production is no exception.

Envelopes will always be an attractive way to send information, which means that there will be a demand for Bong's products for the foreseeable future. Bong has proved resilient in hard times and will increase its competitiveness further through measures that have been taken in 2014 and that will be taken in 2015. Our goal is to make a profit on the bottom line in 2016, i.e positive results before tax for the financial year 2016.

THANKS TO EMPLOYEES AND SHAREHOLDERS

Finally I would like to take this opportunity to thank our employees and shareholders, whose dedication and patience have been and will continue to be a prerequisite for our transition to a profitable company.

Kristianstad, April 2015

Stéphane Hamelin
Chief Executive Officer

The way **forward**

In 2014 Bong continued to pursue its three-step plan to reverse the negative earnings trend. Rationalisation of our plant structure during the year has led to significantly lower costs. Production has been concentrated to the most efficient plants. The plan extends into 2015.

STEP 1: STRENGTHENING THE BALANCE SHEET

The first step in the plan comprised raising finance to restore the balance sheet and to give room to maneuver. In the summer of 2013 Bong issued shares and convertible debentures and had loans converted into equity. The addition of about SEK 290 million to Bong's equity increased the equity ratio considerably.

STEP 2: TURNAROUND - BACK TO PROFITABILITY

At present Bong is halfway through its three-step plan aimed at a considerable improvement in earnings and a positive cash flow through a combination of higher production efficiency, increased margins and asset rationalisation.

Measures taken in 2014 include closing a number of plants across Europe. The comprehensive restructuring programme will be fully completed in 2015 and is expected to result in annual cost-savings of between SEK 150 and 200 million with full effect from 2016. The restructuring is expected to cost approximately SEK 150 million, most of which impacted 2014. In 2014 Bong achieved its goal of reaching an operating profit before restructuring costs and extraordinary items.

Higher production efficiency

The envelope industry in Western Europe is highly competitive. Low production costs are crucial for competitiveness. Since the acquisition of the Hamelin envelope division in 2010 Bong has implemented a number of structural measures aimed at coordinating the Group's production units and adapting capacity to the lower demand for envelopes.

As a result of factory closures and layoffs around 700 people have left the Group since the end of 2010.

Working capital reduction and asset rationalisation

Bong has one of the widest ranges on the European envelope market. A relatively small number of items account for a large share of sales. During 2014 Bong limited the standard range, produced in shorter runs and kept fewer items in stock.

Disposal of idle assets, such as machinery and real estate, as well as higher inventory turnover, strengthened cash flow by around SEK 50 million in 2014.

STEP 3: ACCELERATED GROWTH

Light packaging

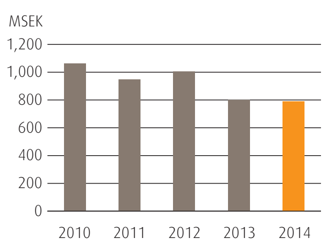
As the restructuring programme in the envelope business is about to be finalised we will put additional resources into growth within light packaging. We have already built up a base of products and solutions for the growing e-commerce market, as well as gift bags for retailers.

The new set-up within light packaging will be launched during the first half of 2015.

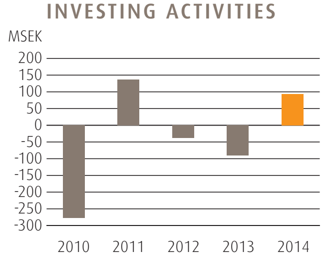
Envelopes in Eastern Europe

Bong today has already a presence in some countries in Eastern Europe and intends to further expand into new markets in 2015 and the years to come. These markets are growing at an annual rate of at least 5 percent.

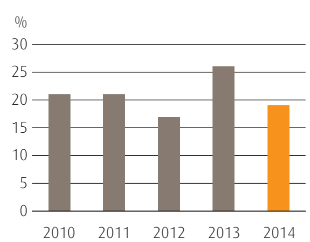
NET DEBT



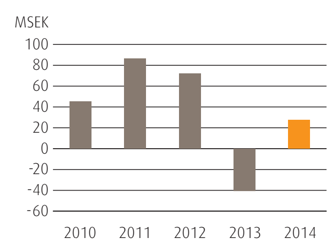
CASH-FLOW AFTER INVESTING ACTIVITIES



EQUITY RATIO

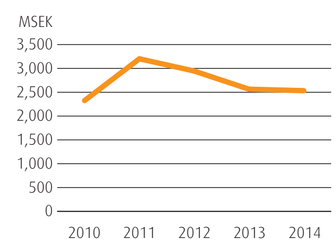


OPERATING PROFIT/LOSS[1]



[1] Operating profit/loss before restructuring costs and extraordinary items.

NET SALES



Broadest offering **in Europe**

Bong's offering is in constant evolution – both in envelopes and light packaging.

Bong's gift wrapping ensures consistency in quality as well as delivery.

ENVELOPES

Bong manufactures and sells envelopes in all shapes and sizes. From standard envelopes to customised solutions with unique properties, with and without embossing, with different kinds of sealing solutions and in many different materials, colours and sizes. The number of designs is essentially infinite. Most envelopes are used to send transaction-related mail and direct marketing (DM).

Transaction-related mail

A large amount of information today is sent electronically, but for certain types of mail, such as bills, statements, notices, pay slips and contracts, many people prefer physical letters. Studies show that physical mail has the unique ability to inspire confidence in the recipient.

Direct Marketing

Over 30 per cent of the total letter volume in Northern and Western Europe consists of envelopes for DM, and addressed DM is gaining in popularity for many businesses. It allows manufacturers to target their marketing efforts directly to the consumers most likely to purchase their products, avoiding the "waste" of traditional mass media, which has a lower hit-rate.

The expansion of consumer databases and more closely defined market niches have enabled marketers to fine tune their direct mail solicitations, leading to long-term growth in this advertising and marketing vehicle. There are many ways to personalise an envelope through its design, size, paper-quality, location of the window, sealing and other measures.

Security packaging

When sending something valuable, people often choose to send it by post or courier service. For lawyers, accountants, hospitals, government agencies, banks and financial companies, many letters and documents are private and confidential. With our range of security envelopes in Tyvek®, with features such as LockSafe® Tamper Evident these customers remain secure and confident that their correspondence stays confidential.

LIGHT PACKAGING

Bong is always in a continuous state of development, making sure we supply new and existing customers with the latest advances within envelopes and light packaging.

Currently in a transition phase for the future, we are now making sure our offering within light packaging meets the demands of our customers and their markets.

We look forward to presenting an updated offer that complements the existing offerings within specialty packaging focused on retail and e-commerce being sold by dedicated teams within the company.

Gift packaging for the retail sector

The battle for the consumer's attention and wallet is getting tougher. Service is an important competitive tool and it includes packaging concepts. Bong's total offering of gift wrapping ensures consistency in quality as well as in delivery, and retail chains count on this to be able to maintain a high level of customer service.

With the continuous development of our own retail products the tradition of supplying retail shops with smart and efficient solutions is maintained, supporting large retail chains in their challenge of serving their customers efficiently.

Packaging for e-commerce

E-commerce is growing at double-digit rates throughout Europe. Packaging for e-commerce has to be easy and quick to pack and at the same time tolerate the bumps and bruises of transportation. Our focus is on helping e-commerce companies keep their costs down by providing them with packaging that ensures efficient handling, and a minimum of costly returns.

The Art of Giving

Bong recognised early on the need for flexible and elegant packaging solutions in the retail sector and developed an expandable gift bag. In 2014 further steps were taken to make the retail gift bag even easier to use and pleasant to receive.

Clothing store chains demand gift packaging that is quick and simple to use for store employees and at the same time attractive for the end-customer.

FASHIONABLE, GOOD LOOKING AND COSTEFFICIENT

Bong's retail gift bags have made the Art of Giving an easy task. Not only for those who want to give something in an attractive gift packaging but also for shop-owners and managers who want gift wrapping that is easy to handle in the store.

A bag or a box

In addition to the traditional gift bag, Bong now also offers a flexible gift wrapping that adapts to the needs of the moment in just seconds. It lets the customer choose whether they want to use it as a gift bag or a gift box depending on how you fold it.

With or without handles

In 2014 Bong continued to make the retail gift bag even more adapted to the fast pace in today's shopping and end customers' expectations. The Bong retail gift bag is now available with handles. It is the perfect combination of a beautiful gift and a carrier bag. Consumers save by using one smart product instead of two or even three. The gift wrapping and carrier bag are combined into just ONE product.

More customers in a shorter amount of time

Bong's retail gift bag is quick, easy and ready to use - an efficient product that allows sales personnel to serve more customers in a shorter amount of time, while still maintaining a high quality level of service.

The retail gift bag saves space under the counter and is easy to handle when replenishing. Furthermore it has outstanding sealing capabilities (Peel & Seal) and adapts to the product put into it. With a few simple folds and quick peel-and-seal closure, our retail gift bag and box carries on the functional and customised tradition that characterizes our earlier gift packaging and the rest of Bong's line of products.

Lots of choices

Our giftable, smart-looking wrapping solution will guarantee customer satisfaction. It comes with a variety of paper qualities, holes, die-cut, embossing, inside print, glitter effect and the possibility of 3-D printing. There are ten colours and a variety of varnishes and finishes to choose from.

ENVIRONMENTALLY FRIENDLY

The Retail Gift Bag is a recyclable paper-based product which can be made of FSC-certified paper and manufactured in our FSC-certified production.

Now with handles, Bong's retail gift bags have made the Art of Giving an even easier task.

Bong's **markets**

With envelope sales of SEK 2,100 million Bong is one of the leading envelope manufacturers in Europe. The European envelope market is estimated at about 65 billion units, with a value of about SEK 12-13 billion at the producer level.

DECLINING ENVELOPE MARKET

In total, European envelope sales volumes have decreased over the last decade, with a down peak during the economic crisis in 2008 and 2009. In 2010 the market slightly recovered and stabilised, although a downward trend has continued since 2011. Bong estimates that in 2014 the envelope market dropped approximately 5 per cent compared to 2013.

Whilst the transaction processing business, consumer use, and increasingly the Direct Mail business are the main users of envelopes, the market strongly depends on economic, social and technological trends and developments.

The main driving forces for envelope consumption are:

- advertising expenditures, which tend to anticipate the economic cycle
- general evolution of economic growth, which creates a need for more envelopes
- electronic substitution, which reduces the need for envelopes as some transactional relationships become purely digital.

Relatively high consumption in the West

Consumption in Western and Northern Europe remains high at 200-300 envelopes per person and year. The largest markets in Europe are Germany, UK and France.

Businesses account for more than 95 per cent of envelope use in Western Europe. Bong's clients include companies in telecommunications, banking, insurance, finance, energy and water, with millions of customers. Every day agreements, pay slips and pension statements, invoices and confirmations of transactions are sent by letter. Bong delivers envelopes directly to end customers, as well as to wholesalers and office supply stores.

Consolidation continues

The declining demand in the envelope market resulted in further consolidation in Western Europe in 2014. Encore acquired Tompla's UK business, Intermail closed its production in Finland and AWA has closed one of its French factories. All major envelope groups in Europe have undertaken restructuring programmes and are working on adjusting costs and capacity.

Bong is one of the leading manufacturers

With a market share of about 20 per cent Bong is one of the largest manufacturers in Europe. Bong is the leader in the Nordic countries and Russia. In France, England and Germany, Bong is among the two top manufacturers.

Rising consumption in the East

Consumption in Eastern European markets is between 20 and 70 envelopes per person per year, depending on the country, with an annual growth rate of 5 per cent. The Eastern European economies are growing from low levels, but faster than in the West. In these countries where cash payments previously dominated, consumer credit and transaction mail are becoming increasingly common, and many of these countries have chosen to modernise their postal services. Electronic media are not as widespread as in the West, which means that e-mail has not replaced physical mail to the same extent.

THE MARKET FOR LIGHT PACKAGING

Since 2005 Bong has purposefully and consistently broadened its offering to include specialty packaging for various purposes.

The market for Bong's specialty packaging is much larger than the envelope market. It is significantly more fragmented and statistics for the niches where Bong is active are lacking or difficult to obtain. Bong's assessment is that demand for packaging used in e-commerce, mail order and the retail trade has strong growth potential over an extended time horizon.

Employees are key to performance

To Bong, motivated employees are a key factor. Bong promotes a healthy work environment that is conducive to performance.

Everyone is encouraged to take an active part in decisions concerning the work environment.

EMPLOYEES

Motivated, skilled and healthy employees are a crucial competitive factor in Bong's markets. Bong strives to create a sustainable work environment that attracts, motivates and develops our employees.

Employee policy

- Bong is mindful of good relations with employees in the Group, based on mutual respect.
- No form of forced labour or child labour is permitted within the Bong Group. The minimum hiring age is the age after completion of compulsory schooling.
- Bong offers equal opportunities for all employees without discrimination for race, colour, gender, nationality, religion, ethnic affiliation or other characteristics.
- All employees are provided with a safe and healthy work environment.
- In all companies in the Group, the employees are entitled to form or join a trade union in compliance with local laws or principles.

Bong's personnel policy in practice

Bong is a modern company with short and informal decision-making pathways. Communication is based on transparency and participation. Managers continually inform employees of local and company-wide developments. Everyone is encouraged to take an active part in decisions concerning improvements in the working environment that result in fewer work-related injuries, higher productivity and better quality.

Bong also strives to reward extraordinary efforts. Throughout the Group small bonus programmes are offered related to parameters such as the unit's earnings, production volume, number of claims and delivery reliability.

Bong strives to reduce sickness absence by means of increased information to managers and other employees on the importance of health promotion.

BONG'S CODE OF CONDUCT

Bong has adopted a code of conduct that lays down the fundamental principles by which the company strives to do business:

- Bong complies with statutory requirements in each country where the Group carries out operations.
- Bong abides by the UN's Universal Declaration of Human Rights.
- Bong's business activities are conducted with integrity and ethics.
- Bong is open to, and wishes to be effective in, dialogue with our stakeholders.
- Bong strives to inspire those who are affected by the company's operations to work according to the spirit of the code of conduct.

Bong denounces the practice of bribery

Bong expects its employees to handle all business partners in a businesslike manner, correctly and respectfully. Corruption, bribery or anti-competitive practices disrupt markets and jeopardise social and democratic development. Bong denounces such practices.

- Bong shall behave correctly in all business-related situations.
- Bong shall comply with existing competition legislation.
- Bong does not offer or give bribes, nor does it accept bribes to maintain or obtain new business relations.

Five-year summary

Key figures	2014	2013	2012	2011	2010
Net sales, MSEK	2,533	2,564	2,946	3,203	2,326
Operating profit/loss, MSEK	-123	–109	15	40	–91
Profit/loss after tax, MSEK	-150	–141	–55	–16	–97
Cash flow after investing activities, MSEK	94	–91	–38	137	–277
Operating margin, %	-4.8	–4.3	0.5	1.3	–3.9
Profit margin, %	-7.0	–6.9	–1.9	–0.7	–5.6
Capital turnover rate, times	1.3	1.2	1.3	1.3	1.2
Return on equity, %	neg	neg	neg	neg	neg
Return on capital employed, %	neg	neg	1.0	2.6	neg
Equity ratio, %	19	26	17	21	21
Net loan debt, SEK M	790	802	1,005	947	1,062
Net loan debt/equity, times	2.09	1.54	2.70	1.91	2.00
Net loan debt/EBITDA, times	neg	neg	8.6	6.3	42.7
EBITDA/net financial items, times	neg	neg	1.7	2.4	0.6
Average number of employees	1,873	2,051	2,271	2,431	1,540
Number of shares					
Number of shares outstanding at end of period	156,659,604	156,659,604	17,480,995	17,480,995	17,480,995
Diluted number of shares outstanding at end of period	183,932,331	183,932,331	18,727,855	18,727,855	18,727,855
Average number of shares	156,659,604	63,873,865	17,480,995	17,480,995	14,216,419
Average number of shares, diluted	183,932,331	73,796,014	18,727,855	18,727,855	14,528,134
Earnings per share					
Before dilution, SEK	-0.96	–2.20	–3.20	–1.04	–6.97
After dilution, SEK	-0.96	–2.20	–3.20	–1.04	–6.97
Equity per share					
Before dilution, SEK	2.41	3.33	21.25	28.37	30.39
After dilution, SEK	2.27	3.06	20.50	26.48	28.37
Cash flow from operating activities per share					
Before dilution, SEK	0.62	–0.40	–0.10	8.53	3.01
After dilution, SEK	0.53	–0.34	–0.09	7.96	2.81
Other data per share					
Dividend, SEK	0.00[1]	0.00	0.00	0.00	1.00
Quoted market price on balance day, SEK	1.1	1.5	9.7	17.9	32.0
P/E-ratio, times	neg	neg	neg	neg	neg
Price/Equity before dilution, %	46	45	45	63	105
Price/Equity after dilution, %	49	49	47	68	113

[1] The Board's proposal.

Bong shares

Bong shares are listed on the NASDAQ Stockholm Small Cap list. At the end of 2014, the number of shares in Bong AB was 156,659,604. Full conversion of the convertible bond loan with a nominal value of SEK 75 million will add 27,272,727 new shares in the Company.

SHARE PERFORMANCE AND TRADING

The Bong share price fell 44.4 per cent in 2014. The highest price paid, SEK 1.60, was recorded on 2 January 2014. The lowest price paid, SEK 0.85, was recorded on 29 December 2014.

OMX Stockholm PI (an index showing the price development of all listed shares on the Stockholm Stock Exchange) increased by 11.7 per cent in 2014. OMX Stockholm Small Cap PI, an index that measures the price performance of shares in companies whose size is comparable with Bong, rose by 5.5 per cent. In 2014 the total value of Bong shares traded during 2014 represented 11.8 per cent of the value of outstanding share capital as of closing day 2014.

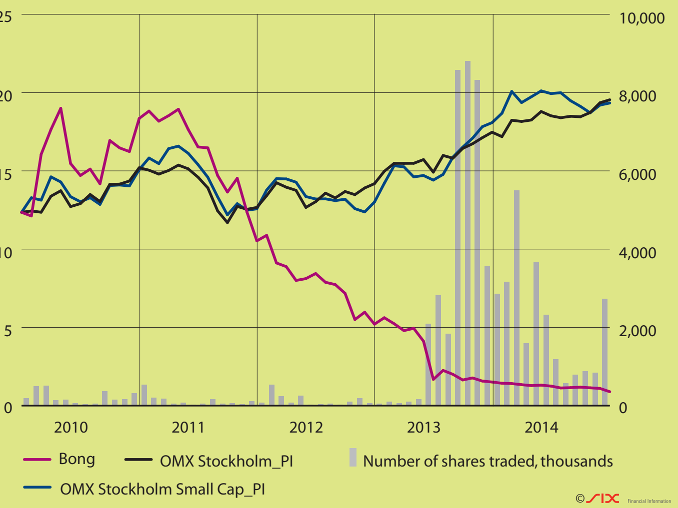
SHAREHOLDERS

The number of shareholders on 31 December 2014 was 1,658. Holdham S.A. is Bong's largest shareholder with 33.7 per cent of votes and capital. Paulsson Advisory AB is the second largest shareholder with 12.2 per cent of votes and capital.

CONVERTIBLE DEBENTURES

Bong has issued convertible debentures with a total nominal value of SEK 75 million to institutional and qualified investors. The convertible debentures mature in 2018 and can be converted into 27,272,727 new shares in Bong.

BONG'S SHARE PERFORMANCE 2009–2014



Board of Directors' report

The Board of Directors and the Chief Executive Officer ("CEO") of Bong AB (publ.), corporate ID no. 556034-1579, registered headquarters in Kristianstad, hereby submit their annual report for the financial year 1 January 2014 – 31 December 2014 for the Parent Company and the Group ("Bong" or the "Company").

Bong is one of the leading providers of speciality packaging and envelope products in Europe and offers solutions for distribution and packaging of information, advertising materials and lightweight goods. Important growth areas in the Group are packaging within retail and e-commerce and the envelope market within Eastern Europe. The Group has annual sales of approximately SEK 2.5 billion and around 1,800 employees in 16 countries. Bong has strong market positions in most of the important markets in Europe and the Group sees interesting possibilities for continued expansion and development. Bong is a public limited company and its shares are listed on NASDAQ Stockholm (Small Cap).

MARKETS

The market decline of the European envelope market in 2014 was around 5 per cent compared with 2013, according to our forecasts. Bong's assessment is that the market will continue to decrease at the same pace during 2015, meanwhile company consolidations and restructuring processes continue.

Many small companies are closing operations and the bigger companies are consolidating as well as reducing production capacity. The special packaging market, where Bong is present, is still growing and is much bigger and much more fragmented.

