

Press release

Year-end report 2006 for Beijer Alma AB (publ)

Growth in earnings of 31 percent for 2006

- Net revenues for the full year increased by 12% to MSEK 1,488 (1,323)
- Profit after financial items increased during 2006 by 31% to MSEK 262.2 (199.8)
- Earnings per share in continuing operations during 2006 was SEK 6.92 (5.17)
- Cash flow after capital expenditures during 2006 was MSEK 121.0 (142.6)
- The dividend is proposed at SEK 4.00 (SEK 2.67, plus an extra dividend of SEK 1.00)

THE GROUP

2006 was the best year ever for Beijer Alma. Demand was strong at the beginning of the year, but weakened slightly during the spring. After the summer, demand once again improved. The majority of customer segments have experienced a positive sales development.

Investments in the strengthening of competitiveness by locating production in low-cost countries are continuing. During the year, Habia put a new production unit in China into operation. The number of employees in the group in low-cost countries, China and Latvia, increased by 41 during the year to a total of 171.

Favourable growth combined with controlled cost development had a positive impact on margins and earnings. The Group has reported record profits for 2006, and earnings improved for the fourteenth quarter in a row, as compared with the corresponding quarter in the previous year.

Order bookings increased by 13 percent to MSEK 1,508 (1,331). Net revenues amounted to MSEK 1,488 (1,323), an improvement of 12 percent. The operating result MSEK 268.4 (206.7) and the operating margin 18.0 percent (15.6). Profit after financial items was MSEK 262.2 (199.8), equivalent to earnings per share after taxes of SEK 6.92 (5.17).

Elimag AB was sold during the second quarter. In accordance with accounting regulations, revenue and expenses attributable to Elimag have not been included in the consolidated accounts for either 2006 or 2005. The sale of Elimag resulted in a capital loss of MSEK -37.3. During 2005, Stafsjö Bruk was sold at a capital gain of MSEK 31.1. The reported net result for 2006, including the capital loss, was MSEK 152.5, after taxes. The reported net result for 2005 was MSEK 176.1, including the capital gain.

Capital expenditures for facilities amounted to MSEK 71 (48). Cash flow after capital expenditures amounted to MSEK 120.9 (142.6). The sale of Elimag had a negative impact of MSEK 8 on the cash flow for 2006, while the sale of Stafsjö impacted the 2005 cash flow positively in the amount of MSEK 73. At the end of the year, the Group had net cash of MSEK 7, compared with net interest-bearing liabilities of MSEK 43 in the previous year. The equity ratio was 61.4 percent (60.1).

During the fourth quarter, order bookings amounted to MSEK 363 (333), an increase of 9 percent. Net revenues increased by 6 percent, reaching MSEK 367 (347). The operating result amounted to MSEK 68.5 (47.4) and the operating margin was 18.7 percent (13.7). Profit after financial items was MSEK 67.5 (46.3), equivalent to earnings per share after taxes of SEK 1.86 (1.12). Cash flow after capital expenditures was MSEK 44.9 (17.9).

SUBSIDIARIES

LESJÖFORS AB (www.lesjoforsab.com) is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. The company is a dominant player in the Nordic region and one of the larger companies in Europe in its industry. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Latvia, England and China.

During the year, order bookings in Lesjöfors amounted to MSEK 925 (763), an increase of 21.3 percent. Net revenues increased by 21.0 percent to MSEK 923 (763). In comparable units, order bookings increased by 14.4 percent and net revenues by 14.2 percent. Profit after financial items was MSEK 221.7 (143.3).

Beijer Alma AB (publ)

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During the fourth quarter, order bookings amounted to MSEK 217 (185), an increase of 17.3 percent. Net revenues increased by 21.3 percent to MSEK 226 (186). Profit after financial items amounted to MSEK 56.6 (31.1).

Lesjöfors has experienced a favourable growth in sales, which it has been possible to manage without an appreciable increase in resources. This has provided a significant earnings impact due to the increased invoicing. Profitability has improved in all business areas.

HABIA CABLE AB (www.habia.com) is one of Europe's leading manufacturers of specialty cable for applications within telecommunications, nuclear power, defence and other industries. The company has production facilities and conducts research and development in Sweden, and has production facilities in Germany, China and Latvia.

Habia's order bookings **during 2006** reached MSEK 583 (569), an increase of 2.4 percent. Invoicing rose by 0.8 percent to MSEK 564 (560). Profit after financial items amounted to MSEK 63.0 (78.0).

