



january--march 08

## Press release

# Interim report January-March 2008 for Beijer Alma AB (publ)

### Strong start to the year

- Net revenues totaled MSEK 450 (412)
- Profit after financial items amounted to MSEK 77.9 (71.4)
- Net profit after tax totaled MSEK 57.2 (51.4)
- Earnings per share after tax amounted to SEK 2.09 (1.87)

## GROUP

The year 2008 is off to a favorable start. Demand for the company's products is strong within most customer groups. This strong demand resulted in the best quarter to date in terms of order bookings, invoicing and profit. Order bookings from the engineering industry, which is the largest customer group, remained strong, while demand within telecom and chassis springs began to improve following weaker trends in 2007.

Order bookings rose 10.0 percent to MSEK 472 (429). Invoicing totaled MSEK 450 (412), an increase of 9.3 percent. Operating profit amounted to MSEK 80.4 (73.0) and the operating margin was 17.8 percent (17.7). Profit after financial items amounted to MSEK 77.9 (71.4). Earnings per share after tax amounted to SEK 2.09 (1.87). Profit after financial items was affected in the amount of negative MSEK 4.0 due to changes in foreign exchange rates. This comparative figure is based on the foreign exchange rates in effect during the year-earlier period.

Capital expenditures in tangible fixed assets amounted to MSEK 22.4 (17.8), compared with depreciation in the amount of MSEK 16.6 (16.4). Cash flow after capital expenditures amounted to MSEK 5.3 (neg: 55.8, including corporate acquisitions in the amount of 48.9). Net interest-bearing liabilities totaled MSEK 26.9 (52.3). The equity ratio was 63.4 percent (55.4). It should be noted that when the equity ratio was calculated for the preceding year, the dividend had been deducted from shareholders' equity. Adjusted for the dividend for the year, which was paid and reported in April, the equity ratio is 53 percent.

## Subsidiaries

**LESJÖFORS AB** ([www.lesjoforsab.com](http://www.lesjoforsab.com)) is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. The company is a dominating player in the Nordic Region and one of the larger companies in its industry in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Latvia, the UK and China.

Order bookings for Lesjöfors rose 4.9 percent to MSEK 288 (275). Invoicing totaled MSEK 289 (264), an increase of 9.4 percent. Operating profit amounted to MSEK 64.3 (57.6) and the operating margin was 22.2 percent (21.8).

Lesjöfors' strong trends continued. Invoicing increased within all three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. The highest rate of increase was reported within the Industrial Springs and Chassis Springs business areas.

**HABIA CABLE AB** ([www.habia.com](http://www.habia.com)) is one of Europe's largest manufacturers of custom-designed cables for customers within telecom, nuclear power, defence and other industries. Manufacturing and

research and development are conducted in Sweden, with additional manufacturing carried out in Germany, China and Latvia.

Habia's order bookings rose 19.0 percent during the quarter, totaling MSEK 184 (154). Invoicing amounted to MSEK 161 (148), an increase of 9.1 percent. Operating profit amounted to MSEK 21.5 (21.1) and the operating margin was 13.3 percent (14.3).

Habia reported strong sales trends och built up its stock of orders during the quarter. The largest increase was among telecom customers. The telecom sector was affected by price pressure, which had a negative impact on margins. As a result, the company decided to transfer the majority of its manufacturing of telecom products from Sweden to its production unit in China. This move is expected to be carried out in the third quarter.

### Parent company

The Parent Company, Beijer Alma AB, is a holding company that does not conduct its own operations or external invoicing. The company reported an operating loss of MSEK 4.8 (loss: 5.0).