SALES AND EARNINGS

Consolidated sales for the period reached SEK 2,533 million (2,564). The main reason for the drop in sales is the continued downturn in the envelope market, which resulted in both lower volumes and pricing pressures and had a negative impact on Bong's gross earnings. In addition, exchange rate fluctuations had a positive impact on sales of SEK 111 million during the period compared with 2013.

Bong's total Propac sales amounted to SEK 415 million (417). Currency fluctuations have had a positive impact on Propac sales of SEK 18 million compared with the corresponding period in 2013. Bong decided during the second half of 2014 to change the Propac organisation and the range in order to give the customers an even better offering and service. The new set-up within light packaging will be launched during the first half of 2015.

Operating profit was SEK -123 million (-109) including costs for an extensive restructuring programme of SEK -105 million (-69) and also extraordinary costs of SEK -30 million for the settlement with the EU Commission regarding anti-competitive behaviour and write-down of buildings of SEK -15 million. The yearly impairment test of goodwill indicated no write-down need. A write-down of goodwill of SEK 15 million was made in 2013.

The restructuring measures announced in late 2013 are now to a large extent being rolled out throughout the Group. When fully implemented the measures are expected to reduce fixed costs by SEK 150-200 million annually. Structural costs to achieve these savings are expected to reach around SEK 150 million. The reserved costs during the period relate to all major geographic markets.

Net financial items for the period amounted to SEK -55 million (-67). Earnings before tax were SEK -178 million (-176) and reported earnings after tax were SEK -150 million (-141).

CASH FLOW

Cash flow after investing activities for the period was SEK 94 million (-91). Payments for the ongoing restructuring programme had a negative impact on cash flow for the year of SEK -38 million (-66). Investments and acquisitions affected cash flow by a net amount of SEK -3 million (-28). The improvement in cash flow is related to improved underlying results excluding one-time costs and a decreased working capital.

FINANCIAL POSITION

Cash and cash equivalents on 31 December 2014 amounted to SEK 97 million (82). The Group had unutilised credit facilities of SEK 61 million on the same date. Total available cash and cash equivalents thus amounted to SEK 158 million (142). Consolidated equity at the end of December 2014 was SEK 377 million (522). Translation of the net asset value of foreign subsidiaries to Swedish krona and changes in the fair value of pension debt and derivative instruments increased consolidated equity by SEK 9 million. The interest-bearing net loan debt decreased during the period by SEK 12 million to SEK 790 million (802). Translation of net loans in foreign currency to Swedish krona increased the Group's net loan debt by SEK 42 million. The revaluation of the pension debt according to IAS 19 increased the Group's net loan debt by SEK 35 million.

CAPITAL EXPENDITURE

Investing activities and acquisitions during the period had a net impact on cash flow of SEK -3 million (-28), of which SEK -1 million relates to payment for acquisitions reported in previous years and SEK -2 million relates to other net investments. The net investments include an investment in production equipment and a business system for the Group. Also included were the sale of machinery and other production equipment and a sale of real estate, which had a positive impact on cash flow of SEK 34 million.

EMPLOYEES

The average number of employees during the period was 1,873 (2,051). The number of employees on 31 December 2014 was 1,833 (1,961). Bong continually works to improve productivity and adjust staffing to meet current demand and the reduction is the result of the implemented restructuring programme.

ENVIRONMENT

Bong's environmental work is aimed at minimising the environmental effects of both end products and processes.

At present Bong is working actively to improve production methods so that polluting emissions are minimised, to eco-label as large a portion of the range as possible, and to boost knowledge and awareness of environmental issues among its employees. Besides imposing demands on its own operations, Bong is also trying to influence suppliers and customers to design their products so that ecocycle thinking and conservation of natural resources are prioritised.

In order to further rationalise environmental efforts, the Company is working according to a plan for environmental certification, with the objective that all plants in the Group will be ISO 14001 certified. The plants in Solingen in Germany-, and Kristianstad in Sweden, Tönsberg in Norway, as well as Milton Keynes and Derby in the UK, Sandweiler in Luxembourg, Evreux and Angoulème in France, Kaavi in Finland and Estonia are certified.

Environmental certification of the products is an important aspect, and labelling with the Nordic Ecolabel (the Swan) is therefore a natural part of Bong's Scandinavian range.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

No material events have occurred after the end of the financial year.

RESEARCH AND DEVELOPMENT

The Group conducts some research and development activities. In addition, active efforts are pursued to meet customer needs for different envelopes and packaging solutions.

PARENT COMPANY

The Parent Company's business extends to management of operating subsidiaries and certain Group management functions, Note 38. Sales were SEK 0.7 million (21) and earnings before tax for the period were SEK -73 million (-28).

Investments for the period amounted to SEK 0 million (6). Credits granted but not utilised amounted to SEK 61 million (60).

BOARD'S PROPOSED 2015 GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The Board of Directors of Bong AB (publ) proposes that the 2015 AGM resolve on remuneration to the CEO and other senior executives as follows: "Senior executives" here refers to executives included in the management group, which currently consists of the Company's CEO and Business Area Manager Nordic Region, Chief Financial Officer (CFO), Business Area Manager Central Europe, Business Area Manager UK and Business Area Manager France and Spain.

Remuneration shall consist of fixed salary, variable remuneration, other benefits and pension. Total compensation must be at market rates and competitive to ensure that the Bong Group can attract and retain competent senior management. In addition to the above variable compensation, from time to time a long-term incentive scheme may be approved.

The variable component of the salary shall have a predetermined ceiling, the basic principle being that the variable salary portion can amount to no more than 60 per cent of the fixed annual salary. The variable component is based on a vesting period of one year. The goals for senior executives are established by the Board of Directors.

Pension benefits shall primarily be defined-contribution, but also occur for legal reasons as defined-benefit, although not at the Group Management level. Variable remuneration is not pensionable. Group Management is entitled to pensions under the ITP plan or the equivalent. The retirement age is 65 years. In addition to the ITP plan, some members of Group Management are also entitled to an increased occupational pension premium of up to 30 per cent of their fixed salary.

Group Management's employment contracts include provisions governing remuneration and termination of employment. According to these agreements, employment can ordinarily terminate at the request of the employee with a period of notice of 4–12 months and at the Company's request with a period of notice of 6–18 months. In the event of termination by the Company, the period of notice and the period during which compensation is payable shall not together exceed 24 months.

Remuneration of the CEO and other senior executives is prepared by the Board of Directors' Remuneration Committee and finalised by the Board based on the recommendation of the remuneration committee.

These guidelines apply to those persons who are included in the Group Management during the period the guidelines are in force. The guidelines apply to the employment contracts entered into after the AGM's resolution, and to any changes in existing contracts.

The Board of Directors is entitled to disregard the above guidelines if it finds that special reasons exist to justify this in a particular case.

SUPPLEMENTARY INFORMATION TO THE BOARD OF DIRECTORS PROPOSAL

The cost of Group Management's variable remuneration at maximum outcome, which assumes that all bonus-related goals are achieved, can be calculated to be about SEK 9 million (excluding social security contributions). The calculation is based on the current composition of the Group Management.

OWNERSHIP

Bong's principal owners, with stakeholdings of more than ten per cent of the votes and capital, are Holdham S.A., with 33.7 per cent of the votes and capital, and Paulsson Advisory AB with about 12.2 per cent of the votes and capital. Nordea AB and FR & R Invest AB each own about 7.4 per cent of the votes and capital in the Company. The total number of ordinary shares was 156,659,604 on 31 December 2014. All shares carry the same rights.

There are no restrictions on the transferability of the shares due to legal regulations or rules in the Articles of Association. Bong is not aware of any agreements between direct shareholders in Bong that entail restrictions in the right to transfer shares.

In the event of a public offer, no agreements are triggered that would have a material effect on Bong's earnings or financial position.

APPOINTMENT AND REMOVAL OF BOARD MEMBERS AND AMENDMENT OF THE ARTICLES OF ASSOCIATION

The Company's Board of Directors shall consist of a minimum of four and a maximum of nine members. The members are elected at a General Meeting of Shareholders for the period until the end of the first Annual General Meeting (AGM) held after appointment of the member. The Articles of Association can be amended at the AGM or a General Meeting of Shareholders.

RISKS AND OPPORTUNITIES

Like all business operations, Bong's operations are associated with risks and opportunities. The specific factors judged to have the greatest impact on Bong's operations are presented below.

OPERATING RISKS AND OPPORTUNITIES

MARKET DEVELOPMENT

Historically, the envelope market has followed the general economic trend. In Eastern Europe a generally growing economy still drives envelope consumption. In Western Europe the connection between general economic growth and envelope consumption is no longer as strong as it has been, given IT developments and associated digitization.

Demand for envelopes for direct mail varies with the economy. With the aid of more sophisticated databases with personal information a market is being created for highly sophisticated envelopes intended for personally addressed direct mail. Large promotional mailings in envelopes are declining in frequency and scope over time.

Administrative mailings as a whole has already declined with respect to account statements, order confirmations, etc. as part of digitisation and internet penetration. Other parts of transaction-related mailings, such as invoices, still hold their own in the competition with the newer technology.

The strong demand for packaging in both e-commerce and traditional retail creates great opportunities for Bong to create growth in their specialty packaging line. Packaging customers also present an opportunity for cross-selling of envelopes. Over time, growth in the packaging area is expected to compensate for the decline in envelopes. Bong is closely monitoring developments and is very active in specialty packaging to ensure sustained growth.

POSTAGE AND CHARGES

Changes in postage and charges can lead to changes in letter and mail volumes. Postage increases have a negative impact on volumes, while postage decreases have a positive impact. Postage is usually based on weight or size. Several large markets are using weight-based postage. A transition from weight to size-based postage could lead to changes in Bong's product mix and cause a shift towards small envelope sizes.

INDUSTRY STRUCTURE AND PRICE COMPETITION

The European envelope market has undergone accelerating consolidation since 2011 as a result of the financial crisis. The three largest envelope companies represent about 60 per cent of the total market. However, some of the major markets are still fairly fragmented. Bong believes that overcapacity in the industry has fallen slightly.

PAPER PRICES

Uncoated fine paper is the single most important input material for Bong. The cost of fine paper is about 50 per cent of the total cost. Under normal conditions, Bong can compensate for price increases, with some time lag.

DEPENDENCE ON INDIVIDUAL SUPPLIERS AND/OR CUSTOMERS

Uncoated fine paper is Bong's most important input material and is mainly purchased from three major suppliers. Delivery disruptions from any of the three suppliers could affect Bong negatively in the short term. In a longer term perspective, Bong does not have any suppliers that are critical to its operations.

The Group's dependence on individual customers is limited. The biggest customer accounts for 4 per cent of annual sales, and the 25 biggest customers account for 35 per cent of total sales.

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CAPITAL NEEDS AND INVESTMENTS

All companies in the European envelope industry have roughly the same production equipment. The age of the machinery is of limited importance for production efficiency, but newer machines generally have higher capacity. Machine wear is low, and production control and automation are crucial for cost-effective production. In general, the long life of the machines inhibits scrapping and consolidation in the industry.

On the other hand, the low investment needs lead to very good cash-generating capacity. At year-end the Group's machinery consisted of about 175 envelope machines and 130 overprinting presses. The investment need in existing structure is judged to be limited during the next few years and clearly less than the Group's depreciation costs.

FINANCIAL RISK MANAGEMENT

Information regarding goals and applied principles for financial risk management, use of financial instruments and exposure to currency risks, interest rate risks and liquidity risks is provided in Note 1.

EU COMMISSION INVESTIGATION

In 2014 Bong reached a settlement with the European Commission. For Bong this finally concludes an investigation that has been ongoing since 2010 regarding alleged infringement of European competition law between five envelope companies during the period October 2003 to April 2008. As a result of the settlement, Bong will pay EUR 3,118,000 to the European Commission during the first quarter of 2015.

DISPUTES

Bong has no on-going or pending material legal disputes.

ENVIRONMENT

Bong complies with the environmental laws and rules that apply in each country to this type of industrial production. By means of measurements and regular inspections, Bong has ensured that emission limits are not exceeded. There are no indications that the laws in this area will change in such a way that Bong would be affected to any significant extent or that Bong would be unable to comply with these requirements in the future.

SENSITIVITY ANALYSIS

Important factors that affect Bong's earnings and financial position are the volume trend for envelope sales, the price trend for envelopes, paper prices, payroll costs, currency rate changes and interest rate levels. The table below shows how Bong's 2014 earnings would have been affected by a change in a number of business-critical parameters.

Reported effects should be regarded merely as an indication of how profit after financial items would have been affected by an isolated change in the particular parameter.

Parameter	Change	Impact on earnings after financial items, SEK million
Price	+/- 1%	25 +/-
Volume	+/- 1%	13 +/-
Paper prices	+/- 1%	12 -/+
Payroll costs	+/- 1%	7 -/+
Interest level borrowing	+/- 1%-point	7 -/+

CORPORATE GOVERNANCE REPORT

Effective and clear corporate governance helps secure the confidence of Bong's stakeholder groups while also increasing focus on business benefits and shareholder value in the Company.

Bong's Board of Directors and management strive, by means of great transparency, to make it easier for the individual shareholder to follow the Company's decision pathways and to clarify where in the organisation responsibilities and powers lie.

CORPORATE GOVERNANCE PRINCIPLES

Corporate governance within Bong AB (Bong) is based on applicable legislation, the regulatory framework for NASDAQ OMX Stockholm and various internal guidelines. The most recent version of the Swedish Code of Corporate Governance ("the Code") was published in February 2010 and covers all listed companies as of 1 February 2010. Bong applies the Code, and in those cases the Company has chosen to disregard the rules of the Code, a reason is given in the appropriate section of the Corporate Governance Report.

Bong is a Swedish public limited liability company whose shares are traded on NASDAQ Stockholm in the Small Cap segment. Bong has around 1,700 shareholders.

Responsibility for management and control of Bong is divided between the shareholders at the General Meeting of Shareholders, the Board of Directors, its elected committees and the CEO, according to the Swedish Companies Act, other acts and ordinances, the Code and other applicable rules governing listed companies, the Articles of Association and the Board's internal policy instruments.

The purpose of corporate governance is to define a clear division of responsibilities and roles between owners, Board of Directors, executive management and appointed control bodies.

CORPORATE GOVERNANCE REPORT 2014

OWNER INFLUENCE

Governance of Bong is exercised via the General Meeting of Shareholders, the Board of Directors and the CEO. The highest decision-making body in Bong is the General Meeting of Shareholders.

The Annual General Meeting (AGM) elects the Company's Board of Directors. The duties of the AGM also include adopting the Company's financial statements, deciding how to distribute the earnings, and deciding whether or not to discharge the members of the Board and the CEO from liability. The AGM also elects Bong's auditors.

Around 34 shareholders, representing 69 per cent of the total number of shares and votes in the Company, participated in Bong's Annual General Meeting on 21 May 2014 in Kristianstad. All Board members and the Company's auditors were present or represented at the AGM. Bong's principal shareholders can be seen under the heading Shareholders, page 9.

BOARD OF DIRECTORS

Bong's Board of Directors decides on the Group's overall strategy and on the acquisition and disposal of business entities and real estate.

The work of the Board is regulated, e.g. by the Swedish Companies Act, the Articles of Association and the rules of procedure adopted by the Board for its work. According to the Articles of Association, the Board of Directors shall consist of at least four and at most nine members.

From the time of the statutory meeting of the Board of Directors on 21 May 2014 until the end of September 2014, the Board consisted of six AGM-elected members without deputies and two employee members with two deputies with Stéphane Hamelin as the Chairman of the Board. The CEO and Board Member Anders Davidsson resigned from his position in September 2014 and Stéphane Hamelin replaced him as CEO. At the same time Board Member Eric Joan replaced Stéphane Hamelin as Chairman of the Board. The other Members of the Board are Mikael Ekdahl (vice chairman), Christian Paulsson and Ulrika Eriksson.

The Board of Directors has appointed from among their number two committees: the Audit Committee and Remuneration Committee.

REMUNERATION OF THE BOARD

The Chairman of the Board of Directors Eric Joan received a fee of SEK 90,000 (0) for his time as Chairman of the Board of Directors and Stéphane Hamelin received SEK 180,000 for his time as Chairman of the Board of Directors since the 2014 Annual General Meeting. Stéphane Hamelin also received remuneration of SEK 15,000 (0) for serving as member of the Audit Committee until October 1, 2014. No other fees were paid. There is no agreement on pension, severance pay or other benefits. The amounts correspond to the amounts stipulated by the 2014 AGM, including a voluntary reduction of 10 percent.

Information about remuneration of the Board of Directors, as resolved by the 2014 Annual General Meeting, can be found in Note 4.

BOARD MEMBERS ELECTED BY THE AGM

Eric Joan (b. 1964).
Chairman of the Board since October 2014
Graduate from Polytech Lille and Harvard Business School.
Other appointments/positions: CEO of Hamelin.
Terminated board appointments/partnerships over the past five years: –
Shareholding in Bong (private and via company): 0.

Stéphane Hamelin (b. 1961).
Board member since 2010 and Chairman of the Board from May 2013 to September 2014.
Other appointments/positions: Chairman of the Hamelin board since 1989.
Terminated board appointments/partnerships over the past five years: –
Previous positions: Active at Borloo law firm from 1984-1989.
Shareholding in Bong (privately and through companies): 52,850,282

Mikael Ekdahl (b. 1951)
Board member since 2001 and Chairman of the Board from 2003 to May 2013.
LL.B and MSc Business and Economics, Lund University
Other directorships/positions: Partner since 1984 of Mannheimer Swartling. Chairman in Marco AB and Absolent AB; Vice chairman in Melker Schörling AB.
Terminated board appointments/partnerships over the past five years: AarhusKarlshamn AB
Holding in Bong (privately and via closely related parties): 60,000

Ulrika Eriksson (b. 1969)
Board member since 2008.
Master in Business and Economics
Other directorships/positions: Executive VP, Apoteket AB
Terminated board appointments/partnerships over the past five years: Bong Packaging Solutions AB.
Previous positions: Various managing positions within Apoteket AB and Reitan Servicehandel in Sverige AB.
Holding in Bong (privately and through companies): 100,000

Christian Paulsson (b. 1975)
Board member since 2014.
Master in Business and Economics
Other directorships/positions: Director IBS AB, Apper Systems AB, Vendator AB, Caperio Holding AB, Huntway AB and Paulsson Advisory AB.
Terminated board appointments/partnerships over the past five years: Bong Packaging Solutions AB. Previous positions: Executive VP and CEO at IBS AB, CEO at Lage Jonason AB
Holding in Bong (through company): 19,126,695

EMPLOYEE REPRESENTATIVES

Peter Harrysson (b. 1958).
Board member since 1997.
Other directorships/positions: Factory worker in Bong Sverige AB.
Terminated board appointments/partnerships over the past five years: –
Holding in Bong: 0

Christer Muth (b. 1954).
Board member since 2009.
Other directorships/positions: Sales and customer service, Bong Sverige AB.
Terminated board appointments/partnerships over the past five years: –
Holding in Bong: 0

RULES OF PROCEDURE FOR THE BOARD

The Board of Directors has adopted written rules of procedure and issued written instructions concerning the division of responsibilities between the Board and the CEO. There are instructions regarding information to be furnished regularly to the Board of Directors. During financial year 2014, the Board of Directors held eight meetings in addition to the statutory meeting. The CEO provided board members with information at all regular meetings about the financial position of the Group and significant events in the Company's operations. The Board meets at least four times a year in addition to the statutory meeting. One of the meetings can be held at one of the Group's units and be combined with an in-depth review of this unit.

Key issues that the Board of Directors addressed in 2014 include:

- 12 February Year-end report and progress report from auditors
- 21 May Q1 2014 interim report and statutory board meeting after the 2014 AGM
- 4 July Q2 2014 interim report
- 11 September Visit to subsidiary
- 28 October EU Commission settlement
- 12 November Q3 2014 interim report
- 17 December Budget 2015

INDEPENDENT MEMBERS AND ATTENDANCE AT BOARD MEETINGS

Bong complies with the Stockholm Stock Exchange's listing agreement and the Code with regard to requirements for independent Board members.

COMPOSITION OF THE BOARD OF DIRECTORS AND NUMBER OF FORMAL MEETINGS IN 2014

	Independent of company[1]	Independent of major shareholders[1]	Attendance at Board meetings
Eric Joan	Yes	No	8
Stéphane Hamelin	No	No	9
Mikael Ekdahl	Yes	Yes	7
Ulrika Eriksson	Yes	Yes	9
Anders Davidsson (Resigned in September 2014)	No	No	6
Christian Paulsson (from May 2014)	Yes	Yes	7
Christian W Jansson (from May 2013 to May 2014)	Yes	Yes	1

[1] The assessment of the independence of the Board members has been made in accordance with NASDAQ OMX Stockholm's Rules for Issuers and criteria of independence.