During the fourth quarter, order bookings amounted to MSEK 146 (149), a decrease of 2.0 percent. Compared with the very strong fourth quarter in the previous year, net revenues decreased by 12.0 percent to MSEK 141 (160). Profit after financial items was MSEK 17.1 (22.4).

Increased costs, primarily due to higher copper prices, and downward pricing pressure, primarily within the telecommunications sector, have had a negative impact on Habia's earnings.

PARENT COMPANY

The Parent Company, which is a holding company conducting no external sales, is reporting a profit after financial items of MSEK 34.5 (51.2). The result for year includes, among other things, dividends from subsidiaries amounting to MSEK 95.5 and a write-down of MSEK -38.3 arising in conjunction with the sale of Elimag. The reported net result for the year was MSEK 40.6 (56.9).

NET REVENUES AND RESULT BY OPERATING SEGMENT

NET REVENUES

MSEK	2006	2006	2006	2006	2005	2005	2005	2005	2006	2005	2004
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Full-year	Full-year	Full-year
Lesjöfors	225.8	217.8	253.7	226.1	186.2	181.8	216.8	178.0	923.4	762.8	673.4
Habia Cable	141.0	142.7	140.9	139.4	160.2	144.8	136.5	118.1	564.0	559.6	527.0
Parent Company and consolidated eliminations	0.2	0.0	0.2	0.0	0.2	0.4	-0.1	0.2	0.4	0.7	1.2
Continuing operations	367.0	360.5	394.8	365.5	346.6	327.0	353.2	296.3	1,487.8	1,323.1	1,201.6
Divested operations	0.0	0.0	8.0	15.0	22.0	18.1	50.4	50.1	23.0	140.6	221.1
Total	367.0	360.5	402.8	380.5	368.6	345.1	403.6	346.4	1,510.8	1,463.7	1,422.7

OPERATING RESULT

MSEK	2006	2006	2006	2006	2005	2005	2005	2005	2006	2005	2004
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Full-year	Full-year	Full-year
Lesjöfors	56.2	50.8	63.9	51.2	31.2	35.7	46.8	30.3	222.1	144.0	110.2
Habia Cable	17.7	19.8	13.6	14.7	23.2	26.3	20.2	12.4	65.8	82.1	75.1
Parent Company and consolidated eliminations	-5.4	-2.2	-5.5	-6.4	-7.0	-3.3	-5.3	-3.8	-19.5	-19.4	-19.0
Remaining operations	68.5	68.4	72.0	59.5	47.4	58.7	61.7	38.9	268.4	206.7	166.3
Divested operations	0.0	0.0	-34.9	-2.2	1.0	0.4	32.2	3.4	-37.1	37.0	19.6
Total	68.5	68.4	37.1	57.3	48.4	59.1	93.9	42.3	231.3	243.7	185.9

PROFIT AFTER FINANCIAL ITEMS

MSEK	2006	2006	2006	2006	2005	2005	2005	2005	2006	2005	2004
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Full-year	Full-year	Full-year
Lesjöfors	56.6	50.9	63.3	50.9	31.1	35.7	46.6	29.9	221.7	143.3	108.0
Habia Cable	17.1	19.1	12.9	13.9	22.4	25.4	18.9	11.3	63.0	78.0	69.5
Parent Company and consolidated eliminations	-6.2	-3.2	-6.0	-7.1	-7.2	-3.6	-5.8	-4.9	-22.5	-21.5	-22.5
Continuing operations	67.5	66.8	70.2	57.7	46.3	57.5	59.7	36.3	262.2	199.8	155.0
Divested operations	0.0	0.0	-34.9	-2.4	0.8	0.2	31.8	2.9	-37.3	35.6	17.0
Total	67.5	66.8	35.3	55.3	47.1	57.7	91.5	39.2	224.9	235.4	172.0

PRESIDENT'S STATEMENT

When we summarise 2006, we can establish that, for the third year in a row, the Beijer Alma Group has produced a record result. For fourteen consecutive quarters, the Group has increased profit over the corresponding quarter in the previous year. Profit after financial items, excluding capital losses, amounted to MSEK 262.2, which represents an increase of 31 percent. Invoicing increased by 12 percent to MSEK 1,488.

As 2005 had a weak opening, gradually strengthening during the year, it was also more difficult to measure up to the comparative figures. Despite this, from an earnings perspective, the fourth quarter was the strongest in comparison with the previous year. Profit before taxes amounted to MSEK 67.5, which is an increase of 46 percent.

