

BEIJER ♦ ALMA

FINANCIAL REPORT FOR 1999 BEIJER ALMA AB (publ)

- ◆ Bertil Persson appointed as new President and CEO
- ◆ Income after financial items MSEK 88.7 (1998: 98.0)
- ◆ Earnings per share after standard taxes SEK 15.51 (17.54)
- ◆ Proposed dividend increase to SEK 7.00 (6.50) per share

Group

The Beijer Alma Group's income after financial items was MSEK 88.7 (98.0). Invoicing amounted to MSEK 1.031 (1.072). Excluding acquisitions and divestitures, invoicing increased by 3,5 %.

Earnings per share after standard taxes were SEK 15.51 (17.54). After current taxes, earnings per share were SEK 13,43 (16.21). Shareholders' equity per share increased to SEK 105.59 (98.41). The equity ratio on a consolidated basis was 48.9 (45.7) %.

The return on average shareholders' equity was 15.6 % (18.9), while average capital employed yielded a return of 16.5 % (20.4). The Group's available liquid funds, i.e. liquid funds including committed but unutilized credit facilities amounted to MSEK 190.9 (152). Capital expenditures, not including corporate acquisitions, were MSEK 69.6 (66).

REVENUES AND RESULT BY COMPANY

Revenues

MSEK	1999	1998	1999	1998
	<u>Oct.–Dec.</u>	<u>Oct.–Dec.</u>	<u>Jan.–Dec.</u>	<u>Jan.–Dec.</u>
Habia	82.6	77.5	277.8	264.2
Lesjöfors	138.7	143.6	556.3	437.0
Stafsjö	21.8	21.9	81.3	85.3
Sundquist (sold as of Aug. 31, 1998)	0	0	0	27.5
G & L Beijer (sold as of Aug. 31, 1999)	0	31.4	61.0	145.3
Bierregaard (sold as of May 31, 1999)	0.1	28.8	47.4	102.1
Parent Company and consolidation eliminations	1.1	5.5	7.2	10.8
Group	244.3	308.7	1,031.0	1,072.2

Income after financial items

MSEK	1999	1998	1999	1998
	<u>Oct.–Dec.</u>	<u>Oct.–Dec.</u>	<u>Jan.–Dec.</u>	<u>Jan.–Dec.</u>
Habia	14.9	12.9	32.2	35.0
Lesjöfors	6.6	10.1	54.9	57.5
Stafsjö	0.9	1.2	1.6	–0.2
Sundquist (sold as of Aug. 31, 1998)	0	0	0	2.1
G & L Beijer (sold as of Aug. 31, 1999)	0	–0.7	1.5	0.2
Bierregaard (sold as of May 31, 1999)	0.2	2.5	1.7	3.8
Parent Company and consolidation eliminations	2.7	3.0	–3.2	–0.4
Group	25.3	29.0	88.7	98.0

Subsidiaries

Habia Cable, manufacturer of specialty cable, increased revenues by 5 % to MSEK 277.8. Income was MSEK 32.2 (35.0). Order bookings amounted to MSEK 278.2 (280.3).

The Lesjöfors Group, manufacturer of industrial springs, increased revenues to MSEK 556.3 (437.0). The increase in continuing operations was 4.1 %. Income for the year amounted to MSEK 54.9 (57.5). Order bookings were MSEK 561.8 (434.7).

Stafsjö Bruk, manufacturer of knife gate valves for the process industry, had revenues of MSEK 81.3 (85.3). Income was MSEK 1.6 (–0.2). Order bookings increased from MSEK 76.2 to MSEK 79.6.

The average number of employees during 1999 was 851 (728).

Changes in the Group's structure

The composition of the Group changed during 1999. Trading companies E. Bierregaard and G & L Beijer were sold.

Operations in the Lesjöfors Group was distinguished by major change-overs. The surface treatment companies included in the acquisition of GS Industri in Värnamo were sold to Bodycote and a long-term cooperation agreement was concluded. Order bookings in GS Industri weakened appreciably during the year. Restructuring measures have been taken. Most of the business in Årnäs was moved to GS and an extensive capital expenditure program was implemented. The remaining parts of the operations in Årnäs were moved to other production units. In December, the Dutch spring distribution company, B & G Suspension BV, was acquired. B & G is active as an international distributor of automotive sport and lowering springs.

Habia Cable expanded its production facilities in Söderfors and also started new sales units in Hong Kong and Japan.