RESTRICTIONS ON VOTING RIGHTS

The Company's articles of association do not contain any limitations in respect to how many votes each shareholder may cast at a General Meeting of Shareholders.

NOMINATION COMMITTEE

The Annual General Meeting appoints a Nomination Committee whose task is to submit proposals to the AGM in consultation with the principal owners on the composition of the Board of Directors.

The Nomination Committe elected by the 2014 AGM consisted of three members: Stéphane Hamelin (Holdham S.A.), Christian Paulsson (Paulsson Advisory AB) and Ulf Hedlundh (Svolder AB). Stéphane Hamelin was appointed Chairman of the Nomination Committee.

Since Bong's principal shareholders (Holdham S.A.and Paulsson Advisory AB), represented about 45 per cent of votes, it was only natural that they were represented on the Nomination Committee. Furthermore, said shareholders considered it to be natural that a representative from one of the largest shareholders in terms of votes should serve as Chairman of the Nomination Committee. The Nomination Committee has dealt with the issues that follow from the Code. The Nomination Committee has had one formal meeting with regular contacts in between.

REMUNERATION COMMITTEE

The Board of Directors has appointed a Remuneration Committee consisting of Christian Paulsson, chairman, Mikael Ekdahl and Stéphane Hamelin.

The Committee's task is to review and give the Board recommendations regarding the principles for remuneration, including performance-based remuneration of the Company's senior executives. Questions concerning the CEO's terms of employment, remuneration and benefits are prepared by the Remuneration Committee and decided by the Board of Directors.

The CEO's salary consists of a fixed portion and a variable portion. The variable component, which is re-examined annually, is dependent on the achievement of results for the Company and the CEO.

The Remuneration Committee met on one occasion in 2014, at which all members participated.

AUDIT COMMITTEE

The Board of Directors has appointed an Audit Committee consisting of Mikael Ekdahl, chairman, and Christian Paulsson and Stéphane Hamelin. Since Bong's principal shareholders represent about 45 per cent of votes it is only natural that both of them are represented on the Audit Committee along with an additional independent board member.

Since other members of the Board cover other activities within the Group, this has been deemed sufficient. The Audit Committee shall oversee that the Company's accounts are prepared with full integrity for the protection of the interests of shareholders and other parties. The Audit Committee met three times in 2014, at which all members participated.

EXTERNAL AUDITORS

Bong's auditors are elected by the AGM for a term of one year. The 2014 AGM elected accounting firm PricewaterhouseCoopers AB, with authorised auditor Eric Salander as principal auditor, and authorised auditor Christer Olausson as co-auditor, for a one-year mandate period.

The auditors review the Board's and the CEO's administration of the Company and the quality of the Company's audit documents. The auditors report the results of their review to the shareholders via the Audit Report, which is presented at the AGM. In addition, the auditors submit detailed accounts to the Board of Directors at least once a year and report to the Audit Committee at each of its meetings.

THE CEO AND GROUP MANAGEMENT

The CEO leads the day-to-day management of the Company in accordance with the Board's guidelines and directions. The CEO is responsible for keeping the Board of Directors informed and ensuring that the Board has all the factual material needed to make informed decisions. The CEO is a member of the Board of Directors. The CEO also keeps the Chairman of the Board informed, by continuous dialogue, of the development of the Group.

The CEO and others in the Group Management hold formal meetings about once a month, as well as a number of informal meetings, to go through the results of the previous month and discuss strategy questions.

In 2014, Bong's Group Management consisted of six people until September 30, 2014 and thereafter of five persons, including one woman. The Group consists of the Parent Company Bong AB and a number of subsidiaries, as reported in Note 19. Reporting by subsidiaries takes place on a monthly basis.

The boards of the subsidiaries mainly consist of members of Bong's corporate management and the Parent Company's Board of Directors.

REMUNERATION FOR GROUP MANAGEMENT

The 2014 AGM decided that the Group Management's salaries should consist of a fixed basic salary plus variable performance-based remuneration. The variable remuneration can be paid for performance that exceeds what is normally expected of a member of the Group Management after an evaluation has been made of individual performances and the Company's reported profit.

The extent to which pre-established goals for the Company and the senior executive have been achieved is taken into account when establishing the variable remuneration. The total remuneration for members of the Group Management should be at a competitive level.

INTERNAL CONTROL

The Board of Directors is responsible for ensuring that there is a good system for internal control and risk management.

Responsibility for creating good conditions for working with these matters is delegated to the CEO. Both Group Management and managers at different levels in the Company bear this responsibility in their respective areas. Powers and responsibilities are defined in policies, guidelines and instructions for authorisation rights.

THE BOARD'S STATEMENT REGARDING INTERNAL CONTROL

According to the Code, the Board of Directors shall annually submit a description of the Company's system for internal control and risk management regarding financial reporting. This report is prepared in accordance with the Code.

ORGANISATION FOR INTERNAL CONTROL

Internal control regarding financial reporting is a process designed to provide reasonable assurance regarding the reliability of the external and financial reporting and whether the financial statements are prepared in accordance with generally accepted accounting principles, applicable acts and ordinances and other requirements for listed companies. The internal control activities are included in Bong's administrative procedures. Internal control regarding financial reporting in Bong can be described in accordance with the following framework.

CONTROL ENVIRONMENT

Internal control in Bong is based on a control environment that includes values and management culture, follow-up, a clear and transparent organisational structure, division of duties, the duality principle, quality and efficiency of internal communications.

The basis of the internal control regarding financial reporting consists of a control environment with organisation, decision-making channels, powers and responsibilities that have been documented and communicated in governing documents, such as internal policies, guidelines and instructions, as well as job descriptions for controlling functions. Examples are rules of procedure for the Board and CEO, instructions for financial reporting, information policy and authorisation instructions.

CONTROL ACTIVITIES

The control activities include both general and more detailed controls intended to prevent, detect and correct errors and non-conformance. The control activities are devised and documented at the corporate and departmental level. The internal regulatory framework with policies, guidelines and instructions comprises the most important tool for furnishing information and instructions for the purpose of securing the financial reporting. In addition, a standardised reporting package is used by all subsidiaries in order to ensure consistent application of Bong's principles and coordinated financial reporting.

Bong also has a self-assessment process relating to internal controls.

RISK ASSESSMENT

Bong continuously evaluates the risks surrounding reporting that may arise. Furthermore, the Board of Directors is responsible for ensuring compliance with insider laws and standards for furnishing information. The overall financial risks are defined and taken into consideration in establishing the Group's financial goals.

The Group has an established, but changeable, system for management of business risks that is integrated in the Group's control process for business planning and performance. In addition, seminars are routinely held on business risks and risk assessment within the Group. There are procedures for ensuring that significant risks and control deficiencies are, when necessary, detected by the Group Management and the Board of Directors on a periodic basis.

INFORMATION AND COMMUNICATIONS

In order to ensure effective and correct information, both internally and externally, good communications are required. Within the Group there are guidelines for ensuring that relevant and essential information is communicated within the Group, within each unit and between the management and the Board of Directors. Policies, manuals and work descriptions are available on the Company's intranet and/or in printed form. In order to ensure that external information is correct and complete, Bong applies an information policy adopted by the Board of Directors.

FOLLOW-UP

The CEO is responsible for ensuring that internal control is organised and followed up in accordance with the guidelines established by the Board of Directors. Financial governance and control are exercised by the Group accounting function. The financial reporting is analysed monthly at a detailed level. The Board of Directors has regular access to financial reports, and the Company's financial situation is dealt with at every Board meeting. Every quarterly report is gone through by the Board of Directors.

The CEO is responsible for ensuring that independent objective reviews are performed for the purpose of systematically evaluating and proposing improvements in the Group's processes for governance, internal control and risk management. In view of this, and how the financial reporting has otherwise been organised, the Board of Directors finds no need for a special internal auditing function.

PROPOSED DISTRIBUTION OF EARNINGS

The Board of Directors proposes that the earnings available for distribution, SEK 666,898,462, be carried forward. Note 37.

BOARD'S OPINION CONCERNING PROPOSED DIVIDEND

Bong's current priority is to reduce debt and improve profitability. Therefore, the Board proposes that no dividend be paid for 2014. No dividend was paid for 2013.

Consolidated income statements

TSEK	Note	2014	2013
INCOME STATEMENT			
Revenue	2	2,532,898	2,563,516
Cost of goods sold	3–4, 6, 8	-2,066,329	–2,118,712
Gross profit		466,569	444,804
Selling expenses	3–4, 6, 8	–251,524	–262,147
Administrative expenses	3–6, 8	–202,185	–224,902
Other operating income	7, 12	23,825	30,577
Other operating expenses	7, 12	–158,901	–97,461
Share in profit in associated companies	20	-554	–358
Operating profit/loss		–122,770	–109,487
Financial income	9, 12	2,046	4,312
Financial expenses	10, 12	–57,536	–71,007
Total financial income and expenses		–55,490	–66 695
Result before tax		–178,260	–176,182
Income tax	11	28,374	35,539
NET RESULT FOR THE YEAR		**–149,886**	**–140,643**
Attributable to:			
Parent Company's shareholders		–149,886	–140,643
Earnings per share attributable to Parent Company's shareholders			
– basic, SEK	13	–0.96	–2.20
– diluted, SEK	13	–0.96	–2.20

TSEK	2014	2013
STATEMENT OF COMPREHENSIVE INCOME		
Net result for the year	–149,886	–140,643
Other comprehensive income		
Items not to be recognised in the income statement		
Actuarial profit on post-employment benefit obligations	–38,988	15,182
	–38,988	**15,182**
Items that may subsequently be recognised in the income statement		
Cash flow hedges	–166	2,555
Hedging of net investments	–61,339	–24,248
Exchange rate differences	86,633	21,867
Income tax relating to components of other comprehensive income	22,414	4,039
Other comprehensive income after tax	8,554	19,395
TOTAL COMPREHENSIVE INCOME	**–141,332**	**–121,248**
Attributable to:		
Parent Company's shareholders	–141,332	–121,248

Consolidated balance sheet

TSEK	Note	31 Dec. 2014	31 Dec. 2013
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	14	567,029	533,215
Other intangible assets	15	37,169	43,204
Total		604,198	576,419
Tangible assets			
Property, plant and equipment	16	170,506	189,901
Plant and machinery	16–17	154,832	194,480
Equipment, tools, fixtures, and fittings	16	39,019	39,596
Construction in progress	18	21,196	21,454
Total		385,553	445,431
Financial assets			
Interests in associated companies	20	0	354
Interests in other companies	21	3,398	3,215
Deferred tax assets	22	227,855	185,711
Other non-current receivables		3,440	4,249
Total		234,693	193,529
Total non-current assets		1,224,444	1,215,379
Current assets			
Inventories etc.			
Raw materials and consumables		99,396	93,548
Products in progress		6,769	6,798
Finished products and merchandise		147,661	163,564
Total	23	253,826	263,910
Current receivables			
Trade receivables	24,40	328,229	398,147
Current tax assets		13,157	18,295
Other current receivables	25	6,898	11,637
Deferred expenses and accrued income		39,282	40,455
Total		387,566	468,534
Cash and cash equivalents		96,744	81,648
Total current assets		738,136	814,092
TOTAL ASSETS		**1,962,580**	**2,029,471**

TSEK	Note	31 Dec. 2014	31 Dec. 2013
EQUITY AND LIABILITIES			
Equity			
Share capital	33	234,989	234,989
Other contributed capital		701,843	705,039
Reserves	32	−18,091	−55,030
Retained earnings including net result for the year		−541,471	−349,428
Equity attributable to equity holders of the Parent		377,270	535,570
Non-controlling interests		-	−13,770
Total equity		377,270	521,800
Non-current liabilities			
Borrowings	26	483,216	510,505
Deferred tax liabilities	22	21,750	30,118
Pension obligations	28	227,845	185,902
Other provisions	27	6,584	6,179
Other non-current liabilities		5,843	4,916
Total non-current liabilities		745,238	736,900
Current liabilities			
Borrowings	26	171,375	184,873
Trade payables		288,414	303,466
Current tax liability		5,883	3,267
Other current liabilities	25	60,865	56,701
Other provisions	27	96,960	28,282
Accrued expenses and deferred income	29	216,575	194,182
Total current liabilities		840,072	770,771
TOTAL EQUITY AND LIABILITIES		**1,962,580**	**2,029,471**

Statement of changes in consolidated equity

TSEK	Note	Share capital	Share premium	Reserves	Retained earnings incl. net result for the year	Non-controlling interests	Total equity
		Attributable to Parent Company shareholders					
Opening balance on 1 January 2013		174,810	475,953	–62,260	–204,961	–12,042	371,500
Comprehensive income							
Net result for the year					–140,643		–140,643
Items not to be recognised in the income statement							
Revaluation of post-employment benefit obligations, after tax					12,165		12,165
					12,165		12,165
Items that may subsequently be recognised in the income statement							
Cash flow hedges, after tax				1,993			1,993
Hedging of net investments, after tax				-16,630			-16,630
Exchange rate differences, after tax				21,867			21,867
Total other comprehensive income	32			7,230	12,165		19,395
Total comprehensive income				7,230	–128,478		–121,248
Transactions with shareholders							
New issue		60,179	215,274				275,453
Convertible debenture			13,812				13,812
Issuance costs					–15,989		–15,989
Acquisition from non-controlling interests						–1,728	–1,728
Total transactions with shareholders		60,179	229,086		–15,989	–1,728	271,548
CLOSING BALANCE ON 31 DECEMBER 2013	32,33	**234,989**	**705,039**	**–55,030**	**–349,428**	**–13,770**	**521,800**
Opening balance on 1 January 2014		234,989	705,039	–55,030	–349,428	–13,770	521,800
Comprehensive income							
Net result for the year					–149,886		–149,886
Items not to be recognised in the income statement							
Actuarial profit on post-employment benefit obligations, after tax					–28,387		–28,387
					–28,387		–28,387
Other comprehensive income							
Cash flow hedges, after tax				129			129
Hedging of net investments, after tax				–49,526			–49,526
Exchange rate differences, after tax				86,336			86,336
Total other comprehensive income	32			36,939	–28,387		8,552
Total comprehensive income				**36,939**	**–178,273**		**–141,334**
Transactions with shareholders							
Convertible debenture			-3,196				-3,196
Acquisition from non-controlling interests					-13,770	13,770	0
Total transactions with shareholders			**–3,196**		**–13,770**	**13,770**	**–3,196**
CLOSING BALANCE ON 31 DECEMBER 2014	32,33	**234,989**	**701,843**	**–18,091**	**–541,471**	**0**	**377,270**

Consolidated statement of cash flow

TSEK	Note	2014	2013
OPERATING ACTIVITIES			
Operating profit/loss		–122,770	–109,487
Depreciation, amortisation, and impairment losses		100,649	106,739
Financial income received		1,037	4,312
Financial expenses paid		–56,527	–71,007
Tax paid		909	–7,075
Other items not affecting liquidity	34	52,821	–1,489
Cash flow from operating activities before changes in working capital		-23,881	–78 007
Changes in working capital			
Inventories		24,698	50,342
Current receivables		111,121	31,355
Current operating liabilities		–15,082	–66,738
Cash flow from operating activities		96,856	–63,048
INVESTING ACTIVITIES			
Acquisition of intangible and tangible assets incl.advance payments to suppliers		–35,963	–40,606
Disposal of intangible and tangible assets		33,922	19,091
Acquisition of subsidiaries, net of cash required		–641	–6,336
Cash flow from investing activities		–2,682	–27,851
Cash flow after investing activities		94,174	–90,899
FINANCING ACTIVITIES			
New issue		–	200,757
Proceeds from borrowings		–42,640	84,370
Amortisation of loans		–39,319	–225,250
Cash flow from financing activities		–81,959	59,877
Cash flow for the year		12,215	–31,022
Cash and cash equivalents at start of year		81,648	112,250
Exchange rate difference in cash and cash equivalents		2,881	420
CASH AND CASH EQUIVALENTS AT YEAR-END		**96,744**	**81,648**

Accounting policies

Bong is a leading European provider of specialised packaging and envelope products, offering solutions for distribution and packaging of information, advertising materials and lightweight goods. The Group has operations in Sweden, Norway, Denmark, Finland , Estonia, Latvia, the United Kingdom, the Netherlands, Belgium, Luxemburg, Germany, France, Poland, Spain, Switzerland and Russia. Bong holds strong market positions, particularly in northern Europe, Germany, France and the United Kingdom. This annual report was approved by the Board for publication on 7 April 2015.

The most important accounting policies applied in preparing these consolidated financial statements are stated below. These policies have been applied consistently for all the years presented, unless otherwise stated. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU, RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method, except with regard to financial assets and liabilities (including derivative instruments) measured at fair value through profit and loss.

Preparing reports in accordance with IFRS necessitates making a number of important accounting estimates. It is further required that the management makes certain assessments in applying the company's accounting policies. The areas containing a high degree of assessment, which are complex or where assumptions and estimates are of material significance to the consolidated financial statements are stated in Notes 14 and 28..

CONSOLIDATED FINANCIAL STATEMENTS

SUBSIDIARIES

Subsidiaries are all companies (including structured companies) over which the Group has controlling interest. The Group controls a company when exposed to or has the right to variable returns from its holdings in the company and has the ability to affect earnings through their influence in the company. The consolidated accounts include companies acquired during the year from the date when control passes to the Group. Companies disposed of are included in the consolidated accounts until the date when the control no longer exists.

The acquisition accounting method is used to account for the Group's business combinations. The purchase price for acquisition of a subsidiary consists of the fair value of transferred assets, liabilities and the shares issued by the Group. The purchase price also includes the fair value of all assets and liabilities which are a consequence of an agreement on contingent consideration. Acquisition-related expenses are recognised as an expense when they arise. Identifiable acquired assets and liabilities and liabilities assumed in a business combination are initially measured at fair value on the acquisition date. The Group determines for each acquisition whether all holdings without controlling interest in the acquired company are recognised at fair value or at the non-controlling interest's proportionate share of the acquired company's net assets. The amount by which purchase price, any non-controlling interest and fair value on the date of acquisition of previous shareholdings exceed the fair value of the Group's proportionate share of identifiable acquired net assets is recognised as goodwill. If the amount is less than the fair value of the assets of the acquired subsidiary, in the event of a "bargain purchase", the difference is recognised directly in the statement of comprehensive income.

If the business combination is carried out in several steps, the previous proportionate shares of equity in the acquired company are remeasured to their fair value at the time of acquisition. Any profit or loss arising is recognised in profit or loss.

Each contingent consideration to be transferred by the Group is recognised at fair value at the time of acquisition. Subsequent changes in the fair value of a contingent consideration which has been classified as an asset or liability are recognised in accordance with IAS 39 either in profit or loss or in other comprehensive income. A contingent consideration classified as equity is not remeasured, and subsequent settlement is recognised in equity.

Inter-company transactions, balance-sheet items and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies for subsidiaries have been changed where appropriate to guarantee consistent application of the Group's policies.

TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group treats transactions with non-controlling interests as transactions with the Group's shareholders. In acquisitions from non-controlling interests the difference between purchase price paid and the actual acquired proportionate share of the fair value of the subsidiary's net assets is recognised in equity. Gains and losses on disposals to non-controlling interests are also recognised in equity. When the Group no longer has a controlling or significant interest, each remaining holding is remeasured at fair value and the change in carrying amount is recognised in profit and loss. Fair value is used as the initial carrying amount and provides the basis for the continued recognition of the remaining holding as an associate, joint venture or financial asset. All amounts pertaining to the divested unit previously recognised through other comprehensive income are recognised as if the Group had directly disposed of the related assets or liabilities. This may lead to amounts previously recognised in other comprehensive income being reclassified to profit and loss.

If the participating interest in an associate decreases but a significant interest nevertheless remains, in applicable cases only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit and loss.

ASSOCIATES

Associates are all companies in which the Group has a significant, but not controlling interest, which as a rule applies to shareholdings representing between 20 per cent and 50 per cent of the votes. Holdings in associates are recognised according to the equity method and measured initially at cost. The Group's carrying amounts for holdings in associates include goodwill identified at the time of acquisition, net after any impairment losses. The Group's share of profit or loss which has arisen in the associate after the acquisition is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. Cumulative changes after the acquisition are recognised as change in the carrying amount of the holding. When the Group's share in the losses of an associate amount to or exceed its holding in the associate, including any unsecured receivables, the Group does not recognise further losses, unless the Group has incurred obligations or has made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated in proportion to the Group's holding in the associate. Unrealised losses are also eliminated, unless the transaction provides evidence of the existence of a need for impairment loss for the transferred asset. Accounting policies applied to associates have been changed where appropriate to guarantee consistent application of the Group's policies. Dilution gains and losses in participating interests in associates are recognised in the income statement.