This increase in earnings is primarily due to the strong development of Lesjöfors during the year, while Habia's results fell from the high levels reported during 2005.

Demand has increased in all business areas within Lesjöfors. Apart from the chassis springs operations, Industrial Springs and Flat Strip Components are showing high growth levels. In total, Lesjöfors' invoicing increased by 21 percent to MSEK 923 during the year. The increase in invoices during the fourth quarter was also 21 percent. Despite the increase in sales, Lesjöfors had good cost control, resulting in a continued high operating margin. Lesjöfors' growth is a combination of organic growth and growth on the basis of acquisitions. The goal is to continue to acquire companies in order to strengthen Lesjöfors' market position.

During 2006, Habia was impacted by downward pricing pressure and rising prices for raw materials. Furthermore, the company incurred increased overhead costs. In total, this implied that the operating result fell by 20 percent during the year, to MSEK 66, despite sales volumes remaining essentially unchanged. The downward pricing pressure primarily impacts sales to telecommunications customers, while increases in the prices of raw materials affect all business areas. The price pressure within the telecommunications area is amplified by the consolidation in progress among customer companies, at the same time that increasing numbers of players are competing within Habia's product areas. Sales to telecommunications customers weakened during the second half-year, compared with the very strong sales development during the corresponding period in the previous year. However, other product areas experienced positive growth. Copper is an important raw material for Habia. The price of copper rose sharply during the first six months of 2006, peaking during the summer and gradually falling during the autumn.

The strengthening of the balance sheet has continued. Cash flow for the fourth quarter amounted to MSEK 45, resulting in a full-year cash flow of MSEK 121. Consequently, net debt has been transformed into net cash, which implies that Beijer Alma is well-equipped for continued organic and acquisition-based growth, combined with high dividends.

On the whole, conditions for the Group at the beginning of 2007 appear to be good. Habia's telecommunications business is somewhat weaker compared with the beginning of 2006, but this is compensated by the growth shown in other business areas. Furthermore, the effects of lower copper prices are beneficial for Habia, at the same time that the price increases implemented during the previous year provide their full impact. Lesjöfors has shown growth at the beginning of this new financial year, primarily within its industrial springs operations.

DIVIDEND PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes to the Annual General Meeting a dividend of SEK 4.00 (3.67) per share. The previous year's dividend comprised a regular dividend of SEK 2.67 per share and an extra dividend of SEK 1.00 per share.

ANNUAL GENERAL MEETING 2007

The Annual General Meeting for 2007 will be held in Uppsala on Wednesday, 28 March 2007.

EVENTS FOLLOWING THE END OF THE REPORTING PERIOD

No events of significance have occurred after the end of the reporting period.

ACCOUNTING PRINCIPLES

Group

This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU). The presentation of the interim report follows IAS 34 Interim Financial Reporting, RR 31 Consolidated Interim Reporting, and the Swedish Annual Accounts Act. The accounting principles and terms of calculation are unchanged from those applied in the Annual Report for 2005. The accounting has not been affected by new standards adopted during the period.

Parent Company

The Parent Company, Beijer Alma AB, applies the Swedish Annual Accounts Act and Swedish Financial Accounting Standards Council Recommendation RR 32, Accounting for Legal Entities. These accounting principles correspond with those applied in the previous year and with the Group's accounting principles, in applicable parts.

SUMMARY INCOME STATEMENT

MSEK	2006	2005	2006	2005	2004	2003
	Q 4	Q 4	Full-year	Full-year	Full-year	Full-year
Net revenues	367.0	346.6	1,487.8	1,323.1	1,201.6	1,154.0
Cost of goods sold	-221.0	-227.7	-924.6	-835.8	-770.5	-821.0
Gross result	146.0	118.9	563.2	487.3	431.1	333.0
Selling expenses	-40.2	-37.7	-164.9	-164.0	-158.4	-176.0
Administrative expenses	-37.3	-33.9	-130.9	-116.4	-107.6	-116.2
Share of result of associated companies	0.0	0.1	1.0	-0.2	1.3	-1.1
Operating result	68.5	47.4	268.4	206.7	166.4	39.7
Interest income and similar items	1.8	0.7	3.0	1.7	1.3	2.8
Interest expenses and similar items	-2.8	-1.8	-9.2	-8.6	-12.7	-24.5
Profit after financial items	67.5	46.3	262.2	199.8	155.0	18.0
Taxes	-16.5	-15.5	-72.4	-57.8	-40.0	-10.5
Net result in continuing operations	51.0	30.8	189.8	142.0	115.0	7.5
Net result in discontinued operations	0.0	0.5	-37.3	34.1	12.2	-
Net result for the period	51.0	31.3	152.5	176.1	127.2	7.5
Earnings per share in continuing operations						
– before dilution, SEK	1.86	1.12	6.92	5.17	4.21	-
– after dilution, SEK	1.86	1.12	6.92	5.17	4.21	-
Earnings per share in divested operations						
– before dilution, SEK	-	0.02	-1.36	1.25	0.43	-
– after dilution, SEK	-	0.02	-1.36	1.25	0.43	-
Reported earnings per share						
– before dilution, SEK	1.86	1.14	5.56	6.42	4.64	0.28
– after dilution, SEK	1.86	1.14	5.56	6.42	4.64	0.28
Proposed/ adopted dividend per share, SEK	-	-	4.00	3.67 ¹⁾	1.67	0.50
Depreciation and amortisation are included in the amount of MSEK	22.9	20.0	68.8	65.2	69.4	89.6