## REVENUES AND EARNINGS PER OPERATING SEGMENT

### NET REVENUES

MSEK	2008 Q 1	2007 Q 4	2007 Q 3	2007 Q 2	2007 Q 1	2007 Full-year	2006 Full-year
Lesjöfors	289.1	248.4	242.4	277.3	264.2	1,032.3	923.4
Habia Cable	161.3	162.1	148.5	163.5	147.9	622.0	564.0
Parent Company and intra-Group	0.1	–	–	–	0.1	0.1	0.4
<b>Continuing operations</b>	<b>450.5</b>	<b>410.5</b>	<b>390.9</b>	<b>440.8</b>	<b>412.2</b>	<b>1,654.4</b>	<b>1,487.8</b>
Discontinued operations	–	–	–	–	–	–	23.0
<b>Total</b>	<b>450.5</b>	<b>410.5</b>	<b>390.9</b>	<b>440.8</b>	<b>412.2</b>	<b>1,654.4</b>	<b>1,510.8</b>

### OPERATING PROFIT/LOSS

MSEK	2008 Q 1	2007 Q 4	2007 Q 3	2007 Q 2	2007 Q 1	2007 Full-year	2006 Full-year
Lesjöfors	64.3	54.5	48.2	62.6	57.4	222.7	222.1
Habia Cable	21.5	23.9	21.8	22.9	21.1	89.7	65.8
Parent Company and intra-Group	–5.4	–6.2	–3.8	–7.3	–5.5	–22.8	–19.5
<b>Continuing operations</b>	<b>80.4</b>	<b>72.2</b>	<b>66.2</b>	<b>78.2</b>	<b>73.0</b>	<b>289.6</b>	<b>268.4</b>
Discontinued operations	–	–	–	–	–	–	–37.1
<b>Total</b>	<b>80.4</b>	<b>72.2</b>	<b>66.2</b>	<b>78.2</b>	<b>73.0</b>	<b>289.6</b>	<b>231.3</b>

## PRESIDENT'S STATEMENT

### **Strongest quarter to date**

The year 2008 is off to a strong start. In the first quarter, order bookings, invoicing and earnings reached the highest levels to date for the Beijer Alma Group. Order bookings and invoicing increased by approximately 10 percent, with essentially all customer areas displaying growth. This means that Chassis Springs, which experienced weaker trends in 2007, once again reported increased demand. Moreover, order bookings are significantly higher than invoicing, which means that the Group is building up its stock of orders for the second quarter.

The Group's operating profit rose 10 percent to MSEK 80.4. Nearly the entire increase is attributable to Lesjöfors, while Habia's profit remained essentially unchanged. These higher volumes of invoicing resulted in a somewhat higher operating margin. The first quarter of 2008 was affected negatively by the early Easter holiday, which resulted in fewer working days than in the preceding year.

### **Lesjöfors**

Lesjöfors reported growth in all business areas. Industrial Springs grew by 10 percent, primarily within heavy-duty segments. Flat Strip Components increased by 5 percent. Chassis Springs grew by 14 percent following declining sales in 2007. The inventory excess created at the beginning of the preceding year now seems to have balanced out and the underlying market is once again displaying growth.

Lesjöfors' total invoicing rose by 10 percent. Operating profit for the first quarter amounted to MSEK 64.3, which caused the operating margin to rise slightly to 22.2 percent. All business areas displayed favorable profitability. However, the margin decreased slightly within Flat Strip Components, primarily due to a lack of invoicing for telephone components in the Chinese plant. Delivery of components for new telephone models is expected to begin in the second quarter of 2008.

Demand is expected to remain strong in the second quarter and Lesjöfors will maintain or strengthen its position, particularly within Industrial Springs and Chassis Springs.

### **Habia**

Habia's total invoicing grew by 9 percent in the first quarter. Order bookings increased by a full 19 percent. The strongest growth took place within the company's telecom operations, with invoicing increasing by 29 percent and order bookings by 49 percent. Other operations reported an 8-percent increase in order bookings, while invoicing decreased slightly.

Habia is capturing market shares in the telecom area. However, price pressure in this area is substantial, which means that the company's margins deteriorated at the beginning of the year. To compensate for the lower prices, Habia plans to transfer a significant portion of its volume production of cables used in antennas for base stations to China. Preparations for this move are in progress and production is scheduled to be under way in the third quarter of 2008.