SEGMENT REPORTING

External financial information has to reflect the information and the measures applied internally in the company to control the business and make decisions on resource allocation. The company has to identify the level at which the company's most senior executive decision-maker makes regular reviews of sales and operating income. These levels are defined as segments. Bong's most senior executive decision-maker is the company's CEO. The regular internal reporting of income to the CEO which fulfils the criteria to constitute a segment, is done for the Group as a whole, and Bong therefore reports the total Group as the company's only segment.

TRANSLATION OF FOREIGN CURRENCIES

FUNCTIONAL CURRENCY AND REPORTING CURRENCY

Items included in the financial statements for the different units in the Group are measured in the currency used in the financial environment in which the company concerned is mainly active (functional currency). The Swedish krona (SEK), which is the functional and reporting currency of the Parent Company, is used in the consolidated financial statements.

TRANSACTIONS AND BALANCE-SHEET ITEMS

Transactions in foreign currencies are translated to the functional currency at the exchange rate applicable on the transaction date. Exchange gains and losses arising in the payment of such transactions and in the translation of monetary assets and liabilities in foreign currencies at the rate prevailing on the reporting date are recognised in profit or loss. An exception is when the transactions constitute hedges that meet conditions for hedge accounting of cash flows or of the net investment, when gains/losses are recognised in other comprehensive income.

GROUP COMPANIES

The earnings and financial position of all Group companies with different functional currency than the reporting currency are translated as follows. Assets and liabilities are translated at the closing rate and all items in the income statement at the average rate. Exchange-rate differences arising are recognised in other comprehensive income. Goodwill and adjustments of fair value arising on acquisition of a foreign operation are treated as assets and liabilities in that operation and translate at the closing rate.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is added to the carrying amount of the asset or recognised as a separate asset, depending on which is appropriate, only when it is likely that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other types of repairs and maintenance are recognised as expenses in the income statement during the period when they arise Land is not subject to depreciation. Depreciation of other assets, to allocate their cost down to the calculated residual value, is based on the estimated useful life of the assets and is calculated on a straight-line basis from the time when the asset is taken into service.

THE FOLLOWING DEPRECIATION SCHEDULES HAVE BEEN APPLIED:

Buildings	25–33 years
Land improvements	20 years
Plant and machinery	10–15 years
Equipment, tools, fixtures and fittings, vehicles and computer equipment	5–10 years
Other intangible assets	3–8 years

The residual values and useful lives of the assets are tested, and adjusted if necessary, at each balance-sheet date. An impairment loss is recognised if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing sales revenue and carrying amount and are recognised in profit or loss.

INTANGIBLE ASSETS

GOODWILL

Goodwill consists of the amount by which cost exceeds the fair value of the Group's share of the identifiable net assess of the acquired subsidiary/ associate on the acquisition date. Goodwill on acquisition of subsidiaries is recognised as intangible assets. Goodwill is tested annually to identify any impairment loss and is recognised at cost less cumulative amortisation. Profit or loss on disposal of a unit includes remaining carrying amount of the goodwill pertaining to the divested unit. In impairment testing, the Group is treated as a cash-generating unit.

SOFTWARE

Software of a standard character is recognised as an expense. Expenditure on software that has been developed or extensively adapted on behalf of the Group is capitalised as an intangible asset if the software is likely to have economic benefits that exceed the cost after one year. Capitalised expenditure on acquired software is depreciated on a straight-line basis, but no longer than over eight years. The amortisation is included in the income statement item 'Administrative expenses'.

CUSTOMER RELATIONSHIPS

Customer relationships which have been acquired through a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are recognised at cost less cumulative amortisation. Amortisation is calculated on a straight-line basis over the expected life of the customer relationship.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets which have an indefinite useful life are not amortised and are tested annually for possible impairment. Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable value. The recoverable value is the higher of the fair value of the asset less selling expenses and value in use.

FINANCIAL ASSETS AND LIABILITIES

The Group classifies its financial assets and liabilities in the following categories: Financial assets valued at fair value through profit and loss, loan receivables and trade receivables, as well as loans and other financial liabilities. The classification depends on the purpose for which the financial asset was acquired. The management establishes the classification of the financial on the first recognition occasion.

FINANCIAL ASSETS VALUED AT FAIR VALUE THROUGH THE INCOME STATEMENT

Financial assets valued at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of being sold within a short time. Derivatives are classified as being held for trading unless they are identified as hedges. Assets in this category are classified as current assets if they are expected to be settled within twelve months, otherwise they are classified as non-current assets.

LOAN RECEIVABLES AND TRADE RECEIVABLES

Loan receivables and trade receivables are financial assets which are not derivatives, which have determined or determinable payments and which are not listed on an active market. These assets are measured at accrued cost. Accrued cost is determined on the basis of the effective interested rate calculated at the time of acquisition. Trade receivables are recognised in the amount expected to be received, i.e. after deduction of doubtful debts.

LOANS AND OTHER FINANCIAL LIABILITIES

Loans and other financial liabilities, such as trade payables, are included in this category. The liabilities are measured at accrued cost.

DERIVATIVES AND HEDGE ACCOUNTING

The Group's derivative instruments have been acquired to financially hedge risks of interest-rate and currency exposures for the Group. An embedded derivative is disclosed if it is not closely related to the value contract. Derivative instruments are initially recognised at fair value, meaning that transaction expenses are charged against earnings for the period. After the initial recognition, derivatives are measured at fair value and changes in value are recognised in ways as described below.

Meeting the requirements of hedge accounting in accordance with IAS 39 requires that there is a definite link to the hedged item. It is also required that the hedge effectively protects the hedged item, that the hedging documents have been prepared and that effectiveness can be measured. Gains and losses pertaining to hedging are recognised in the income statement at the same time as gains and losses are recognised for the items which are hedged. In hedge accounting, changes in value are booked in the hedge reserve in equity.

CLASSIFICATION AND MEASUREMENT

Financial instruments which are not derivatives are recognised initially at cost equivalent to the fair value of the instrument plus transaction expenses for all financial instruments except pertaining to those which belong to the category of financial asset, which are recognised at fair value through profit and loss, which have been recognised at fair value excluding transaction expenses. A financial instrument is classified on first recognition on the basis of the purpose for which the instrument was acquired. The classification determines how the financial instrument is measured on initial recognition.

RECEIVABLES AND PAYABLES IN FOREIGN CURRENCY HEDING OF FAIR VALUE

Currency futures are used to hedge a receivable or liability against currency risk. When a hedging instrument is used to hedge a fair value, the derivative is booked at fair value on the balance sheet and the hedged asset/liability is also booked at fair value pertaining to the risk hedged. The change in value of the derivative is recognised in profit and loss together with the change in value of the hedged item. Changes in value pertaining to operating receivables and payables are recognised in operating income, while changes in value pertaining to financial receivables and payables are recognised in net financial items.

CASH FLOW HEDGING

The currency futures used to hedge future cash flows and forecast sale in foreign currency are recognised in the balance sheet at fair value. The changes in value are recognised other comprehensive income until the hedged flow reaches the income statement, at which time the cumulative changes in value of the hedging instrument are transferred to the income statement to meet and match the effects on profit and loss of the hedged transaction.

HEDGING OF FIXED INTEREST

Interest-rate swaps are used to hedge against the uncertainty in future interest-rate flows pertaining to loans at variable interest rate. The interest-rate swaps are measured at fair value in the balance sheet. The interest coupon part is recognised continuously in profit and loss as interest income or interest expense. Other change in value of interest-rate swap is recognised in other comprehensive income until the hedged item affects the income statement and provided the criteria for hedge accounting and effectiveness are met. The gain or loss attributable to the ineffective part is recognised in profit and loss.

NET INVESTMENT HEDGING

Investments in foreign subsidiaries (net assets including goodwill) have been to some extent hedged by raising currency loans which on the balance-sheet date have been translated at the rate prevailing at the balance-sheet date. Exchange differences on financial instruments used as hedging instruments in hedging of net investment in a Group company are recognised to the extent that the hedging is effective in other comprehensive income. This is done to neutralise the exchange differences which affect equity when the Group companies are consolidated.

RECOGNITION AND DERECOGNITION

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the instrument pursuant to the instrument's contractual terms and conditions. Trade receivables are recognised on the balance sheet when an invoice has been issued. A liability is recognised when the counterparty has performed under the agreement and the company is contractually obliged to pay, even if no invoice has been received. Trade payables are recognised when an invoice has been received. A financial asset is removed from the balance sheet when the rights in the agreement are realised or expire or the company loses control over them. This also applies to part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise expires. This also applies to some financial liabilities.

A financial asset and a financial liability are offset and recognised as a net amount in the balance sheet only when there is a legal right to offset amounts and there is the intention to settle the items as a net amount or simultaneously realise the asset and settle the liability. The acquisition and sale of financial assets are recognised on the trade date, which is the date on which the company pledges to acquire or sell the asset.

INVENTORIES

Inventories are measured with application of the "first in first out" principle, at the lower of cost and net selling price on the balance-sheet date. The cost of finished goods and work in progress consists of raw materials, direct salaries, other direct expenses and attributable indirect manufacturing expenses (based on normal manufacturing capacity). Salary expenses are not included. Net selling price is the estimated selling price in operating activities less applicable variable selling expenses.

TRADE RECEIVABLES AND OTHER RECEIVABLES

Trade receivables are non-derivative financial assets with determined or determinable payments which are not listed on an active market. A distinguishing feature is that they arise when the Group provides goods directly to a customer without intending to trade with the receivable arising. They are included in current assets with the exception of items with a due date more than 12 months after the balance-sheet date, which are classified as non-current assets. Trade receivables are recognised initially at fair value and then at accrued cost with application of the effective interest rate method, less any reservation for depreciation. Reservation for depreciation of trade receivables is made when there is objective evidence that the Group will not be able to receive all sums due according to the original terms of the receivables. The size of the reservation consists of the difference between the carrying amount of the asset and the current value of estimated future cash flows, discounted with effective interest rate. The reserved amount is recognised in the income statement.

CASH AND CASH EQUIVALENTS

Classified as cash and cash equivalents, in addition cash and bank balances, are other current financial investments with a due date within three months from time of acquisition.

SHARE CAPITAL

Ordinary shares are classified as equity. Transaction expenses which can be directly attributed to issue of new shares or bonds are recognised, net after tax, in equity as a deduction from the issue proceeds.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services which have been acquired on operating activities from suppliers. Trade payables are classified as current liabilities if they fall due within one year or earlier. if not, they are treated as non-current liabilities. Trade payables are recognised initially at fair value and then at accrued cost with application of the effective interest-rate method.

BORROWING

Liabilities to credit institutions and, in the parent company, liabilities to subsidiaries, are recognised initially at fair value, net after transaction expenses. Borrowing is then recognised directly at accrued cost and any difference between amount received (net after transaction expenses) and the amount of repayment is recognised in profit and loss distributed over the loan period, with application of the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for least 12 months after the balance-sheet date.

Overdraft facilities are recognised as borrowing among current liabilities in the balance sheet.

INCOME TAXES

Tax expense for the period comprises current tax and deferred tax. Current tax is calculated on the basis of the tax rules decided on the balance-sheet date or in practice decided in those countries where the Group companies operate and generate taxable revenue.

Deferred tax is calculated in its entirety according to the balance-sheet method based on all temporary differences arising between the tax value of assets and liabilities and their recognised values. The principal temporary differences arise from untaxed reserves, provisions for pensions and other pension benefits, property, plant and equipment and carry-forwards of unused tax losses. Deferred tax is calculated with application of tax rates and tax laws which have been decided upon or notified at the balance-sheet date and which are expected to apply when the accrued tax receivable is realised or the deferred tax liability is settled.

A deferred tax asset pertaining to carry-forward of unused tax losses and other future deductions for tax is recognised to the extent that it is probable that the deduction can be offset against surplus in future taxation. Deferred tax liability pertaining to temporary differences attributable to investments in subsidiaries is not recognised in the Bong consolidated financial statements the parent in all cases liable to control the time of reversal of the temporary differences and it is not judged likely that a reversal will take place within the foreseeable future.

Deferred tax assets and tax liabilities are offset when there is a legal right to offset current tax assets and tax liabilities and hen the deferred tax assets and the tax liabilities relate to taxes charged by the same tax authority and pertain to either the same taxpayer or a different taxpayer, where there is an intention to settle the balances through net payments.

In the case of items recognised in the income statement, associated tax effects are also recognised in the income statement. The tax effects of items recognised in other comprehensive income or directly against equity are recognised in other comprehensive income and equity respectively.

EMPLOYEE BENEFITS

PENSIONS

There are both defined-contribution and defined-benefit pension plans in the Group. The largest defined-benefit pension plans are in Sweden, Germany, France and Norway. In defined-contribution plans, the company pays set contributions to a separate legal entity and does not have any obligation to pay further contributions. Expenses are charged against Group profits as the benefits are earned. In defined-benefit plans, payments are made to employees and former employees based on final salary and number of years of service. The Group bears the risk for payment of pledged benefits. In cases where the plans are funded, assets have been set aside in pension funds or equivalent. The net sum of the calculated present value the of obligations and the fair value of plan assets is recognised as a provision in the balance sheet. Regarding defined-benefit plans, the pension expense and the pension obligation are calculated using the "Projected Unit Credit Method", in a way which allocates the cost over the working life of the employee. The calculation is performed regularly by independent actuaries. The company's commitments are valued at the current value of expected future payments using a discount rate which is equivalent to the interest on first-class corporate bonds or treasury bonds with a maturity equivalent to the obligations in question. The most important actuarial assumptions are shown in Note 28.

Actuarial gains and losses may arise when the present value of the obligation and the fair value of plan assets are determined. Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognised in other comprehensive income during the period in which they arise. Expenses pertaining to service during previous periods are recognised directly in the income statement.

If the pension expense and pension provision established for Swedish plans in accordance with IAS 19 deviate from equivalent amounts in accordance with FAR 4, an expense for special payroll tax on the difference is also recognised. The accounting policy for defined-benefit pension plans described above is only applied to the consolidated financial statements. The Parent Company recognises defined-benefit pension plans in accordance with FAR recommendation No 4, Accounting of Pension Liability and Pension Expense.

TERMINATION BENEFITS

Termination benefits are payable when an employee's employment has been terminated by the Group before the normal retirement date or when an employee accepts voluntary redundancy in exchange for such benefits. The Group recognises severance pay when it is demonstrably obliged by a detailed formal plan to either terminate an employee without a possibility of withdrawal, or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

BONUS PLANS

The Group recognises a liability and an expense for bonuses when there is a legal obligation or an informal obligation based on previous practice.

OTHER EMPLOYEE BENEFITS

Other employee benefits are recognised as expenses as they become vested.

PROVISIONS

Provisions are recognised when the Group has a legal or informal obligation as a result of previous events and it is probable that an outflow of resources will be required to settle the obligation, and where the amount can be measured reliably. In cases where the Group can expect that a provision will be repaid, for example under an insurance contract, the repayment is to be recognised as a separate asset, but only when repayment is as good as certain. Provisions are measured at the best estimate of the amount which is expected to be settled. Provisions for restructuring include expenses for cancellation of lease agreements and severance benefits. No provisions are made for future operating losses.

REVENUE RECOGNITION

Revenue recognition of goods takes place on delivery to the customer and after acceptance by the customer. The sales revenue includes the fair value of goods sold and is recognised less value-added tax and discounts and after elimination of intra-Group sales.

FINANCIAL INCOME AND EXPENSES

Financial income consists of interest income on invested funds, dividend income, gains on changes in value of financial assets measured at fair value through profit or loss, and gains on hedging instruments which are recognised in the income statement. Interest income on financial instruments is recognised according to the effective interest method (see below). Dividend income is recognised when the right to receive a dividend has been established. The gain or loss from sale of a financial instrument is recognised when the economic risks and rewards incidental to ownership have been transferred to the purchaser and the Group no longer has control over the instrument.

Financial expenses consist of interest expenses on loans, the effect of dissolution of present-value calculation of provisions, loss on change in value of financial assets measured at fair value through profit or loss, impairment of financial assets and losses on hedging instruments which are recognised in the income statement. All borrowing costs are recognised in the income statement by applying the effective interest method, regardless of how the borrowed funds have been used. Exchange gains and losses are recognised net. The effective interest rate is the rate which discounts the estimated future receipts and payments through the expected life of a financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received by the contracting parties which are a part of the effective interest rate, transaction costs and all other premiums or discounts.

BORROWING COSTS

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognised as a part of the cost of those assets. Capitalisation ceases when all activities necessary to get the asset ready for its intended use or sale have been substantially completed.

Financial income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

LEASES

The Group leases certain non-current assets. A lease under which the risks and rewards incidental to ownership of a non-current asset are substantially transferred to the Group is classified as a finance lease. At the commencement of the lease period, financial leases are recognised in the balance sheet at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between amortisation of liability and financial expenses in order to achieve a fixed interest rate for the recognised liability. Equivalent payment obligations, less financial expenses, are included in the balance sheet items.

Other current liabilities and other non-current liabilities. The interest element of the financial expenses is recognised in the income statement allocated over the lease period so that each lease period is charged with an amount that corresponds to a fixed interest rate for the liability recognised during the period in question. Non-current asset held under finance leases are depreciated over the useful life of the asset or the lease period, whichever is shorter.

RESEARCH AND DEVELOPMENT

Expenditure on research work is recognised as an expense when it occurs. Expenditure on development work is normally recognised as an expense when it occurs. The development work done is of great importance to the Group, but has the character of maintenance development, which means that all criteria according to IAS 38 are not met, in particular the requirement of future cash flow as a result of the investment.

CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method. The recognised cash flow only comprises transactions that entail cash receipts or cash payments.

DIVIDEND

Dividend to the Parent Company's shareholders is recognised as a liability in the consolidated financial statements in the period when the dividend is determined by the Parent Company's shareholders.

Group notes

All values are in thousand SEK unless stated otherwise

NOTE 1 – FINANCIAL RISK MANAGEMENT

Business operations are conducted on the basis of a finance policy adopted by the Board of Directors that provides rules and guidelines for how the different financial risks are to be managed. This policy governs both overall risk management and specific areas, such as foreign exchange risk, interest rate risk, the use of hedging instruments and investment of excess liquidity. The finance policy identifies three significant risks; market risk, credit risk and liquidity risk, to which the Group is exposed in its day-to-day operations. The Group's financial policy focuses on minimising possible unfavourable effects on the Group's financial results due to the unpredictability of the financial markets.

Financial risk management is the responsibility of a central finance function, which identifies, evaluates and manages financial risks in close collaboration with the subsidiaries. The hedging instruments used are loans, as well as currency and interest rate derivatives, according to the guidelines established in the finance policy.

MARKET RISK

Market risk refers to the currency risk that arises when future purchase and sales agreements or commercial invoices in a currency that is not the unit's functional currency affect a future operating profit (transaction exposure), and when the value of foreign investments is affected by currency rate fluctuations (translation exposure), as well as the interest rate risk that can adversely affect the Group's net interest income when market rates change.

(A) CURRENCY RISK

In 2014 Bong's sales to countries outside of Sweden accounted for 91 (91) per cent of total sales. Of the Group's total sales, approximately 60 (60) per cent were denominated in EUR, 18 (17) per cent in GBP, 9 (9) per cent in SEK, 5 (5) per cent in NOK and 8 (9) per cent in other currencies. There is also local management of foreign currencies in the subsidiaries (please refer to the section on Transaction exposure below).

(i) Transaction exposure

Transaction exposure arises in the Group's operational flows (sales and purchasing) as well as in the financial flows (interest payments and amortisation) in currencies other than the functional currency of the company. This currency risk consists of the risk of fluctuations in the value of accounts receivable, accounts payable and other current receivables and liabilities, as well as the risk of changes in expected and contracted future invoiced currency flows.

Bong has manufacturing in virtually all of its main markets, which limits transaction exposure. Currency risk is primarily due to purchases or sales in foreign currencies between the Group's subsidiaries, external purchases and sales and from the parent company's borrowing in EUR and GBP.

The Group's financial policy requires the subsidiaries to report their currency risk to the central finance function. This risk is then aggregated centrally and hedged with forward exchange contracts. Bong's risk management policy is to hedge between 50 per cent and 100 per cent of expected net cash flow in foreign currency for the next twelve months, depending on maturity dates.