¹⁾ SEK 2.67, plus an extra dividend of SEK 1.00.

SUMMARY BALANCE SHEET

MSEK	2006 31 Dec	2005 31 Dec	2004 31 Dec	2003 31 Dec
ASSETS				
Fixed assets				
Intangible fixed assets	70.4	72.7	71.1	90.7
Tangible fixed assets	408.2	443.5	467.9	501.5
Financial fixed assets	48.2	42.2	22.3	32.2
Total fixed assets	526.8	558.4	561.3	624.4
Current assets				
Inventories	245.1	222.5	223.1	205.5
Receivables	255.4	274.8	228.9	225.9
Cash and cash equivalents	191.1	124.4	105.5	71.0
Total current assets	691.6	621.7	557.5	502.4
Total assets	1,218.4	1,180.1	1,118.8	1,126.8

MSEK	2006 31 Dec	2005 31 Dec	2004 31 Dec	2003 31 Dec
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	114.3	114.3	114.3	112.8
Other contributed capital	165.3	165.4	165.4	156.6
Reserves	-8.0	5.0	-7.2	0.0
Retained earnings, including net result for the period	476.2	424.2	293.9	182.3
Total shareholders' equity	747.8	708.9	566.4	451.7
Long-term liabilities to credit institutions	72.3	97.2	130.5	184.0
Other long-term liabilities	28.6	29.0	38.7	44.2
Short-term liabilities to credit institutions	111.6	69.5	146.0	266.6
Current non-interest-bearing liabilities	258.1	275.5	237.2	180.3
Total shareholders' equity and liabilities	1,218.4	1,180.1	1,118.8	1,126.8

SUMMARY CASH FLOW STATEMENT

MSEK	2006 Q 4	2005 Q 4	2006 Full-year	2005 Full-year	2004 Full-year	2003 Full-year
Cash flow from operating activities before changes in working capital and capital expenditures	44.8	58.5	241.2	214.8	211.2	99.3
Cash flow from discontinued operations	0.0	1.2	-8.0	61.2	11.6	-
Changes in working capital, increase (-) decrease (+)	12.7	12.0	-33.1	-47.8	4.3	26.8
Cash flow from current operations	57.5	71.7	200.1	228.2	227.1	126.1
Investment operations	-12.6	-53.8	-79.1	-85.6	-36.6	-51.3
Cash flow after capital expenditures	44.9	17.9	121.0	142.6	190.5	74.8
Financing operations	-4.8	-8.5	-56.2	-126.8	-153.3	-48.8
Change in liquid funds	40.1	9.4	64.8	15.8	37.2	26.0
Liquid funds at beginning of period	148.5	115.0	124.4	105.5	71.0	47.2
Cash in divested operations and exchange rate changes in cash	2.5	0.0	1.9	3.1	-2.7	-2.2
Liquid funds at end of period	191.1	124.4	191.1	124.4	105.5	71.0
Approved but unutilised credit facilities	301.7	349.6	301.7	349.6	309.3	204.4
Available liquid funds	492.8	474.0	492.8	474.0	414.8	275.4

SPECIFICATION OF RESULT IN DIVESTED OPERATIONS

MSEK	2006 Q 4	2005 Q 4	2006 Full-year	2005 Full-year	2004 Full-year
Capital gain/loss	—	—	-32.5	31.1	—
Sales revenue	—	22,0	23.0	93.1	221.1
Expenses	—	-21,2	-28.6	-88.6	-204.1
Profit before taxes	—	0.8	-38.1	35.6	17.0
Taxes	—	-0.3	0.8	-1.5	-4.8
Profit after taxes	—	0.5	-37.3	34.1	12.2