Despite increasing volumes, price pressure on telecom products caused Habia's operating margin to drop by 1 percentage point during the first quarter to 13.3 percent. Habia will enter the second quarter with favorable demand in essentially all customer areas. In addition, the company's stock of orders increased significantly during the first quarter.

### **Outlook for the second quarter**

Lesjöfors holds a favorable position in all areas in terms of demand. Growth within Chassis Springs will have a positive impact on the product mix. Habia will continue to experience price pressure within the telecom segment, but holds a strong market position and will experience substantial growth in demand. Growth will also be favorable in the other business areas.

Despite uncertainty in the operating environment, conditions generally appear favorable at the beginning of the second quarter. The stock of orders is larger than at year-end and demand for the Group's products remains strong.

**EVENTS AFTER THE END OF THE PERIOD**

No significant events have occurred since the end of the period.

**ANNUAL GENERAL MEETING**

At the Annual General Meeting held on April 8, 2008 a resolution was adopted approving a dividend of SEK 5 (4) per share.

Peter Nilsson, President and CEO of Trelleborg AB, was newly elected to the Board of Directors. The other Directors and Deputy Directors were re-elected.

**RISKS AND UNCERTAINTY FACTORS**

The Group's material risks and uncertainty factors include business and financial risks. Business risks may include major customer exposure to individual industries or companies. Financial risks primarily pertain to foreign currency risks that arise because more than 80 percent of the company's sales are conducted outside Sweden, while approximately 60 percent of production takes place within Sweden.

Management of the Group's financial risks is described on pages 8-9 and in Note 29 of the 2007 Annual Report. The Group's business risks are described on pages 8-9 of the 2007 Annual Report. According to assessment, the Group has a favorable risk spread across industries and companies and no material risks arose during the year.

**ACCOUNTING PRINCIPLES****Group**

This interim report was prepared in accordance with International Financial Reporting Standards – IFRS as adopted by the European Union. The presentation of the interim report follows IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Accounting principles and terms of calculation are unchanged from those applied in the 2007 Annual Report.

**Parent Company**

The Parent Company, Beijer Alma AB, applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.1, Accounting for legal entities. These accounting principles correspond with the preceding year and with the consolidated accounting principles where applicable.

**SUMMARY INCOME STATEMENT**

**GROUP**

MSEK	2008 Q 1	2007 Q 1	2007 Full-year	2006 Full-year	2005 Full-year
Net revenues	450.5	412.2	1,654.4	1,487.8	1,323.1
Cost of goods sold	-286.7	-258.9	-1,035.3	-924.6	-835.8
<b>Gross profit</b>	<b>163.8</b>	<b>153.3</b>	<b>619.1</b>	<b>563.2</b>	<b>487.3</b>
Selling expenses	-46.4	-43.3	-178.1	-164.9	-164.0
Administrative expenses	-38.2	-37.2	-152.2	-130.9	-116.4
Share of revenues from associated companies	1.2	0.2	0.8	1.0	-0.2
<b>Operating profit</b>	<b>80.4</b>	<b>73.0</b>	<b>289.6</b>	<b>268.4</b>	<b>206.7</b>
Interest income and similar revenues	0.7	0.9	5.6	3.0	1.7
Interest expenses and similar expenses	-3.2	-2.5	-12.5	-9.2	-8.6
<b>Profit after financial items</b>	<b>77.9</b>	<b>71.4</b>	<b>282.7</b>	<b>262.2</b>	<b>199.8</b>
Tax	-20.7	-20.0	-77.2	-72.4	-57.8
<b>Net profit from continuing operations</b>	<b>57.2</b>	<b>51.4</b>	<b>205.5</b>	<b>189.8</b>	<b>142.0</b>
Net profit from discontinued operations	-	-	-	-37.3	34.1
<b>Net profit for the period</b>	<b>57.2</b>	<b>51.4</b>	<b>205.5</b>	<b>152.5</b>	<b>176.1</b>
Earnings per share from continuing operations					
- before dilution, SEK	2.09	1.87	7.49	6.92	5.17
- after dilution, SEK	2.09	1.87	7.49	6.92	5.17
Earnings per share from discontinued operations					
- before dilution, SEK	-	-	-	-1.36	1.25
- after dilution, SEK	-	-	-	-1.36	1.25
Net earnings per share for the period					
- before dilution, SEK	2.09	1.87	7.49	5.56	6.42
- after dilution, SEK	2.09	1.87	7.49	5.56	6.42
Dividend per share, SEK	-	-	5.00	4.00	3.67
Includes amortization and depreciation in the amount of, MSEK	16.6	16.4	65.3	68.8	65.2