If the EUR had appreciated/depreciated by 10 per cent against other currencies the Group's result on an annual basis, given the same flows as in 2014, would have changed by SEK -3.0/+3.0 million (+1.1/-1.1) as a consequence of transaction exposure. This worsening is due to increased purchase costs for the subsidiaries as well as higher interest costs on the part of the parent company's debt, which is denominated in EUR and is stated net after hedging. A similar strengthening of the GBP against other currencies resulted in an improvement of SEK 3.8 million (+4.6), mainly due to lower import costs for the Group's UK companies.

If the EUR had appreciated/depreciated by 10 per cent against the SEK on the balance sheet date, with all other variables constant, transaction exposure would result in a worsening/improvement of earnings by SEK 1.0 million (0.4) due to losses/gains in the translation of trade receivables, trade payables and accrued interest costs denominated in EUR. An equivalent strengthening/weakening would have changed consolidated equity by SEK -0.8 million (-0.8) and SEK +0.8 million (+0.8), respectively, due to changes in assessment of forward currency exchange and interest swaps, the results of which are reported under equity.

In the sensitivity calculations in EUR, DKK is also included because this currency during the reporting period had a fixed exchange rate against the euro.

(ii) Translation exposure

Currency risks also exist in the translation of the assets, liabilities and profits of foreign subsidiaries to the Parent Company's functional currency, known as translation exposure.

Bong's policy is for the subsidiaries to primarily take out loans in their local currency to limit translation exposure. The loan portfolio is handled by the central finance function and lending and equity in foreign convertible currencies should be hedged to a certain extent, mainly through external borrowing in corresponding currencies. Operating earnings of foreign subsidiaries are not hedged.

Translation exposure in the Group mainly comprises EUR and GBP. If the EUR had appreciated/depreciated by 10 per cent compared with the closing day rate on 31 December 2014, with all other variables constant, earnings would have changed by SEK +6.7/-6.7 million (-0.6/+0.6), mainly due to gains from translation of currency swaps that are not included in hedge accounting. An equivalent change would have increased/decreased consolidated equity by SEK +103.1/-103.1 million (+82.6/-82.6) as a result of gains/losses from translation of net investments in the subsidiaries. The analysis also includes items in DKK, since this currency during the reporting period had a fixed exchange rate against the euro. For GBP the effect on earnings would be an improvement/worsening of SEK +0.8/-0.8 million (+0.1/0.1) and equity would increase/decrease by SEK +1.4/-1.4 million (-43.4/+43.4).

The effect on equity includes external loans denominated in EUR and GBP raised to hedge foreign net investments.

(B) INTEREST RATE RISK

Interest rate risk is the risk that the Group's net interest income declines due to rising market interest levels. The Group's goal in managing interest rate risk is to achieve a balance between short and long maturities to reduce the volatility in interest costs. Bong's borrowings via credit facilities provided by the banks normally have maturities of between one and six months.

Interest rate risk is continuously analysed using simulations of the impact that an interest rate increase would have on the Group's results. The interest hedging is then managed by means of interest rate swaps, where variable interest rates are converted into fixed rates. Given the same loan debt, short-term investments, cash and cash equivalents and fixed interest rate periods as at the end of the year, an increase in the market rate of 100 base points (1 percentage point) would worsen the Group's net interest income on an annual basis by about SEK 6.9 million (6.8).

The effective interest rate for the loan portfolio based on average borrowings for the year amounted to approximately 4.7 per cent (4.8). Interest-bearing net debt on 1 January amounted to SEK 790 million (802) and average time to interest rate fixing on these liabilities was about 0.7 years (0.8) including interest swaps and about 0.6 years (0.7) excluding interest swaps. Short-term investments, cash and cash equivalents amounted to SEK 97 million (82), and the fixed interest rate period on these assets was about 0 months (0). In 2014 the Group's borrowing consisted almost exclusively of SEK, EUR and GBP.

As of the balance sheet date, the company had interest rate swaps with a nominal value of SEK -1.1 million (-1.9), and these have been measured against equity. Fair value of derivative instruments is recognised under other current liabilities.

If interest rates on the Group's loans as of 31 December had been 100 base points higher/lower with all other variables constant, the Group's earnings would have been SEK 1.1 million (0) lower or 1.1 million (0) higher, respectively, mainly as an effect of higher accrued interest expense for loans with floating rates. Other components of equity would have been SEK 0.5 million (0.9) higher and SEK 0.5 million (1.1) lower, respectively, as an effect of an increase/decrease in fair value for interest rate derivatives with fixed interest rates.

CREDIT RISK

Credit risk consists of operational and financial credit risk.

The operational risk can be found in the Group's trade receivables. The goal of Bong's credit process is to achieve competitive credit sales, minimise credit losses and improve the Group's cash flow and profit.

Depending on national practice, the credit periods vary from country to country, but can in some countries be long, about 90 days, so that outstanding credits to individual companies can in some cases reach considerable amounts. If such companies should become insolvent or encounter other payment difficulties, Bong could incur severe financial loss.

This risk is limited because trade receivables are distributed among a large number of customers and geographic markets. The Group's ten largest customers and the top three account for 24 per cent (24) and 11 per cent (12) of total sales, respectively. Credit risk is also reduced because to a large extent Bong has long-term stable relationships with its large suppliers and customers.

In several countries subsidiaries have ongoing credit insurance policies to cover outstanding trade receivables, especially in the Group's German, Danish, French and British companies.

To further improve the credit process, a credit report is obtained for credit sales. This procedure varies locally, but is based on data from external credit agencies combined with intragroup information about historical payment behaviour.

In 2014 credit losses as a percentage of net sales amounted to about 0.1 per cent (0.1 per cent).

More information about outstanding claims can be found in Note 24.

Financial credit risk refers to the risk that the Group's financial counterparties cannot meet their obligations with respect to cash and cash equivalents, short-term bank deposits or financial instruments with positive market value. Since the Group is a net borrower, excess liquidity is primarily used to repay external debts, which reduces the financial credit risk. On January 1 financial credit exposure was SEK 98.8 million (82.1), attributable to cash and cash equivalents of SEK 96.7 million (81.6) and derivative instruments with positive market value of SEK 2.0 million (0.5).

Financial counterparties must have a high credit rating, short rating P-1/A-1, and the counterparties with which the Group holds derivatives and makes short-term bank deposits also participate in the Group's long-term financing.

LIQUIDITY RISK

Liquidity risk refers to the risk that the Group cannot meet its short-term payment obligations due to insufficient or illiquid cash reserves. Bong minimises this risk by having sufficient cash on hand and committed credit facilities to cover its payment obligations. The finance function obtains rolling forecasts of the Group's liquidity reserve from the subsidiaries.

Surplus cash in the subsidiaries, in excess of the portion required to manage working capital requirements, is transferred to the finance function and is used almost exclusively to reduce the Group's current liabilities.

The Group's financing consists mainly of credit facilities at Nordea and Swedbank, which were raised in 2013 following a renewed procurement. The credit facilities have a term of between three and five years.

Bong is obligated to comply with financial terms in the loan agreement, known as covenants. These covenants indicate how large the net debt may be in relation to EBITDA and the interest coverage ratios that the Group must achieve.

Other credit facilities consist of the subsidiaries' local overdraft facilities in foreign banks. At year-end, total credit facilities amounted to SEK 636 million (727) and approved unused credit to SEK 61 million (80).
The Parent Company's external borrowing largely covers the borrowing needs of the subsidiaries.

The table below presents the Group's non-derivative financial liabilities and net settled derivative financial instruments that comprise financial liabilities, broken down by the time remaining on the balance sheet date until the contractual maturity date and assuming an unchanged financing structure and amortisation rate over time for the Group's non-derivative liabilities. Derivatives that are financial liabilities are included in the analysis if their contractual maturities are essential for understanding the timing of future cash flows. The amounts shown in the table are the contractual undiscounted cash flows estimated at the closing market rate and the period's expected interest margin.

Net regulated derivatives are exclusively interest rate swaps, which the Group uses to manage interest rate risk.

Consolidated gross settled derivatives consist of forward exchange contracts to hedge the subsidiaries' inflows and outflows and the Parent Company's flows in foreign currencies, as well as currency swaps to hedge the Parent Company's borrowing and lending to the subsidiaries in currencies other than SEK. Maturity is a maximum of 12 months and all forward exchange contracts are included in a hedging relationship. Forward exchange contracts require contractual undiscounted inflows equivalent to SEK 49.2 million (29.0) and contractual undiscounted outflows equivalent to SEK 50.0 million (28.8). Currency swaps hedge lending in the Parent Company for a nominal amount of SEK 167.4 million (130.2).

MANAGEMENT OF CAPITAL

Bong's goal regarding capital structure is to safeguard the Group's ability to continue its operations, so that it can continue to generate returns to shareholders and benefit for other stakeholders and maintain a capital structure that minimises the cost of capital.

In order to maintain or adjust the capital structure, the Group can change the dividends paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

As of 31 December 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Borrowings (excluding finance lease liabilities)	114,373	75,876	227,192	308,650
Bank credit lines	84,375			
Finance lease liabilities	2,034	1,481	876	
Derivative instruments	817	298		
Trade payables and other payables	532,222			

As at December 31 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Borrowings (excluding finance lease liabilities)	93,515	77,381	215,379	378,745
Bank credit lines	119,600			
Finance lease liabilities	1,370	1,436	778	
Derivative instruments	1,210	697	255	
Trade payables and other payables	509,618			

The Group assesses its capital based on the following ratios:

	2014	2013
Key figures		
Equity ratio, %	19.2	25.7
Net loan debt, SEKm	790	802
Net debt/equity ratio, times	2.09	1.54
Net debt/EBITDA, times	neg	neg

CALCULATION OF FAIR VALUE

The table below shows the financial derivatives at fair value, based on how the classification in the fair value hierarchy has been made. The different levels are defined as follows:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Input data other than listed prices included in Level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- Input data for the asset or liability not based on observable market data (i.e. unobservable data) (Level 3).

All hedge instruments in the table below are measured according to Level 2.

As of 31 December 2014	Assets	Liabilities
Interest rate swaps - cash flow hedging	–	1,052
Currency forwards - cash flow hedging	1	811
Currency forwards - held for trading	2,011	669
Total	**2,012**	**2,532**

As of 31 December 2013	Assets	Liabilities
Interest rate swaps - cash flow hedging	–	1,885
Currency forwards - cash flow hedging	493	324
Currency forwards - held for trading	5	1,667
Total	**499**	3,877

Of the above contracts, the following amounts remain in the hedging reserve: interest swaps - cash flow hedges SEK -1.1 million (-1.9), currency forwards - cash flow hedging SEK -0.8 million (0.2).

Exchange gains and losses on forward exchange contracts as cash flow hedges as of 31 December, reported in Other comprehensive income, are recognised in the Income Statement in the period during which the hedged transaction affects the Income Statement. Gains and losses on interest rate swaps have also been recognised in Other comprehensive income and will be continuously transferred to financial expenses until the interest rate swaps expire. All cash flow hedging was assessed to be fully effective on 1 January.

Gains and losses on the hedging instruments held for trading are recognised in the Income Statement as financial income and expenses.

The Group does not offset financial assets and liabilities.

NOTE 2 – NET SALES BY GEOGRAPHIC AREA

	2014	2013
Sweden	239,912	227,063
Other Nordic and Baltic	340,879	356,862
Central Europe	827,754	853,729
France and Spain	584,961	598,860
United Kingdom	416,501	409,193
Russia/Eastern Europe	55,951	68,623
Other	66,940	49,186
Total	2,532,898	2,563,516

NOTE 3 – EXPENSES CLASSIFIED BY NATURE OF EXPENSE

	2014	2013
Depreciation, amortisation and impairment (Note 6)	100,649	106,739
Costs for remuneration to employees (Note 4)	711,652	733,774
Changes in inventories of finished goods and work in progress	38,783	67,102
Raw materials	1,146,623	1,150,549
Transport costs	122,574	130,278
Other expenses	399,757	417,319
Total cost of goods sold, selling and administrative expenses	2,520,038	2,605,761

NOTE 4 – EMPLOYEES AND WAGES, SALARIES AND OTHER REMUNERATION

Average number of employees

	2014		2013	
	Number of employees	men	Number of employees	men
Sweden	201	129	232	141
Norway	57	35	69	42
Denmark	35	23	42	25
Finland	80	35	85	40
Germany	477	231	524	353
UK	221	190	247	186
Netherlands	11	6	28	20
Belgium	14	5	18	4
Russia	95	51	100	54
Estonia	79	35	61	24
Luxembourg	30	19	34	20
France	407	279	435	293
Poland	154	89	163	91
Spain	10	7	11	7
Latvia	0	0	2	1
Total	1,873	1134	2,051	1,301

NOTE 4 CONT.

Board of Directors and senior executives

	2014		2013	
	Total	men	Total	men
Board members	52	46	55	51
President and other senior executives	44	42	51	49

Salaries, remuneration, and social security contributions

	2014		2013	
	Salaries and remun.	Social contrib.	Salaries and remun.	Social contrib.
Parent Company	2,399	735	12,234	6,405
Pension costs	–	116	–	2,299
Subsidiaries	568,530	139,988	572,797	142,338
Pension costs	–	34,042	–	27,946
Group	570,929	140,723	585,031	148,743
Pension costs	–	34,158	–	30,245

AGM DECISION ON 2014 GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The Annual General Meeting 2014 resolved on guidelines for remuneration to the CEO and other senior executives as follows:

"Senior executives" here refers to members of the management group, which at the time consisted of the company's CEO, Chief Financial Officer (CFO), Business Manager Nordic, Business Manager Central Europe, Business Manager United Kingdom and Business Manager France and Spain.

Remuneration shall consist of fixed salary, variable remuneration, other benefits and pension. The aggregate remuneration shall be in accordance with market conditions and competitive in order to ensure that the Bong Group can attract and retain competent senior executives. In addition to the above variable remuneration, long term incentive programs may be resolved upon from time to time.

The variable part of the salary shall have a pre-determined cap and may as a fundamental principle never exceed 60 per cent of the fixed annual salary. The variable part is based on earnings and cash flow as well as individual qualitative goals. The basic principle is that the variable remuneration is paid in accordance with the agreed-upon weighting between the interim goals if the interim goal has been achieved. The variable component is based on a vesting period of one year. The goals for senior executives are established by the Board of Directors.

Pension benefits shall primarily be defined-contribution, but can also for legal reasons be defined-benefit, although not at the Group Management level. Variable remuneration shall not qualify for pension. The Group Management is entitled to pensions under the ITP system or the equivalent. The retirement age is 65 years. In addition to the ITP plan, some members of Group Management are also entitled to an increased occupational pension premium so that the total equals 30 per cent of their fixed salary.

The Group Management's employment contracts include provisions governing remuneration and termination of employment. According to these agreements, employment can ordinarily cease on notice of termination by the employee within a period of notice of 4–12 months and on dismissal by the company within a period of notice of 6–18 months. On dismissal by the company, the period of notice and the period during which compensation is payable shall not together exceed 24 months.

Remuneration to the CEO and other senior executives is prepared by the Board of Directors Remuneration Committee and resolved by the Board of Directors based on the Remuneration Committee's proposal.

These guidelines shall apply to those persons who are included in the Group Management during the period the guidelines are in force. The guidelines shall apply to the employment contracts entered into after the Annual General Meeting's resolution, and to any changes in existing contracts. The Board of Directors shall have the right to disregard the above guidelines if justified by particular reasons on an individual basis.

Salaries and other remuneration broken down between board members etc. and other employees

	2014		2013	
	Board and CEO	Other employees	Board and CEO	Other employees
Total remuneration	38,583	532,346	51,966	533,065
including incentives, etc	0	243	1,326	1,265

TERMS OF EMPLOYMENT OF SENIOR EXECUTIVES

CHAIRMAN

The Chairman of the Board of Directors Eric Joan received a fee of SEK 90 thousand (0) for the period October 1st to December 31st 2014. The Chairman of the Board Stéphane Hamelin received a fee of SEK 180 thousand (200) for his time as Chairman of the Board until September 30th 2014. Stéphane Hamelin also received SEK 15 thousand in compensation for serving as member of the Audit Committee until September 30th 2014. The amounts represent the directors' fee determined by the AGM with a voluntary reduction of 10 percent.

OTHER BOARD MEMBERS

The total fee paid to other Board members for 2014 was SEK 630 thousand (600). Board member Eric Joan received SEK 90 thousand (150) up until he was elected Chairman of the Board on September 30th 2014. Board member Mikael Ekdahl recieved SEK 225 thousand (200). This amount consists of the directors' fee SEK 135 thousand (100) and compensation for serving as Chairman of the Audit Committee of SEK 90 thousand (100). Board member Ulrika Eriksson received SEK 135 thousand (150). Board member Christian W Jansson received SEK 60 thousand. This amount consists of the directors' fee of SEK 45 thousand (150) and compensation for serving as member of the Audit Committee of SEK 15 thousand (50). Board member Christian Paulsson received SEK 120 thousand (0). This amount consists of the directors' fee of SEK 90 thousand (0) and compensation for serving as member of the Audit Committee of SEK 30 thousand (0).

The amounts represent the directors' fee determined by the AGM with a voluntary reduction of 10 percent.

No other fee was paid. There is no agreement on pension, severance pay or other benefits. No directors' fee was paid to the Managing Director, nor to the employee representatives.

NOTE 4 CONT.

CHIEF EXECUTIVE OFFICER

For the year 2014 Anders Davidsson was paid a fixed salary including remuneration for paid leave of SEK 3,909 thousand (4,965), plus benefits mainly comprising car benefit valued at SEK 98 thousand (112). In addition to a fixed salary, a variable remuneration of no more than 60 per cent of the fixed salary may be paid, based on the Group's fulfilment of certain financial goals. Variable remuneration of SEK 0 thousand (1,076) was paid for 2014. The retirement age is 65 years. A pension premium of 30 per cent of the base salary was paid. In 2014 a pension premium of SEK 340 thousand (365) was paid based on an agreement exchanging pension for pay. In the event of termination by the company, the CEO is entitled to salary and benefits for 24 months. In the event of termination by the CEO, the period of notice is 6 months. Anders Davidsson left Bong on September 30th 2014.

For the year 2014 Stéphane Hamelin was paid a fixed salary including remuneration for paid leave of SEK 304 thousand (0). No benefits were paid. In addition to a fixed salary, a variable remuneration may be paid, based on the Group's fulfilment of certain financial goals after a decision by the Board of Directors. No variable remuneration was paid in 2014. Pension premium shall be paid in accordance with French law. No other pension premiums were paid during 2014. In the event of termination by the company, the CEO is entitled to salary and benefits for 6 months. In the event of termination by the CEO, the period of notice is 6 months. Stéphane Hamelin assumed his position on October 1st 2014.

OTHER SENIOR EXECUTIVES IN THE MANAGEMENT GROUP

During the year the management team has been reduced from five to four people. Two people have left the group and one was replaced. Total fixed salaries of SEK 8,266 thousand (10,611), plus benefits mainly comprising car benefits valued at SEK 329 thousand (440), were paid to other senior executives in the management group for 2014. In addition to a fixed salary, a variable remuneration of no more than 40-60 per cent of the fixed salary may be paid, based on the Group's fulfilment of certain financial goals. Variable remuneration of SEK 0 thousand (1,237) was paid for 2014. No variable remuneration was paid during the year for 2013. Pension benefits are payable for the Swedish executives under terms equivalent to those of the general pension plan. Pension benefits are payable for the foreign executives in accordance with individual agreements that give the company a cost not exceeding 10 per cent of the annual salary. A pension premium of SEK 1,288 thousand (1,419) was paid for 2014. In the event of termination by the company, unchanged salary is payable for 6–18 months. In the event of termination by the employee, the period of notice is 4–12 months.

PREPARATION AND DECISION-MAKING PROCESS

The Board of Directors has a Remuneration Committee consisting of three Board members. The committee deals with matters relating to terms of employment and remuneration to the CEO and other senior executives in the Group.