SPECIFICATION OF CHANGE IN SHAREHOLDERS' EQUITY

MSEK	2006 Full-year	2005 Full-year	2004 Full-year	2003 Full-year
Opening shareholders' equity	708.9	566.4	451.7	458.3
Effect of IFRS	—	3.7	-2.0	—
Dividend paid	-100.6	-45.7	-13.5	-9.0
Conversion of subordinated loan	—	—	10.2	—
Foreign exchange effect in forward contracts in accordance with IAS 39	4.6	-5.1	—	—
Translation differences	-17.6	13.5	-7.2	-5.1
Net result for the period	152.5	176.1	127.2	7.5
Closing shareholders' equity	747.8	708.9	566.4	451.7

Specification of shareholders' equity for the period	Share capital	Other contributed capital	Reserves	Retained earnings, incl. net results for the period	Total
31 December 2005	114.3	165.4	5.0	424.2	708.9
Dividend paid	—	—	—	-100.6	-100.6
Change in value of hedging reserve	—	—	6.4	—	6.4
Tax on hedging reserve	—	—	-1.8	—	-1.8
Translation differences	—	—	-17.6	—	-17.6
Net result for the period	—	—	—	152.5	152.5
31 December 2006	114.3	165.4	-8.0	476.1	747.8

NUMBER OF SHARES

	2006 31 Dec	2005 31 Dec	2004 31 Dec	2003 31 Dec
Number of shares outstanding	27,431,100	27,431,100	27,431,100	27,069,900
Subordinated debentures outstanding	—	—	—	1,160,640
Personnel options outstanding	—	—	—	600,000
Total number of shares outstanding, fully-diluted basis	27,431,100	27,431,100	27,431,100	28,830,540
Average number of shares outstanding, fully-diluted basis	27,431,100	27,431,100	27,431,100	28,830,540

3,330,000 of the total number of shares outstanding are Class A shares, and the remaining are Class B shares.

KEY FINANCIAL INDICATORS

	2006	2005	2006	2005	2004	2003
	Q 4	Q 4	Full-year	Full-year	Full-year	Full-year
Number of shares outstanding	27,431,100	27,431,100	27,431,100	27,431,100	27,431,100	28,830,540
Net revenues, MSEK	367.0	346.6	1,487.8	1,323.1	1,201.6	1,154.0
Operating result, MSEK	68.5	47.4	268.4	206.7	166.4	39.7
Result before taxes, MSEK	67.5	46.3	262.2	199.8	155.0	18.0
Earnings per share after actual taxes, SEK	1.86	1.12	6.92	5.17	4.21	0.28
Earnings per share after 28% standard taxes, SEK	1.77	1.22	6.88	5.25	4.07	0.49
Cash flow after capital expenditures per share, SEK	1.64	0.65	4.41	5.20	6.94	2.76
Return on equity, %	26.7	19.3	25.9	22.6	22.0	2.9
Return on capital employed, %	30.7	22.3	30.0	24.3	19.3	4.5
Shareholders' equity per share, SEK	27.26	25.84	27.26	25.84	20.65	16.61
Equity ratio, %	61.4	60.1	61.4	60.1	50.6	39.9
Debt/equity ratio (net), %	-0.9	6.1	-0.9	6.1	31.5	86.1
Liquid funds including committed credit facilities not drawn upon, MSEK	492.8	474.0	492.8	474.0	414.8	274.4
Capital expenditures, MSEK	21.3	19.1	71.0	48.0	48.0	55.1
Interest coverage ratio	25.7	24.0	29.6	21.3	11.7	1.7
Number of employees at end of period	980	907	980	907	805	879

Figures for 2003 have not been recalculated in accordance with IFRS in any of the above tables or compilations.

Uppsala, 8 February 2007

BEIJER ALMA AB (publ)

Bertil Persson
President & CEO

AUDIT REPORT

This year-end report has not been audited by the company's auditors.

Any questions will be answered by:

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Next report date:

Interim Report, 25 April 2007

The Annual Report for 2006 will be available at the company's website on or about 1 March 2007.

The Annual Report is expected to be sent to shareholders on or about 9 March 2007.

Previous reports area available at Beijer Alma's website, www.beijer-alma.se, under Investor Relations.