**PARENT COMPANY**

MSEK	2008 Q 1	2007 Q 1	2007 Full-year	2006 Full-year	2005 Full-year
Administrative expenses	-8.2	-8.3	-33.4	-32.2	-31.3
Other operating income	3.4	3.3	13.2	12.8	12.2
<b>Operating loss</b>	<b>-4.8</b>	<b>-5.0</b>	<b>-20.2</b>	<b>-19.4</b>	<b>-19.1</b>
Revenues from participations in Group companies	-	-	232.0	57.2	72.6
Interest income and similar revenues	1.0	0.2	0.5	0.1	-
Interest expenses and similar expenses	-1.0	-1.0	-5.0	-3.4	-2.3
<b>Profit/loss after financial expenses</b>	<b>-4.8</b>	<b>-5.8</b>	<b>207.3</b>	<b>34.5</b>	<b>51.2</b>
Tax	1.2	1.6	6.4	6.1	5.6
<b>Net profit/loss for the period</b>	<b>-3.6</b>	<b>-4.2</b>	<b>213.7</b>	<b>40.6</b>	<b>56.8</b>

**SUMMARY BALANCE SHEET**

**GROUP**

MSEK	2008	2007	2007	2006	2005
	Mar. 31	Mar. 31	Dec. 31	Dec. 31	Dec. 31
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible assets	118.0	116.9	116.4	70.4	72.7
Tangible assets	437.4	428.4	434.3	408.2	443.5
Financial assets	58.1	49.4	57.1	48.2	42.2
<b>Total fixed assets</b>	<b>613.5</b>	<b>594.7</b>	<b>607.8</b>	<b>526.8</b>	<b>558.4</b>
<b>Current assets</b>					
Inventories	273.6	261.2	267.4	245.1	222.5
Receivables	355.8	331.2	308.9	255.4	274.8
Cash and bank balances	176.6	60.2	165.3	191.1	124.4
<b>Total current assets</b>	<b>806.0</b>	<b>652.6</b>	<b>741.6</b>	<b>691.6</b>	<b>621.7</b>
<b>Total assets</b>	<b>1,419.5</b>	<b>1,247.3</b>	<b>1,349.4</b>	<b>1,218.4</b>	<b>1,180.1</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>					
Share capital	114.3	114.3	114.3	114.3	114.3
Other contributed capital	165.3	165.3	165.3	165.3	165.3
Reserves	-8.9	-6.3	-4.9	-8.0	-8.0
Retained earnings, including net profit for the period	629.2	417.9	572.0	476.2	476.2
<b>Total shareholders' equity</b>	<b>899.9</b>	<b>691.2</b>	<b>846.7</b>	<b>747.8</b>	<b>747.8</b>
Long-term liabilities to credit institutions	93.1	67.1	40.4	72.3	72.3
Other long-term liabilities	27.2	25.2	27.6	28.6	28.6
Current liabilities to credit institutions	110.4	45.0	157.4	111.6	111.6
Current non-interest-bearing liabilities	288.9	418.8	277.3	258.1	258.1
<b>Total shareholders' equity and liabilities</b>	<b>1,419.5</b>	<b>1,247.3</b>	<b>1,349.4</b>	<b>1,218.4</b>	<b>1,218.4</b>