NOTE 5 – REMUNERATION TO AUDITORS

PwC	2014	2013
Auditing assignments	4,276	3,808
Audit-related activities	95	634
Tax services	135	69
Other services	417	336
Total	4,923	4,847

KPMG	2014	2013
Auditing assignments	309	82
Audit-related activities	27	52
Tax services	172	–
Other services	56	–
Total	564	134

Other	2014	2013
Auditing assignments	178	226
Audit-related activities	202	20
Other services	238	111
Total	618	357

NOTE 6 – DEPRECIATION AND AMORTISATION

Broken down by non-current assets	2014	2013
Goodwill impairment write-down	–	15,076
Other intangible assets	12,972	9,267
Land and buildings	22,421	11,656
Plant and machinery	55,809	61,745
Equipment, tools fixtures and fittings	9,447	8,995
Total	100,649	106,739

Broken down by function	2014	2013
Cost of goods sold	80,471	75,859
Selling expenses	5,219	3,224
Administrative expenses	14,959	12,580
Other expenses	–	15,076
Total	100,649	106,739

NOTE 7 – OTHER OPERATING INCOME AND EXPENSES

Operating income	2014	2013
Exchange gains on operating receivables and liabilities	4,699	5,334
Capital gain on sale of non-current assets	19,126	25,243
Total	23,825	30,577

Operating expenses	2014	2013
Restructuring and transaction costs	-143,889	–69,018
Goodwill impairment write-down	–	–15,076
Exchange losses on operating receivables and liabilities	–8,005	–5,981
Loss on sale of non-current assets	–7,007	–7,386
Total	–158,901	–97,461

NOTE 8 – OPERATING LEASES/RENTAL AGREEMENTS

The Group's most important operating leases relate to rental of premises. The Group has operating leases for machinery, cars and office equipment on a smaller scale. There are no restrictions in the lease agreements.

The nominal value of future lease payments is broken down as follows on the balance sheet date:

	2014	2013
Payment due within one year	65,369	61,998
Payment due later than one year but within five years	192,820	165,061
Payment due after five years	118,756	73,896
Total	376,945	300,955
Lease payments for operating leases were paid in the following amounts:	70,524	61,819

NOTE 9 – FINANCIAL INCOME

	2014	2013
Interest income	1,037	1,294
Exchange gains on financial items	1,009	3,018
Total	2,046	4,312

NOTE 10 – FINANCIAL EXPENSES

	2014	2013
Interest portion in this year's pension costs	–7,065	–6,591
Interest expenses, other	–36,816	–50,961
Exchange losses on financial items	–768	–1,111
Other financial expenses	–12,887	–12,344
Total	–57,536	–71,007

NOTE 11 – TAX

	2014	2013
Current tax	1,237	–1,568
Deferred tax	27,137	37,107
Total	28,374	35,539

The tax on the Group's profit before tax differs from the theoretical amount that would result from application of the tax rates for the profits in the consolidated companies as follows.

	2014	2013
Profit before tax	–178,260	–176,182
Income tax calculated according to national tax rates for each country	49,913	49,331
Tax on:		
– adjustment of previous years' tax	454	–211
– non-taxable revenue/ other non-deductible expenses	–23,907	2,095
Recognition of previously unrecognised tax loss		
Revaluation of deferred tax:	1,914	173
– change in the Swedish tax rate	0	391
– write-down	0	–16,240
Tax according to Income Statement	28,374	35,539

NOTE 12 – EXCHANGE GAINS/LOSSES – NET

Exchange gains/losses are recognised in the income statement as follows	2014	2013
Other operating income	4,699	5,334
Other operating expenses	–8,005	–5,981
Financial income	1,009	3,018
Financial expenses	–768	–1,111
Total	–3,065	1,260

NOTE 13 – BASIC AND DILUTED EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

In calculating basic earnings per share, profit attributable to the Parent Company's shareholders is divided by the weighted average number of ordinary shares outstanding during the period.

	2014	2013
Profit attributable to the Parent Company's shareholders	–149,886	–140,643
Ordinary shares outstanding (thousands)	156,660	63,874
Basic earnings per share, SEK	–0.96	–2.20

DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Parent Company has potential ordinary shares in the form of convertible debentures. The convertible debt is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense minus the tax effect.

	2014	2013
Profit attributable to the Parent Company's shareholders	–149,886	–140,643
Weighted average number of ordinary shares outstanding (thousand)	156,660	63,874
– convertible bonds (thousand)	27,272	9,922
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousand)	183,932	73,796
Diluted earnings per share, SEK	–0.96	–2.20

The dilution effect is not taken into account when it leads to a better result.

NOTE 14 – GOODWILL

	31 Dec. 2014	31 Dec. 2013
Opening costs	533,215	539,749
Write-down	–	–15,076
Exchange rate differences	33,814	8,542
Closing costs	567,029	533,215

IMPAIRMENT TESTING OF GOODWILL

For impairment testing purposes the Group is regarded as a cash-generating unit (CGU), since the whole Group's operation is regarded as a single segment. The recoverable amount for a CGU is determined based on a calculation of value in use.

NOTE 14 CONT.

That calculation uses cash flow projections that are based on financial budgets for the business that are approved by management and cover a five-year period. Cash flows beyond the five-year period are extrapolated based on the assumption that the envelope market in Europe as a whole will have a limited growth. The cash flows are based on previous years' outcomes and management projections of the market trend. Management has established the budgeted cash flows based on previous years' results, planned and completed efficiency-improving measures and projections of the market trend.

In calculating value in use, a discount rate of 10.3 per cent after tax (13.2 per cent before tax) has been assumed, along with a negative growth rate during the first three years of on average -3.7 per cent. The last two years have been assumed to result in a weak growth rate. A sustained growth rate of 1 per cent has been adopted. Previous year, a discount rate of 10.3 per cent (13.2 per cent before tax) and a development adjacent to this year's calculation was adopted but with a growth rate of 1 per cent at the end of the five year period.

The discount rate used is given after tax and reflects the market interest rates, risks and tax rates that apply to the different units. The average growth rate used is based on industry forecasts. Positive sales growth is expected above all in the packaging sector and in Eastern Europe. The impairment test shows that a write-down of goodwill is not necessary.

SENSITIVITY ANALYSIS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are regarded as reasonable under the current circumstances. The Group subjects goodwill to impairment testing every year, in accordance with the accounting policy described among the accounting policies above. The recoverable amount has been determined by calculation of the value in use. Certain estimates must be made for these calculations. Management has determined the forecast based on previous earnings and their expectations of the future market trend, as well as external information about market trends. A sustainable growth rate of 1 per cent has been used to extrapolate cash flows beyond the budget period. This growth rate is judged to be a conservative estimate. Furthermore, an average discount rate after tax of 10.3 per cent has been used (13.2 per cent before tax), which is the same as the previous year. A sensitivity analysis has been performed for the Group as a cash-generating unit. The results of the analysis are summarised below.

• If the assumption regarding the estimated growth rate beyond the budget period had been 1.2 per cent lower, i.e. a slightly negative growth, then the assumption used as the recoverable amount would be the same as the book value of the cash-generating unit. Furthermore, if the adoption of growth after the budget period had been 1 per cent lower, it would mean a write-down of SEK 0 million.

• If the assumption regarding growth during the forecast period had been 0.4 per cent lower than the assumption used for the recoverable amount would be the same as the book value of the cash-generating unit. Furthermore, if the assumption regarding growth during the forecast period had been 0.5 per cent lower, it would mean a write-down of SEK 24 million. If the assumption regarding growth during the forecast period had been 1 per cent lower, it would mean a write-down of SEK 207 million.

• If the assumption regarding fixed costs had been 0.5 per cent higher than the assumption used for the recoverable amount would be the same as the book value of the cash-generating unit. Furthermore, if the assumption regarding fixed costs had been 1 per cent higher, it would mean a write-down of SEK 157 million.

• If the assumption regarding gross margin had been 0.9 per cent lower than the assumption used for the recoverable amount would be the same as the book value of the cash-generating unit. Furthermore, if the assumption regarding gross margin had been 1 per cent lower, it would mean a write-down of SEK 18 million

• If the assumption regarding the estimated weighted cost of capital had been 1.4 per cent higher than the assumption used the recoverable amount would be the same as the book value of the cash-generating unit. Furthermore, if the assumption regarding the estimated weighted cost of capital had been 2 per cent higher, it would mean a write-down of SEK 62 million.

These calculations are hypothetical and should not be regarded as an indication that these factors are more or less likely to change. The sensitivity analysis should therefore be interpreted with caution. The estimated recoverable amount exceeds the book value by SEK 168 million.

NOTE 15 – OTHER INTANGIBLE ASSETS

	31 Dec. 2014	31 Dec. 2013
Opening costs	74,202	56,726
Purchase	484	2,109
Sale/retirement	–2,633	0
Reclassifications	4,776	13,681
Exchange rate differences	5,259	1,686
Closing costs	82,088	74,202

	31 Dec. 2014	31 Dec. 2013
Opening accumulated depreciation	–30,998	–20,371
Sales/retirements	2,689	0
Exchange rate differences	–3,638	–1,360
Depreciation for the year	–12,972	–9,267
Closing accumulated depreciation	–44,919	–30,998
Closing residual value according to plan	37,169	43,204

NOTE 16 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	31 Dec. 2014	31 Dec. 2013
Opening costs	217,917	213,075
Purchase	1,692	2,111
Sale/retirement	–2,501	–3,036
Exchange rate differences	13,350	5,767
Closing costs	230,458	217,917

	31 Dec. 2014	31 Dec. 2013
Opening accumulated depreciation and impairment losses	–28,016	–14,519
Sales/retirements	163	1,817
Exchange rate differences	–9,678	–3,658
Depreciation and impairment losses for the year	–22,421	–11,656
Closing accumulated depreciation	–59,952	–28,016
Closing residual value according to plan	170,506	189,901
Of which is land	20,032	20,032

NOTE 16 CONT.

Plant and machinery	31 Dec. 2014	31 Dec. 2013
Opening costs	1,128,791	1,143,024
Purchase	18,378	10,381
Sale/retirement	–97,816	–53,463
Reclassifications	1,305	2,119
Exchange rate differences	102,460	26,730
Closing costs	1,153,118	1,128,791
Opening accumulated depreciation	–934,311	–894,128
Sales/retirements	84,360	45,459
Exchange rate differences	–92,526	–24,520
Reclassifications	0	623
Amortisation for the year	–55,809	–61,745
Closing accumulated depreciation	–998,286	–934,311
Closing residual value according to plan	154,832	194,480

Equipments, tools, fixtures and fittings	31 Dec. 2014	31 Dec. 2013
Opening costs	225,379	218,110
Purchase	9,223	13,419
Sale/retirement	–6,437	–9,239
Reclassifications	1,241	832
Exchange rate differences	12,063	2,257
Closing costs	241,469	225,379

NOTE 16 CONT.

Equipments, tools, fixtures and fittings	31 Dec. 2014	31 Dec. 2013
Opening accumulated depreciation	–185,783	–182,657
Sales/retirements	4,232	7,902
Exchange rate differences	–11,452	–2,033
Amortisation for the year	–9,447	–8,995
Closing accumulated depreciation	–202,450	–185,783
Closing residual value according to plan	39,019	39,596

NOTE 17 – FINANCE LEASES IN THE GROUP

	31 Dec. 2014	31 Dec. 2013
Opening costs	6,903	6,865
Sales/Disposals	-737	-
Exchange rate differences	407	38
Closing costs	6,573	6,903
Opening accumulated depreciation	-5,476	–4,626
Sales/Disposals	409	-
Exchange rate differences	-372	–349
Amortisation for the year	-1,134	–501
Closing accumulated depreciation	-6,573	–5,476
Closing residual value according to plan	0	1,427

NOTE 17 CONT.

DUE DATE OF FUTURE MINIMUM LEASE PAYMENTS:

	Nominal values	Present values
	31 Dec. 2014	31 Dec. 2014
Within one year	2,034	1,953
After one year but within five years	2,357	2,142
After five years	0	0
Total	4,391	4,095

DUE DATE OF FUTURE MINIMUM LEASE PAYMENTS:

	Nominal values	Present values
	31 Dec. 2013	31 Dec. 2013
Within one year	1,370	1,315
After one year but within five years	2,214	2,009
After five years	0	0
Total	3,584	3,324

NOTE 18 – CONSTRUCTION IN PROGRESS AND ADVANCE PAYMENT RELATING TO PROPERTY, PLANT AND EQUIPMENT

	31 Dec. 2014	31 Dec. 2013
Opening costs	21,454	28,493
Accrued expenses	6,186	10,248
Reclassifications	-7,322	–17,255
Exchange rate differences	878	–32
Closing balance	21,196	21,454

NOTE 19 - THE PARENT COMPANY AND GROUP HOLDINGS OF SHARES IN GROUP COMPANIES

Company	Corporate identity number	Location	Invested capital	**Ownership(%)**
Bong International AB*	556044-3573	Kristianstad, Sweden	1,501,200	100
Bong GmbH*	HRB 1646	Solingen, Germany	1	100
Bong Sverige AB	556016-5606	Kristianstad, Sweden	804,000	100
Bong UK Ltd	3895897	Milton Keynes, Great Britain	7,000,000	100
IPC SAS	327 956 199	Angoulème, France	15,000	100
Manuparis SAS	775 695 299	Saint Sebastien de Morsent, France	100,000	100
Pflüger Kuvert GmbH	HRB 9534	Erlangen, Germany	1	100
Surrey Envelopes Ltd	2592120	Spondong, Great Britain	100,000	100

* Subsidiaries to Bong AB.
The compilation includes directly owned subsidiaries and indirectly owned companies with sales exceeding SEK 150 million. All subsidiaries are consolidated in the Group.

The purpose of IFRS 10 is to establish principles for preparation and presentation of consolidated financial statements when an entity controls one or more other companies. The standard defines the concept of control and establishes control as the basis for consolidation. The standard provides guidance for determining whether an entity controls another and thus will consolidate into this company in the consolidated financial statements. The standard also specifies how the consolidated financial statements should be prepared.

The standard has not had any significant effect because all companies are wholly owned.

NOTE 20 – INTERESTS IN ASSOCIATED COMPANIES

	2014	2013
Opening balance	354	713
Reclassification to subsidiary	-391	–
Share in profits	0	–358
Exchange rate differences	37	–1
Closing balance	0	354

During the year the Group acquired the remaining 50 per cent of Bong Schweiz AG. The purchase price amounted to 1 CHF. This acquisition is not expected to impact the Group's results in 2015.

NOTE 21 – INTERESTS IN OTHER COMPANIES

Company	Corporate identity number	Location	Invested capital	Book value
Bong Fastigheter KB	969655-5763	Stockholm, Sweden	TSEK 1,000	1,000
Mail Inside	492 969 787 RCS	Paris, France	TSEK 2,215	2,398
Total				3,398

NOTE 22 – DEFERRED TAX

Deferred tax assets and liabilities are offset when a legal right to do so exists for the tax assets and liabilities in question and when the deferred taxes are payable to the same tax authority. The offset amounts are as follows:

Deferred tax per temporary difference	31 Dec. 2014	31 Dec. 2013
Deferred tax asset		
Loss carryforward	207,679	152,396
Intangible assets	–1,529	–106
Property, plant and equipment	8,019	24,134
Pensions	11,656	–1,896
Other temporary differences	2,030	11,183
Total	227,855	185,711

Deferred tax per temporary difference	31 Dec. 2014	31 Dec. 2013
Deferred tax liability		
Loss carryforward	4,282	–4,155
Intangible assets	11,195	–13,807
Property, plant and equipment	3,292	14,336
Pensions	1,314	3,247
Other temporary differences	1,667	30,497
Total	21,750	30,118

Deferred tax assets are recognised for tax-loss carryforwards to the extent it is likely they can be utilised to offset future taxable profits.

The Group's loss carryforwards mainly relate to operations in Germany and Sweden. In recent years a number of steps have been taken to reduce costs and streamline operations. The chances of being able to utilise remaining loss carryforwards are deemed good. Undisclosed tax assets amount to 61 625 TSEK (26 290), the majority of which are not time-limited.

The gross change with regard to deferred taxes is as follows	2014	2013
At start of year	155,593	116,859
Exchange rate differences	961	–2,412
Recognised in the Income Statement	27,137	37,107
Tax relating to components of other comprehensive	22,414	4,039
At year-end	206,105	155,593

NOTE 23 – INVENTORIES

The expenditure for the inventory that was recognised is included in the item "Cost of goods sold" and amounted to SEK 1,146,623 thousand (1,217,651). Of the inventory value, SEK 3,326 thousand (2,021) has been measured at net realisable value. The inventory depreciated during the year by SEK 448 thousand (61).

NOTE 24 – TRADE RECEIVABLES AND OTHER RECEIVABLES

	31 Dec. 2014	31 Dec. 2013
Trade receivables	342,137	411,253
Minus provision for impairment of receivables	-13,908	–13,106
Trade receivables – net	328,229	398,147

NOTE 24 CONT.

Stated amounts, per currency for the Group's trade receivables are as follows:	31 Dec. 2014	31 Dec. 2013
SEK	30,523	29,078
GBP	94,298	99,777
EUR	178,561	236,286
Other currencies	38,755	46,112
Total	342,137	411,253

Geographic distribution of receivables	31 Dec. 2014	31 Dec. 2013
Sweden	30,472	30,665
Other Nordic and Baltic	37,176	41,614
Central Europe	89,911	97,394
France and Spain	72,453	121,375
United Kingdom	94,722	102,572
Russia / Eastern Europe	17,403	17,633
Total	342,137	411,253

Changes in the reserve for doubtful trade receivables are as follows:	2014	2013
At 1 January	13,106	10,290
Provision for doubtful debts	4,863	6,745
Receivables that have been written off during the year as uncollectable (–)	–2,790	–3,381
Reversal of unutilised amounts	–2,141	–614
Exchange rate difference	870	66
At 31 December	13,908	13,106

The credit quality of trade receivables that have neither fallen due for payment nor are impaired can be assessed by reference to an external credit rating (if available) or to the counterparty's payment history:

Collection pattern: counterparties	31 Dec. 2014	31 Dec. 2013
Group 1 new customers	18,305	22,533
Group 2 existing customers without previous defaults	310,715	377,452
Group 3 existing customers with some previous non-payments where all non-payments have been fully recovered	13,117	11,268
Total trade receivables	342,137	411,253

On 31 December 2014 trade receivables totalling SEK 38,005 thousand (62,139) were overdue but were not considered to be impaired. The overdue receivables relate to a number of customers who have not previously had any difficulties paying.

Below is an age analysis of these trade receivables:	31 Dec. 2014	31 Dec. 2013
Less than 3 months	24,097	48,923
3 to 6 months	1,018	4,038
More than 6 months	12,890	9,178
Total	38,005	62,139

For trade receivables and other receivables, fair value is in line with book value.

NOTE 25 – OTHER CURRENT RECEIVABLES AND LIABILITIES

Other current receivables	31 Dec. 2014	31 Dec. 2013
Currency and interest rate derivatives	1,342	573
Other current receivables	5,556	11,064
Total	6,898	11,637

Other current liabilities	31 Dec. 2014	31 Dec. 2013
Currency and interest rate derivatives	1,863	3,895
Other current liabilities	59,002	52,806
Total	60,865	56,701

NOTE 26 – BORROWINGS

Long-term	31 Dec. 2014	31 Dec. 2013
Bank loans	418,832	449,317
Convertible loans	64,384	61,188
Total	483,216	510,505

The convertible loan has an interest rate of 10 per cent. Interest is payable on the 27th of June and December each year until the 27th June 2018 when the loan falls due.

Short-term	31 Dec. 2014	31 Dec. 2013
Bank credit lines	84,375	119,630
Bank loans	87,000	65,243
Total	171,375	184,873
Total borrowings	654,591	695,378

Maturity dates of long-term borrowings are as follows:	31 Dec. 2014	31 Dec. 2013
Between 1 and 2 years	52,984	52,019
Between 2 and 5 years	175,000	154,953
More than 5 years	255,232	303,533
Total	483,216	510,505

The effective interest rate on the balance sheet date was as follows:	31 Dec. 2014	31 Dec. 2013
Bank credit lines	2,35%	2.19%
Other borrowings	4,83%	5.07%

The interest rate level is dependent on the current market rate, loan currency fixed interest rate period and financial key ratios agreed with the Group's main bank that relate to the Group's net debt/EBITDA ratio.

Recognised amounts, per currency, are as follows:	31 Dec. 2014	31 Dec. 2013
SEK	151,171	172,844
EUR	420,011	438,164
GBP	82,329	81,996
Other currencies	1,080	2,374
Total	654 ,591	695,378

NOTE 26 CONT.

The Group has the following unutilised credit facilities:	31 Dec. 2014	31 Dec. 2013
Variable interest rate:		
– expires within one year	–	–
– expires after more than one year	60,900	59,800
Fixed interest rate:		
– expires within one year	–	–

NOTE 27 – OTHER PROVISIONS

Restructuring	2014	2013
As of 1 January	34,461	31,887
Recognised in the income statement:		
Restructuring		
– additional provisions	115,934	69,018
Utilised during the year	–50,358	–75,125
Other		
– additional provisions	–700	6,179
Exchange rate difference	4,207	2,502
As of 31 December	103,544	34,461

	2014	2013
Non-current portion	6,584	6,179
Current component	96,960	28,282
	103,544	34,461

In order to maintain long-term competitiveness and restore profitability to a satisfactory level, SEK 116 million was allocated in restructuring costs during the year. The restructuring programme relates primarily to measures to adjust to lower demand and covers essentially the entire Group.