In a first step, Stafsjö Bruk acquired 50 percent of its representative, Firma Kurt Trapp, in Germany, with an option to acquire the remainder. The other part is owned by Thyssen-Krupp.

These extensive changes have been fully accounted for in the accounts.. The net result was MSEK + 13.0 in items affecting comparability.

Parent Company

The Parent Company, which conducts no business of its own, reports a result of MSEK –3.0 (6.8 including capital gains of 12.0). Dividends, shareholder contributions and group contributions from subsidiaries made income after year-end appropriations and taxes MSEK 35.3 (34.2). The Parent Company's equity ratio was 65.2 % (68.7).

New President

Bertil Persson, Master of Business Administration, has been appointed new President and Chief Executive officer of Beijer Alma. Please see separate pressinformation.

Dividend

The Board of Directors proposes an increase of the dividend to SEK 7.00 per share (6.50).

Annual General Meeting

The Annual General Meeting will be held in Uppsala at 6:00 p.m., Thursday, March 16, 2000. The annual report for 1999 is expected to be mailed out at the end of February.

Uppsala, February 9, 2000
Beijer Alma AB (publ)
Board of Directors

**SUMMARY STATEMENTS OF INCOME
MSEK**

	1999	1998	1999	1998
	<u>Oct.–Dec.</u>	<u>Oct.–Dec.</u>	<u>Jan.–Dec.</u>	<u>Jan.–Dec.</u>
Revenues	244,3	308,7	1.031,0	1.072,2
Cost of goods sold	–162,2	–209,2	–697,1	–730,1
Selling costs	–35,0	–40,7	–144,0	–145,7
Administrative expense	–23,3	–28,1	–102,3	–96,9
Shares in result of affiliated companies	–1,2	1,2	0,7	2,6
Items affecting comparability	5,3	2,0	13,0	5,1
Operating income	27,9	34,0	101,3	107,3
Net financial items	–2,6	–5,0	–12,6	–9,3
Income after financial items	25,3	29,0	88,7	98,0
Taxes	–15,8	–13,5	–33,5	–32,8
Net income for the year	9,5	15,5	55,2	65,2

**SUMMARY BALANCE SHEETS
MSEK**

	1999	1998
	<u>Dec. 31</u>	<u>Dec. 31</u>
Assets		
Fixed assets	444.6	440.8
Current assets not including liquid funds	384.1	397.1
Liquid funds	40.0	27.9
Total assets	868.7	865.8
Shareholders' equity and liabilities		
Shareholders' equity	424.7	395.8
Provisions	45.3	43.3
Long-term liabilities	201.4	215.7
Current liabilities	197.3	211.0
Total shareholders' equity and liabilities	868.7	865.8

**SUMMARY CASH FLOW ANALYSES
MSEK**

	1999	1998	1999	1998
	<u>Oct.–Dec.</u>	<u>Oct.–Dec.</u>	<u>Jan.–Dec.</u>	<u>Jan.–Dec.</u>
Cash flow before change in working capital And capital expenditures (cash earnings)	23.1	31.6	109.9	107.2
Change in working capital, increase– decrease (+)	8.5	–2.1	–0.7	–37.3
Cash flow before capital expenditures	31.6	29.5	109.2	69.9
Capital expenditures	–26.3	–17.2	–58.5	–192.8
Cash flow after capital expenditures	5.3	12.5	50.7	–122.9
Financial payments	–15.6	–10.6	–38.6	116.2
Change in liquid funds	–10.3	1.9	12.1	–6.7

HIGHLIGHTS

	1999	1998	1999	1998
	<u>Oct.–Dec.</u>	<u>Oct.–Dec.</u>	<u>Jan.–Dec.</u>	<u>Jan.–Dec.</u>
Number of shares outstanding	4,164,210	4,022,450	4,164,210	4,022,450
Earnings per share after current taxes, SEK	2.21	3.86	13.43	16.21
Earnings per share after 28% standard taxes, SEK	4.29	5.19	15.51	17.54
Return on equity per share, %	17.2	21.6	15.6	18.9
Return on capital employed, %	19.7	21.6	16.5	20.4
Shareholders' equity per share, SEK	105.59	98.41	105.59	98.41
Equity ratio, %	48.9	45.7	48.9	45.7
Debt equity ratio, %	52.0	58.6	52.0	58.6
Liquid funds including unutilized committed credit facilities, MSEK	190.9	152.1	190.9	152.1
Capital expenditures, MSEK	9.9	18.1	69.6	66.1
Interest coverage ratio	9.0	6.4	6.9	8.9