**PARENT COMPANY**

MSEK	2008 Mar. 31	2007 Mar. 31	2007 Dec. 31	2006 Dec. 31	2005 Dec. 31
<b>ASSETS</b>					
<b>Fixed assets</b>					
Tangible assets	1.2	0.2	0.9	0.3	0.2
Financial assets	219.7	237.8	219.7	236.3	233.9
<b>Total fixed assets</b>	<b>220.9</b>	<b>238.0</b>	<b>220.6</b>	<b>236.6</b>	<b>234.1</b>
<b>Current assets</b>					
Receivables	297.0	197.9	433.7	295.5	228.6
Cash and cash equivalents	89.3	0.1	0.1	0.1	0.3
<b>Total current assets</b>	<b>386.3</b>	<b>198.0</b>	<b>433.8</b>	<b>295.6</b>	<b>228.9</b>
<b>Total assets</b>	<b>607.2</b>	<b>436.0</b>	<b>654.4</b>	<b>532.2</b>	<b>463.0</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
Share capital	114.3	114.3	114.3	114.3	114.3
Statutory reserve	165.3	165.4	165.3	165.3	165.3
Retained earnings	285.6	8.0	71.9	77.1	61.6
Profit/loss for the period	-3.6	-4.2	213.7	40.7	56.9
<b>Total shareholders' equity</b>	<b>561.6</b>	<b>283.5</b>	<b>565.2</b>	<b>397.4</b>	<b>398.1</b>
Current liabilities to credit institutions	34.2	24.6	60.7	85.2	26.3
Current non-interest-bearing liabilities	11.4	127.9	28.5	49.6	38.6
<b>Total shareholders' equity and liabilities</b>	<b>607.2</b>	<b>436.0</b>	<b>654.4</b>	<b>532.2</b>	<b>463.0</b>

**SUMMARY CASH-FLOW STATEMENT**

MSEK	2008 Q 1	2007 Q 1	2007 Full-year	2006 Full-year	2005 Full-year
Cash flow from current operations before change in working capital and capital expenditures	74.7	68.9	49.4	241.2	214.8
Cash flow from discontinued operations	-	-	0.8	-8.0	61.2
Change in working capital, increase (-) decrease (+)	-49.2	-56.0	-16.7	-33.1	-47.8
Cash flow from current operations	25.5	12.9	33.5	200.1	228.2
Investing activities	-19.6	-19.8	-24.3	-79.1	-85.6
Acquired operations	-	-48.9	-	-	-
Cash flow after capital expenditures	5.9	-55.8	9.2	121.0	142.6
Financing activities	5.4	-75.1	-29.8	-56.2	-126.8
<b>Change in cash and cash equivalents</b>	<b>11.3</b>	<b>-130.9</b>	<b>-20.6</b>	<b>64.8</b>	<b>15.8</b>
Cash and cash equivalents at beginning of period	165.3	191.1	124.4	124.4	105.5
Cash from discontinued operations and exchange-rate differences in cash	-	-	-0.4	1.9	3.1
Cash and cash equivalents at end of period	176.6	60.2	103.4	191.1	124.4
Granted but unutilized committed credit facilities	325.2	296.8	269.0	301.7	349.6
Available liquidity	501.8	357.0	372.4	492.8	474.0



**SPECIFICATION OF EARNINGS IN DISCONTINUED OPERATIONS**

MSEK	2008 Q 1	2007 Q 1	2007 Full-year	2006 Full-year	2005 Full-year
Capital gain/loss	–	–	–	–32.5	31.1
Sales income	–	–	15.0	23.0	93.1
Expenses	–	–	–17.4	–28.6	–88.6
Profit/loss before tax	–	–	–2.4	–38.1	35.6
Tax	–	–	0.8	0.8	–1.5
<b>Profit/loss after tax</b>	<b>0.0</b>	<b>0.0</b>	<b>–1.6</b>	<b>–37.3</b>	<b>34.1</b>