NOT 28 – PENSION OBLIGATIONS

The Group has defined-benefit pension plans in a number of countries. The most extensive defined-benefit pension plans are in Sweden, Germany, and Norway, where they cover virtually all salaried employees and certain other personnel. The pension plans provide benefits based on the average remuneration and length of employment of the employees at or near retirement.

The Group is exposed to a number of risks through the defined-benefit pension plans and healthcare plans following termination of employment. Almost half of Bong's pension liabilities are in pension plans that were closed to new commitments long ago, so they will gradually be completely phased out. A reduction in the interest rate for corporate bonds will mean an increase in plan liabilities. Some of the plan's pension liabilities are linked to inflation; higher inflation leads to higher debt. Under the majority of the pension obligations, the employees covered by the plan will receive benefits for life, which means that increased life expectancy will result in higher pension liabilities.

Pension liabilities in the balance sheet	2014-12-31	2013-12-31
Present value of funded obligations	85,186	73,219
Fair value of plan assets	-50,462	–46,512
Deficit in funded plans	34,724	26,708
Present value of unfunded obligations	193,121	159,194
Closing balance pension liability	227,845	185,902

NOTE 28 CONT.

The defined-benefit obligation and the composition of plan assets by country are listed below:

2014	Sweden	Germany	Norway	Other	Total
Present value of obligation	89,774	100,074	41,536	23,737	255,121
Fair value of plan assets	0	0	–42,272	–8,188	–50,462
Total	89,774	100,074	-737	15,548	204,660

2013	Sweden	Germany	Norway	Other	Total
Present value of obligation	73,954	82,194	57,997	18,815	232,960
Fair value of plan assets	0	0	–39,334	–7,177	–46,512
Total	73,954	82,194	18,663	11,638	186,449

Significant actuarial assumptions

2014	Sweden	Germany	Norway	Other
Discount rate (%)	2.30	1.75	2.34	1.75
Inflation (%)	1.10	1.50	1.50	1.50
Salary increases (%)	1.10	0.00	0.00	1.50
Life expectancy at 65, men	20	19	21	21
Life expectancy at 65, women	23	23	24	25
2013	**Sweden**	**Germany**	**Norway**	**Other**
Discount rate (%)	4.10	3.40	4.10	3.40
Inflation (%)	2.00	2.00	2.00	2.00
Salary increases (%)	2.00	2.00	1.75	2.00
Life expectancy at 65, men	20	19	21	21
Life expectancy at 65, women	23	23	24	25

The change in the defined-benefit obligation over the year is as follows	Present value of obligation	Fair value of plan assets	Total
At 1 January 2013	262,744	53,114	209,630
Service costs during current year	4,390		4,390
Interest expense/(revenue)	8,685	1,909	6,775
Service costs during previous year	457		457
Revaluations:			
- Return on plan assets excl. amounts included in interest expense/(revenue)	–	-2,457	2,457
- (Profit)/loss as a result of changed demographic assumptions	7	–	7
- (Profit)/loss as a result of changed financial assumptions	–10,907	–	–10,907
- Experience-based (profits)/losses	–6,724	–	–6,724
Exchange rate differences	–12,025	–4,015	–8,009
Fees:			
- Employer	–	11,460	–11,460
- Employees covered by the plan	25	25	0
Payments from the plan			
- Benefits paid	–13,119	–13,525	406
Assumed through business combination	1,119	-	–1,119
At 31 December 2013	232,414	46,512	185,902
At 1 January 2014	232,414	46,512	185,902
Service costs during current year	1,983		1,983
Interest expense/(revenue)	7,861	1,236	6,624
Revaluations:			
- Return on plan assets excl. amounts included in interest expense/(revenue)	-	2,343	–2,343
- (Profit)/loss as a result of changed demographic assumptions	221	-	221
- (Profit)/loss as a result of changed financial assumptions	36,668	-	36,668
- Experience-based (profits)/losses	6,126	-	6,126
Exchange rate differences	7,087	85	7,003
Fees:			
- Employer	–	14,340	–14,340
- Employees covered by the plan	26	26	0
Payments from the plan			
- Benefits paid	–14,080	–14,080	0
As of 31 December 2014	278 306	50 462	227 845

NOTE 28 CONT.

Compilation of managed assets:	2014	2013
Insurance policy (unlisted)	48,487	44,715
Other	1,975	1,797
Total	50,462	46,512

Fees for plans for benefits after terminated employment are expected to be SEK 12.5 million for financial year 2015.

Weighted average term of the pension obligation is 12 years.

PENSION INSURANCE IN ALECTA

Obligations for old-age pension and family pension for salaried employees in Sweden are secured by insurance in Alecta. According to a statement by the Swedish Financial Reporting Board, UFR 3, this is a multi-employer defined-benefit plan. For financial year 2014, the Group has not had access to information to be able to account for its proportionate share of the plan's obligations, plan assets and costs, for which reason it has not been possible to account for the plan as a defined-benefit plan. The ITP pension plan that is secured via insurance in Alecta is therefore accounted for as a defined contribution plan. The premium for the defined-benefit portion of the old-age pension is individual and is dependent on the age, salary and previously earned pension of the insured. Expected pension contributions during the year for pension insurance in Alecta amount to SEK 1.3 million. The Group accounts for an insignificant portion of the plan.

The collective funding ratio is the market value of Alecta's assets as a percentage of their insurance obligations calculated according to Alecta's actuarial assumptions, which do not agree with IAS 19. Collective consolidation, in the form of collective consolidation level, is usually allowed to vary between 125 and 155 per cent. If Alecta's collective consolidation level is less than 125 per cent or greater than 155 per cent, measures shall be taken in order to create conditions for the consolidation level to return to the normal range. Alecta's surplus can be distributed to the policyholders and/or to the insured if the collective consolidation level is greater than 155 per cent. However, Alecta applies premium reductions to avoid any surplus. At year-end 2014, Alecta's surplus in the form of the collective funding ratio amounted to 143 per cent (148).

PENSION OBLIGATIONS SENSITIVITY ANALYSIS

Accounting estimates and judgments are evaluated continuously and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing circumstances.

The present value of the pension obligations is dependent on a number of factors that are established on an actuarial basis, based on a number of assumptions. The assumptions used in establishing the net cost (income) for pensions includes the long-term rate of return on the planned assets in question and the discount rate. Every change in these assumptions, as in other actuarial assumptions, will affect the carrying amount of the pension obligations. The assumption of expected return on planned assets is in line with the discount rate in accordance with revised IAS rules. The Group determines a suitable discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future payments expected to be required to settle the pension obligations.

In determining a suitable discount rate, the Group takes into account the interest rates on first-class corporate bonds or treasury bonds denominated in the currency in which the payments will be made and with maturities equivalent to the estimates for the pension obligations in question. In Sweden, the Group also takes into account interest rates

NOTE 28 CONT.

on mortgage bonds when determining the discount rate. Other significant assumptions regarding pension obligations are based on prevailing market terms.

If the actual return on the planned assets were to deviate by 1 per cent from the management estimate, the carrying amount of the pension obligations would be SEK 0.4 million higher or SEK 0.4 million lower. If the discount rate deviated by +/–1 per cent from the management estimate, the carrying amount of the pension obligations would be estimated at SEK 32 million lower or SEK 36 million higher than the actual carrying amount.

NOTE 29 – ACCRUED EXPENSES AND DEFERRED INCOME

	31 Dec. 2014	31 Dec. 2013
Pay-related accrued expenses	88,400	90,462
Other accrued expenses	128,175	103,720
Total	216,575	194,182

NOTE 30 – PLEDGED ASSETS

	31 Dec. 2014	31 Dec. 2013
Relating to pension obligations		
Floating charges	40,000	20,000
Restricted bank deposits	-	20,000
Relating to liabilities to credit institutions		
Shares in subsidiaries	1,017,708	1 050,675
Property mortgages	107,774	126,895
Current assets	180,566	186,869
Total	1,346,048	1,404,439

NOTE 31 – CONTINGENT LIABILITIES

	31 Dec. 2014	31 Dec. 2013
Liability FPG	1,182	1,155
Bank Guarantee	20,000	20,000
Other contingent liabilities	661	430
Total	21,843	21,585

NOTE 32 – RESERVES

	Hedged reserve	Translation reserve	Revaluation of assets	Total reserves
Opening balance 1 January 2013	–7,850	–59,771	5,361	–62,260
Cash flow hedges	2,555			2,555
Hedging of net investments		–24,248		–24,248
Exchange rate difference		21,867		21,867
Tax effect	–564	7,620		7,056
Closing balance 31 December 2013	–5,859	–54,532	5,361	–55,030
Opening balance 1 January 2014	–5,859	–54,532	5,361	–55,030
Cash flow hedges	166			166
Hedging of net investments		–61,339		–61,339
Exchange rate difference		86,337		86,337
Tax effect	–38	11,813		11,775
Closing balance 31 December 2014	–5,731	–17,721	5,361	–18,091

NOTE 33 –SHARE CAPITAL AND OTHER CONTRIBUTED CAPITAL

SHARES

The number of shares at year-end 2014 was 156,659,604 (2013: 156,659,604) with a quotient value of SEK 1.50 per share (2013: SEK 1.50 per share). All issued shares are fully paid. The Extraordinary General Meeting, held 17 July 2013, decided on the issuance of convertible bond subordinated loans. On conversion to shares the number of shares will increase by 27,272,727 and share capital by SEK 40,909,090.

	Number of shares (thousand)	Share capital	Share premium	Total
On 1 January 2013	17,481	174,810	475,953	650,763
Extraordinary General Meeting 17 July 2013				
Impairment of share capital		–148,589	148,589	0
Cash issue	69,924	104,887	20,977	125,864
Set-off issue	69,255	103,881	45,708	149,589
Convertible loan			13,812	13,812
On 31 December 2013	156,660	234,989	705,039	940,028
On 1 January 2014	156,660	234,989	705,039	940,028
Convertible loan			–3,196	–3,196
On 31 December 2014	156,660	234,989	701,843	936,832

The set-off issue was aimed at Holdham SA and lending banks.

NOTE 34 – OTHER ITEMS NOT AFFECTING LIQUIDITY IN THE CONSOLIDATED CASH FLOW STATEMENTS

	2014	2013
Gains on disposal of intangible assets and property, plant and equipment	–16 023	–8,442
Change in provisions	62 135	20,783
Exchange rate differences and other	6 709	–13,830
Total	52 821	–1,489

NOTE 35 – BUSINESS COMBINATIONS

During the year no material acquisitions occurred.

NOTE 36 – HEDGE ACCOUNTING

The Parent Company and its subsidiary Bong International AB's borrowings in EUR and GBP are identified as hedging of net investments in subsidiaries in Germany, Estonia, Belgium, France and the UK. The fair value of the borrowings on 31 December 2014 was SEK 453,441 thousand (439,871). The exchange difference amounting to SEK -34,411 thousand (-5,046) on translation of the borrowings to SEK on the balance sheet date, is recognised in the 'Reserves' in equity.

NOTE 37 – DIVIDEND

A dividend for 2013 of SEK 0 per share was approved at the AGM on 21 May 2014. A dividend for 2014 of SEK 0 per share will be proposed at the AGM on 20 May 2015.

NOTE 38 – INFORMATION ABOUT BONG AB

Bong AB is a public limited liability company registered in Kristianstad, Sweden, Uddevägen 3, Box 516, 291 25 Kristianstad, Sweden. Bong AB is listed on NASDAQ Stockholm (Small Cap).

NOTE 39 – RELATED PARTY TRANSACTIONS

	2014	2013
Transactions with associated companies		
Sales during the year	–	692
Purchases during the year	–	–
Current receivables balance sheet date	–	412

Transactions with subsidiary to Holdham S.A. are counted as related-party transactions since Holdham S.A. is the largest shareholder in Bong AB		
Sales during the year	77,942	70,722
Purchases during the year	8,597	8,375
Current receivables balance sheet date	11,787	31,107

The company's assessment is that there is no uncertainty in the receivables.

NOTE 40 – ADOPTION OF NEW ACCOUNTING POLICIES

(A) NEW AND REVISED STANDARDS APPLIED BY THE GROUP

The following standards are applied by the Group for the first time for the financial year commencing 1 January 2014 and have a material impact on the Group's financial statements:

IFRS 10 "Consolidated Financial Statements" is based on existing policies as it identifies control as the deciding factor in determining whether a company is to be included in the consolidated financial statements. The standard provides further guidance to assist in determining control when this is difficult to assess. The standard has not had any material impact as all the companies are wholly owned.

IFRS 12 "Disclosure of Interests in Other Entities" contains disclosure requirements for all forms of holdings in other companies, such as subsidiaries, joint arrangements, associates and non-consolidated structured companies. This standard has had no impact on the consolidated financial statements beyond increased supplementary disclosures.

Other standards, revisions and interpretations entering into force for the financial year commencing 1 January 2014 have no material impact on the consolidated financial statements other than expanded supplementary disclosures.

(B) NEW AND REVISED STANDARDS AND INTERPRETATIONS OF EXISTING STANDARDS NOT APPLIED PROSPECTIVELY BY THE GROUP

A number of new standards and interpretations come into force for financial years commencing after 1 January 2014 and have not been applied at the time of preparation of these financial statements. None of these are expected to have a material impact on the consolidated financial statements with the exception of those identified below:

IFRS 9 "Financial Instruments" addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was published in July 2014. It replaces those parts of IAS 30 concerned with classification and measurement of financial instruments. IFRS 9 retains a mixed measurement approach but simplifies this approach in certain respects. There will be three measurement categories for financial assets, amortised cost, fair value through other comprehensive income and fair value through profit and loss. How an instrument is to be classified depends on the company's business model and the characteristics of the instrument. Investments in equity instruments are to be recognised at fair value through profit and loss but there is also an option to recognise the instrument at fair value through other comprehensive income at initial recognition. No reclassification to the income statement will then take place when divesting the instrument. IFRS 9 also introduces a new model for calculating the credit loss reserve arising from expected credit losses. In the case of financial liabilities, classification and measurement are not changed, apart from where a liability is reported at fair value through the income statement. Value changes attributable to changes in own credit risk are then to be recognised in other comprehensive income. IFRS 9 reduces the requirements for application of hedge accounting by replacing the 80-125 criterion with requirements for financial relationship between hedging instruments and secured object and by the hedging ratio having to be the same as that used in risk management. The hedging documentation is also little changed in comparison with that prepared under IAS 39. The standard is to be applied for financial years commencing 1 January 2018. Prospective application is permitted. The Group has not yet evaluated the effects of adoption of the standard.

IFRS 15 "Revenue from Contracts with Customers" regulates how revenue is to be recognised. The principles upon which IFRS 15 is based are to provide users of financial statements with more useful information about the company's revenues. The expanded disclosure obligation means that information about revenue type, time of settlement, uncertainties linked to revenue recognition and cash flow attributable to the company's customer contracts has to be provided. Revenue has to be recognised under IFRS 15 when the customer obtains control of the sold good or service and is able to use and benefit from the good or service.

IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and associated SICs and IFRICs. IFRS 15 comes into force on 1 January 2017. Prospective application is permitted. The Group has not yet evaluated the effects of adoption of the standard.

No other IFRS standards or IFRIC interpretations which have not yet come into force are expected to have a material impact on the Group.

Income statements for parent company

TSEK	Note	2014	2013
INCOME STATEMENT			
Net sales		749	20,981
Administrative expenses	2–5	–11,129	–46,751
Other operating income	6	27	4,635
Other operating expenses	7	–29,551	0
Operating profit/loss	8	–39,904	–21,135
Profit from interests in subsidiaries	9	–40,000	4,102
Other interest income and similar line items	10	74,011	61,985
Interest expenses and similar line items	11	–66,731	–73,320
Total financial income and expenses		–32,720	–7,232
Result before tax		–72,624	–28,367
Tax on profit/loss for the year	12	0	6,992
NET RESULT FOR THE YEAR		**–72,624**	**–21,375**

TSEK	Note	2014	2013
STATEMENT OF COMPREHENSIVE INCOME			
Net profit for the year		–72,624	–21,375
Other comprehensive income			
Cash flow hedges		0	6,040
Income tax relating to components of other comprehensive income		0	–1,329
Other comprehensive income after tax		0	4,711
TOTAL COMPREHENSIVE INCOME		**–72,624**	**–16,664**

Balance sheet for parent company

TSEK	Note	31 Dec. 2014	31 Dec. 2013
ASSETS			
Non-current assets			
Intangible assets			
Capitalised development expenditure		0	0
Investments in progress		0	0
Total	13	0	0
Property, plant and equipment			
Equipment, tools, fixtures, and fittings		0	0
Total	14	0	0
Financial assets			
Interests in subsidiaries	15	827,999	727,999
Interests in other companies	16	1,000	1,000
Deferred tax assets	17	47,263	47,263
Receivables from subsidiaries		538,514	652,193
Other non-current receivables		0	50
Total		1,414,776	1,428,505
Total non-current assets		1,414,776	1,428,505
Current assets			
Current receivables			
Current tax asset		24	892
Other current receivables	18	357	1,596
Deferred expenses and accrued income	20	7,716	13,318
Total		8,097	15,806
Cash and cash equivalents		157	20,859
Total current assets		8,254	36,665
TOTAL ASSETS		**1,423,030**	**1,465,170**

TSEK	Note	31 Dec. 2014	31 Dec. 2013
EQUITY AND LIABILITIES			
Equity	23,25		
Restricted equity			
Share capital	25	234,989	234 989
Non-restricted equity			
Share premium reserve		300,233	303,429
Retained earnings		436,094	457,469
Net profit for the year		–72,624	–21,375
Total non-restricted equity		663,703	739,522
Total equity		898,692	974,512
Non-current liabilities			
Borrowings	18	318,067	365,270
Other liabilities		64,384	61,188
Total non-current liabilities		382,451	426,458
Current liabilities			
Borrowings	18	87,000	47,000
Trade payables		928	1,373
Liabilities to subsidiary		17,049	12,494
Other current liabilities	19	243	756
Accrued expenses and deferred income	20	36,667	2,577
Total current liabilities		141,887	64,200
TOTAL EQUITY AND LIABILITIES		**1,423,030**	**1,465,170**
Pledged assets	21	827,999	727,999
Contingent liabilities	22	20,000	20,000

Changes in equity for parent company

TSEK	Note	Restricted equity Share capital	Non-restricted equity Fair value reserve	Share premium reserve	Retained earnings incl. net profit for the year	Total
Opening balance on 1 January 2013		174,810	–4,713	90,380	457,469	717,946
Comprehensive income						
Net profit for the year					–21,375	–21,375
Other comprehensive income						
Cash flow hedges, after tax			4,713			4,713
Total other comprehensive income			4,713			4,713
Total comprehensive income			4,713		–21,375	–16,662
Transactions with shareholders						
Write-down of share capital		–148,589		148,589		0
New issue		208,768		66,685		275,453
Convertible loan				13,812		13,812
Issue costs				–16,037		–16,037
Total transactions with shareholders		60,179		213,049		273,228
CLOSING BALANCE ON 31 DECEMBER 2013	23	**234,989**	**0**	**303,429**	**436,094**	**974,512**
Opening balance on 1 January 2014		234,989	0	303,429	436,094	974,512
Comprehensive income						
Net profit for the year					–72,624	–72,624
Total comprehensive income					–72,624	–72,624
Transactions with shareholders						
Convertible loan				–3,196		–3,196
Total transactions with shareholders				–3,196		–3,196
CLOSING BALANCE ON 31 DECEMBER 2014	23	**234,989**	**0**	**300,233**	**363,470**	**898,692**

Cash flow statement for parent company

TSEK	Note	2014	2013
OPERATING ACTIVITIES			
Operating profit/loss		–39,904	–21,135
Depreciation, amortisation, and impairment losses		0	2,741
Financial income received		34,278	47,514
Finance expenses paid		–26,987	–61,539
Tax paid		868	–212
Other items not affecting liquidity	26	0	–11,470
Cash flow from operating activities before change in working capital		–31,745	–44,101
Change in working capital			
Current receivables		6,841	709,518
Current operating liabilities		–2,313	–295,186
Cash flow from operating activities		–27,217	370,231
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment incl. advance payments to suppliers		0	–1,134,386
Investments in subsidiaries / shareholder contributions		–100,000	–
Change in long-term receivables		–113,729	–
Cash flow from investing activities		13,729	–1,134,386
Cash flow after investing activities		–13,488	–764,155
FINANCING ACTIVITIES			
New issue		0	200,757
Loans raised		2,004	541,584
Amortisation of loans		–9,207	–365
Cash flow from financing activities		–7,203	741,976
Cash flow for the year		–20,691	–22,179
Cash and cash equivalents at start of year		20,859	42,450
Exchange rate difference in cash and cash equivalent		–11	588
CASH AND CASH EQUIVALENTS AT YEAR-END		**157**	**20,859**

Parent company notes

All values are in SEK thousand unless stated otherwise.