**SPECIFICATION OF CHANGES IN SHAREHOLDERS' EQUITY**

MSEK	2008 Mar. 31	2007 Full-year	2006 Full-year	2005 Full-year
<b>Opening shareholders' equity</b>	<b>846.7</b>	<b>747.8</b>	<b>708.9</b>	<b>566.4</b>
Effect of IFRS	–	–	–	3.7
Dividend paid	–	–109.7	–100.6	–45.7
Exchange-rate effect in forward contracts in accordance with IAS 39	5.8	–2.3	4.6	–5.1
Translation differences	–9.8	5.4	–17.6	13.5
Net profit for the period	57.2	205.5	152.5	176.1
<b>Closing shareholders' equity</b>	<b>899.9</b>	<b>846.7</b>	<b>747.8</b>	<b>708.9</b>

**SPECIFICATION OF SHAREHOLDERS' EQUITY FOR THE PERIOD**

	Share capital	Other contributed Capital	Reserves	Retained earnings, including net profit for the period	Total
Dec. 31, 2007	114.3	165.3	–4.9	572.0	846.7
Change in hedging reserves			8.1		8.1
Tax on hedging reserves			–2.3		–2.3
Translation differences			–9.8		–9.8
Net profit for the period				57.2	57.2
<b>Dec. 31, 2008</b>	<b>114.3</b>	<b>165.3</b>	<b>–8.9</b>	<b>629.2</b>	<b>899.9</b>

**NUMBER OF SHARES**

	2008 Mar. 31	2007 Dec. 31	2006 Dec. 31	2005 Dec. 31
Number of shares outstanding	27,431,100	27,431,100	27,431,100	27,431,100
Total number of shares, after full dilution	27,431,100	27,431,100	27,431,100	27,431,100
Average number of shares, after full dilution	27,431,100	27,431,100	27,431,100	27,431,100

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

## KEY FIGURES

	2008	2007	2007	2006	2005
	Q 1	Q 1	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
Net revenues, MSEK	450.5	412.2	1,654.4	1,487.8	1,323.1
Operating profit, MSEK	80.4	73.0	289.6	268.4	206.7
Profit before tax, MSEK	77.9	71.4	282.7	262.2	199.8
Earnings per share after tax, SEK	2.09	1.87	7.49	6.92	5.17
Earnings per share after 28% standard tax, SEK	2.05	1.87	7.42	6.88	5.25
Cash flow per share after capital expenditures, SEK	0.22	-0.31	4.37	4.41	5.20
Return on shareholders' equity, %	25.7	28.6	25.5	25.9	22.6
Return on capital employed, %	30.2	34.0	29.9	30.0	24.3
Shareholders' equity per share, SEK	32.81	25.20	30.87	27.26	25.84
Equity ratio, %	63.4	55.4	62.8	61.4	60.1
Net debt/equity ratio, %	3.0	7.6	3.9	-0.9	6.1
Cash and cash equivalents, including unutilized credit facilities, MSEK	501.8	357.0	386.7	492.8	474.0
Capital expenditures, MSEK	22.4	17.8	79.0	71.0	48.0
Interest-coverage ratio	25.5	29.6	23.6	29.6	21.3
Number of employees at end of period	1,214	1,140	1,163	980	907

Uppsala, April 24, 2008

**BEIJER ALMA AB (publ)**

Bertil Persson  
President & CEO

This interim report has not been examined by the company's auditors.

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**Questions will be answered by:**

Bertil Persson, President & CEO, telephone +46-8-506 427 50, e-mail bertil.persson@beijer-alma.se  
Jan Blomén, CFO, telephone +46-18-15 71 60, e-mail jan.blomen@beijer-alma.se

**Next report date:**

Interim report on August 14, 2008

Earlier reports are available on Beijer Alma's website [www.beijer-alma.se](http://www.beijer-alma.se) under Investor Relations.