NOTE 1 – ACCOUNTING POLICIES

The Parent Company has prepared its annual report in accordance with the Swedish Annual Reports Act and RFR 2 Accounting for Legal Entities. The rules in RFR 2 state that the Parent Company shall, in preparing the annual report for the legal entity, apply all IFRSs and statements approved by the EU as far as possible while complying with the Swedish Annual Reports Act and the Act on Safeguarding of Pension Obligations and taking into account the relationship between accounting and taxation. This recommendation defines the exceptions and additional disclosures compared with IFRS.

Consequently, the Parent Company applies the principles presented in the consolidated accounts, with the exceptions indicated below. These principles have been applied consistently for all years presented, unless otherwise stated.

FORMAT

The Income Statement and Balance Sheet follow the format in the Swedish Annual Reports Act. This entails differences compared with the consolidated accounts, mainly with regard to untaxed reserves and provisions.

SHARES AND INTERESTS IN SUBSIDIARIES

Shares and interests in subsidiaries are recognised at cost minus impairment losses. Dividends received are recognised as financial income.

FINANCIAL INSTRUMENTS

The Parent Company applies measurement at fair value according to Chapter 4 Section 14 a-d of Annual Reports Act, which means that the description of the Group's accounting policies applies to the Parent Company as well, except with regard to recognition of the profit or loss effects of hedging. The Parent Company accounts differ from the consolidated accounts in the following cases:

Changes in value of hedging instruments for hedging of highly probable cash flows are recognised in the Income Statement.

Changes in value of hedging instruments held for hedging of current and non-current receivables and liabilities are recognised in the Income Statement.

GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS

Shareholder contributions paid are recognised as an increase in the value of shares and interests. A judgement is thereby made of whether the value of shares and interests is impaired.

Group contributions paid to subsidiaries are reported, depending on the relationship between accounting and taxation, in the income statement on the line Profit from interests in subsidiaries. Group contributions received from subsidiaries are reported according to the same principles as customary dividends from subsidiaries and are thus reported as financial income on the line Profit from interests in subsidiaries.

NOTE 2 – EMPLOYEES AND WAGES, SALARIES AND OTHER REMUNERATION

Average number of employees

	2014		2013	
	Total employees	Of whom men	Total employees	Of whom men
Sweden	1	1	7	5

Distribution of senior executives on the balance sheet date

	2014		2013	
	Total employees	Of whom men	Total employees	Of whom men
Board members	7	6	8	7
The CEO and other senior executive officers	1	1	1	1

Salaries and other remuneration

	2014		2013	
	Salaries and remun.	Social contrib.	Salaries and remun.	Social contrib.
Total	2 399	735	12 234	6 405
Of which pension costs		116		2 299

Salaries and other remuneration broken down between board members etc. and other employees

	2014		2013	
	Board and CEO	Other employees	Board and CEO	Other employees
Total	2 399	0	8,324	3,910
Including incentive, etc.	0	0	0	106

More information about remuneration to the Board and CEO is provided in Group Note 4.

NOTE 3 – REMUNERATION TO AUDITORS

	2014	2013
PwC		
Auditing assignments	400	400
Audit-related activities	0	38
Other services	194	110
Total	594	548

NOTE 4 – DEPRECIATION ACCORDING TO PLAN

Broken down by non-current asset	2014	2013
Capitalised development costs	0	2,273
Equipment, tools, fixtures, and fittings	0	468
Total	0	2,741
Depreciation is recognised as administrative expenses	0	2,741

NOTE 5 – OPERATING LEASES/RENTAL AGREEMENTS

The Parent Company's most important operating leases relate to offices and IT-related assets.

The nominal value of future lease payments is broken down as follows on the balance sheet date:	2014	2013
Payment due within one year	0	54
Payment due after one year but within five years	0	0
Payment due after five years	0	0

NOTE 6 – OTHER OPERATING INCOME

	2014	2013
Supplier bonus	0	4,095
Exchange gains	27	313
Rental and payroll costs	0	227
Total	27	4,635

NOTE 7 – OTHER OPERATING EXPENSES

	2014	2013
EU Commission fine	29,542	0
Exchange loss	9	0
Total	29,551	0

NOTE 8 – PURCHASES AND SALES BETWEEN GROUP COMPANIES

The Parent Company's business consists of management of operating subsidiaries and Group management functions. In 2014 the Parent Company charged the subsidiary management fees amounting to SEK 749 thousand (20,981) and received SEK 0 thousand (227) in rental revenue. The Parent Company's purchases from subsidiaries amounted to SEK 213 thousand (6,055). Pricing between Parent and subsidiary is on a commercial basis and at market prices.

NOTE 9 – PROFIT FROM INTERESTS IN SUBSIDIARIES

	2014	2013
Dividend	36,783	4,102
Group contributions paid	–76,783	0
Total	–40,000	4,102

NOTE 10 – OTHER INTEREST INCOME AND SIMILAR LINE ITEMS

	2014	2013
Financial income, Group companies	34,210	44,914
Interest income, Other	68	0
Exchange rate differences on financial items	39,733	17,071
Total	74,011	61,985

NOTE 11 – INTEREST EXPENSES AND SIMILAR LINE ITEMS

	2014	2013
Financial expenses, Group companies	0	–1,258
Interest portion in this year's pension costs	0	2
Interest expenses, other	–26,695	–42,477
Exchange rate differences on financial items	–30,502	–21,193
Other financial expenses	–9,534	–8,394
Total	–66,731	–73,320

NOTE 12 – TAX

	2014	2013
Deferred tax	0	6,992
Total	0	6,992

Profit before tax	–72 624	–28,367
Tax calculated according to applicable tax rate:	15,977	6,241
Tax on:		
– dividend from subsidiary	8,092	902
– previously unrecognised tax loss		
– other non-taxable revenue	1	0
– other non-deductible expenses	–6,512	–151
– Tax effect from non-booked deficits	–17,558	0
Tax according to Income Statement	0	6,992

NOTE 13 – INTANGIBLE ASSETS

	2014	2013
Opening costs	0	30,272
Purchases/acquisitions	0	6,742
Divestments/disposals	0	–37,014
Reclassification	0	0
Closing costs	0	0
Opening accumulated depreciation	0	–5,672
Divestments/disposals	0	7,945
Depreciation for the year	0	–2,273
Closing accumulated depreciation	0	0
Closing residual value according to plan	0	0

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

	2014	2013
Opening cost	0	22,703
Purchases/acquisitions	0	108
Divestments/disposals	0	–22,811
Reclassification	0	0
Closing cost	0	0
Opening accumulated depreciation	0	–20,177
Divestments/disposals	0	20,645
Depreciation for the year	0	–468
Closing accumulated depreciation	0	0
Closing residual value according to plan	0	0

NOTE 15 – INTEREST IN SUBSIDIARIES

Information is provided in Group note 19.

NOTE 17 – DEFERRED TAX

Deferred tax assets refer to the value of loss carryforwards.

NOTE 18 – BORROWINGS

	31 Dec. 2014	31 Dec. 2013
Bank loans	318,067	365,270
Convertible loans	64,384	61,188
Total	382,451	426,458
Current		
Bank loans	87,000	47,000
Total	87,000	47,000
Total borrowings	469,451	473,458

CONVERTIBLE LOAN

The loan consists of 75 convertible bonds with a nominal value of SEK 1,000,000, ISIN SE0005281821, and is listed on NASDAQ OMX Stockholm.

The convertible loan carries an annual interest rate of 10 per cent from 27 June 2013 through to the final maturity date 27 June 2018.

The convertible bonds shall become due for redemption on 27 December 2018 to the extent that conversion has not occurred before then. The convertible bonds may be converted into new shares in Bong AB at the latest 30 days prior to the final date when the convertible bonds are due for redemption. The rate at which conversion may be made shall be SEK 2.75 per share.

NOTE 18 CONT

Shares issued due to the conversion shall entitle to dividends for the first time on the record day for the dividend that occurs next after the actual conversion day. Upon conversion share capital may be increased with an amount equivalent to a maximum of SEK 40,909,091.

Of the Parent Company's borrowings, SEK 0 million (0) are loans to subsidiaries.

Maturity dates of long-term borrowings are as follows:

	31 Dec. 2014	31 Dec. 2013
Between 1 and 2 years	38,136	42,500
Between 2 and 5 years	114,409	127,500
More than 5 years	229,906	256,458
Total	382,451	426,458

BANK CREDIT LINES

The granted amount of the bank credit line in the Parent Company is SEK 0 thousand (68,391), of which SEK 0 thousand (0) is utilised.

NOTE 19 – OTHER CURRENT RECEIVABLES AND LIABILITIES

Other current receivables	31 Dec. 2014	31 Dec. 2013
Other current receivables	357	1,596
Total	357	1,596

Other current liabilities	31 Dec. 2014	31 Dec. 2013
Other current liabilities	243	756
Total	243	756

NOTE 20 – DEFERRED/ ACCRUED INCOME/EXPENSES

Deferred expenses and accrued incomer	31 Dec. 2014	31 Dec. 2013
Internal and external interest income	1,373	1,775
Other accrued expenses	6,343	11,543
Total	7,716	13,318

Accrued expenses and deferred income	31 Dec. 2014	31 Dec. 2013
Pay-related accrued expenses	715	1,697
Internal and external interest expenses	4,246	274
EU Commission fine	29,542	0
Other items	2,164	606
Total	36,667	2,577

NOTE 16 – INTERESTS IN OTHER COMPANIES

Company	Corporate identity number	Location	Invested capital	Book value
Bong Fastigheter KB	969655-5763	Stockholm, Sweden	SEK 1,000 thousand	1,000
Total				1,000

NOTE 21 – PLEDGED ASSETS

For liabilities to credit institutions	31 Dec. 2014	31 Dec. 2013
Shares in subsidiaries	827,999	727,999
Total	827,999	727,999

NOTE 22 – CONTINGENT LIABILITIES

	31 Dec. 2014	31 Dec. 2013
Bank guarantee	20,000	20,000
Total	20,000	20,000

NOTE 23 – DIVIDEND

A dividend for 2014 of SEK 0 per share will be proposed at the AGM on 20 May 2015. A dividend for 2013 of SEK 0 per share was approved at the AGM on 21 May 2014.

NOTE 24 – INFORMATION ABOUT BONG AB

Bong AB is a public limited liability company registered in Kristianstad, Sweden, Uddevägen 3, Box 516, 291 25 Kristianstad, Sweden. Bong AB is listed on NASDAQ OMX Stockholm (Small Cap).

NOTE 25 – SHARE CAPITAL

The number of shares at year-end 2014 was 156,659,604 (156,659,604) with a quotient value of SEK 1.50 per share (SEK 1.50 per share). Detailed information about the Parent Company's shares, share capital and convertible bonds can be found in Group note 33.

NOTE 26 – OTHER ITEMS NOT AFFECTING LIQUIDITY IN THE CONSOLIDATED CASH FLOW STATEMENTS

	31 Dec. 2014	31 Dec. 2013
Exchange rate differences and other	0	–11,470
Total	0	–11,470

The consolidated financial statements will be submitted to the Annual General Meeting on 20 Maj 2015 for adoption. The Board of Directors and the CEO ensure that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU and give a true and fair view of the Group's results of operations and financial position.

The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting policies in Sweden and give a true and fair view of the Parent Company's financial position and results of operations. The statutory Administration Report of the Group and the Parent Company provides a fair review of the development of the Group's and the Parent Company's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Kristianstad 7 April 2015

Eric Joan
Chairman of the Board

Mikael Ekdahl
Member of the Board

Ulrika Eriksson
Member of the Board

Christian Paulsson
Member of the Board

Christer Muth
Member of the Board

Peter Harrysson
Member of the Board

Stéphane Hamelin
Chief Executive Officer and
Member of the Board

Our Audit Report was submitted 7 April 2015

PricewaterhouseCoopers AB

Eric Salander
Authorised Public Accountant
Auditor in charge

Christer Olausson
Authorised Public Accountant

Auditors report

To the annual meeting of the shareholders of Bong AB (publ), corporate identity number 556034-1579

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Bong AB (publ), for the year 2014 except for the corporate governance statement on pages 12-14. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 10-39.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

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

AUDITOR'S RESPONSIBILITY

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

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

OPINIONS

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 12-14. 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 group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Bong AB (publ) for the year 2014. We have also conducted a statutory examination of the corporate governance statement

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement on pages 12-14 has been prepared in accordance with the Annual Accounts Act.

AUDITOR'S RESPONSIBILITY

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

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

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

OPINIONS

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year. A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Kristianstad 7 April 2015

PricewaterhouseCoopers AB

Eric Salander
Authorised Public Accountant
Auditor in charge

Christer Olausson
Authorised Public Accountant

Leadership Team

STÉPHANE HAMELIN

Born 1961.

Chief Executive Officer (CEO) and Business Area Manager Nordic.

Employed since 2014.

Other assignments: Chairman of the Board of Hamelin.

Previous positions: Chairman of the Board of Bong AB, May 2013- September 2014. Active at Borloo law firm 1984-1989.

Shareholding in Bong (private and via company): 52,850,282 shares.

SYLVIE BATAILLE

Born 1960.

Business Area Manager UK.

Employed since 1998, current position since 2012.

Education: Graduate from the University of Rennes.

Previous positions: CEO of Hamelin Paperbrands Limited and CEO of Industrie Papeterie Charentaise.

Shareholding in Bong: 7,000 shares.

KAI STEIGLEDER

Born 1963.

Business Area Manager Central Europe.

Employed since 2007, current position since 2014.

Education: Master in International Business (MIBS).

Previous positions: Sales Manager Jefferson Smurfit and Tesa.

Shareholding in Bong: 42,000 shares.

HÅKAN GUNNARSSON

Born 1969.

Chief Financial Officer (CFO).

Employed since 1999, current postion since 2012.

Education: Bachelor degree in business administration (B.Sc).

Previous positions: Business Controller at Tarkett Sommer.

Shareholding in Bong: 100,000 shares.

PASCAL GRAVOUILLE

Born 1962.

Business Area Manager France and Spain.

Employed since 2008, current position since 2010.

Education: Chemical engineer.

Previous positions: Business Manager Europe, Ferro Corporation.

Shareholding in Bong: 83,500 shares.

OTHER KEY PERSONNEL

PETER ANDERSSON

Born 1964.

Director of purchasing and logistics.

Employed since 2006.

SIMON BENNETT

Born 1965.

Head of sales and marketing, pan-European distributors.

Employed since 2007.

Board of Directors

ERIC JOAN

Chairman of the Board

STÉPHANE HAMELIN

Member of the Board

MIKAEL EKDAHL

Member of the Board

ULRIKA ERIKSSON

Member of the Board

CHRISTIAN PAULSSON

Member of the Board

PETER HARRYSSON

Member of the Board (Employee Representative)

CHRISTER MUTH

Member of the Board (Employee Representative)

PEDER ROSQVIST

Alternate Director (Employee representative)

MATS PERSSON

Alternate Director (Employee representative)

Definitions

CAPITAL TURNOVER RATE
Net sales divided by total assets.

DILUTED EARNINGS PER SHARE
Profit after tax divided by the average number of shares before dilution.

EARNINGS PER SHARE
Profit after tax divided by the average number of shares before dilution.

EBITDA
Earnings before interest, taxes, depreciation and amortisation.

EQUITY/ASSETS RATIO
Equity divided by balance sheet total (total assets).

NET DEBT
Interest-bearing liabilities and provisions less cash on hand, bank deposits and interest-bearing receivables.

NET DEBT/EQUITY RATIO
Net debt in relation to equity.

OPERATING MARGIN
Operating profit divided by net sales.

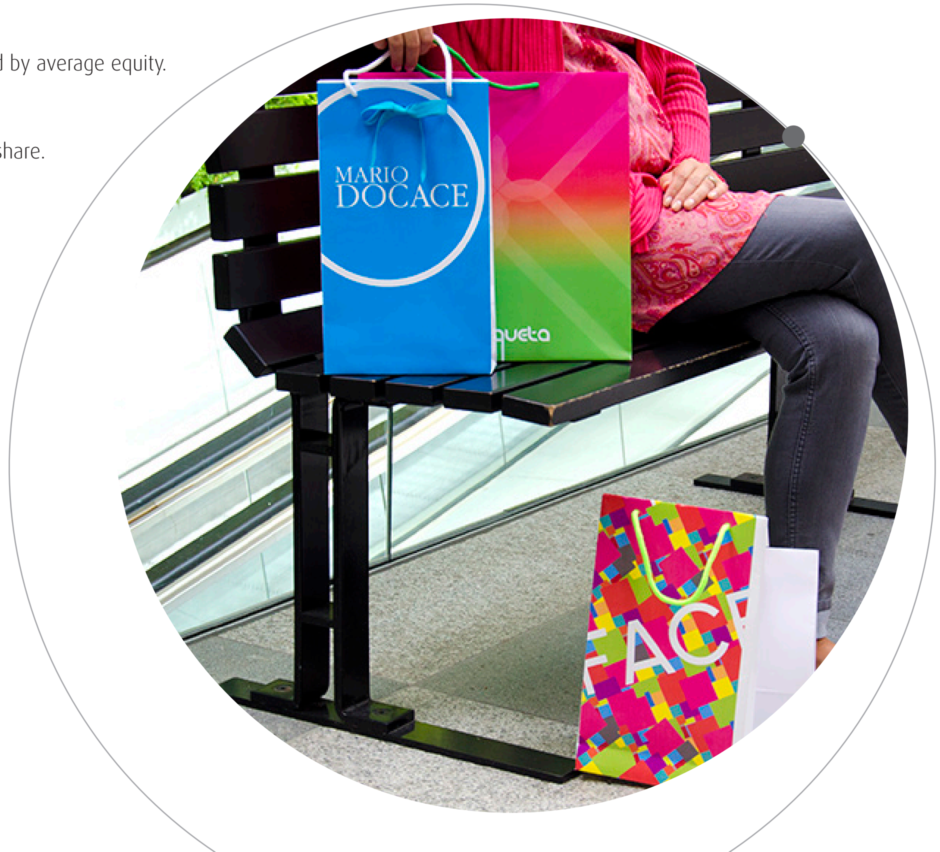
P/E RATIO
Share price at balance sheet date divided by earnings per share.

PROFIT MARGIN
Profit after tax divided by net sales.

RETURN ON CAPITAL EMPLOYED
Earnings after financial revenues, divided by assets less current liabilities.

RETURN ON EQUITY
Earnings after interest and tax, divided by average equity.

SHARE PRICE/EQUITY
Price per share divided by equity per share.



Annual General Meeting 2015

The Annual General Meeting will be held on Wednesday 20 May 2015 at 4:00 pm at Café Yllan, Väverigatan 2, Kristianstad.

PARTICIPATION AT THE AGM

Shareholders registered in the share register kept by Euroclear Sweden AB on Wednesday 13 May 2015 are entitled to participate in the meeting. To be eligible to participate in the Annual General Meeting, shareholders with nominee-registered holdings must therefore temporarily re-register their shares in their own names through the agency of their nominees so that they are recorded in the share register in due time before Wednesday 13 May 2015.

Shareholders who wish to participate in the meeting must notify the Company no later than Wednesday 13 May 2015, by one of the following methods:

By post to Bong AB (publ), Attn: Mattias Östberg
Box 516,
SE-291 25 Kristianstad
By telephone +46 (0)44-20 70 45 or by fax +46 (0)44-20 70 92.
By e-mail to anmalan.arsstamma@bong.se.
Online www.bong.com

DIVIDEND

The Board of Directors and CEO propose that the AGM resolve that no dividend be paid for 2014.

AGENDA

The AGM will consider items of business which are required by law and the Articles of Association to be dealt with at the meeting, as well as other items of business mentioned in the notice convening the meeting.

Financial calendar

Annual General Meeting	20 May 2015
Interim report January – March	20 May 2015
Interim report January – June	15 July 2015
Interim Report January – September	19 November 2015
Year-end Report 2015	18 February 2016

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Form and production: Bong and Kanton. Printing: TMG Stockholm 2015.

Bong has the broadest envelope range on the European market and is one of the leaders in speciality packaging for e-commerce and the retail trade.

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