

Press release

Interim report January–March 2007 for Beijer Alma AB (publ)

The best quarter ever

- Net revenues were 412.4 MSEK (365.5)
- Profit after financial items was MSEK 71.4 (57.7)
- Reported profit after taxes was MSEK 51.4 (39.8)
- Earnings per share after tax were SEK 1.87 (1.51)

GROUP

The first quarter of 2007 was the best quarter ever for Beijer Alma. The strong business trend has resulted in high demand, above all from customers within the engineering industry. The increase in sales, combined with good cost control, had a positive effect on profitability and, for the fifteenth consecutive quarter, profit increased in comparison with the corresponding period in the previous year.

As from 1 February, the acquired UK spring manufacturer, European Springs & Pressings Ltd, has been consolidated. During February and March, European Springs contributed MSEK 18 in order bookings and invoicing and MSEK 3.2 in profit after financial items. 139 individuals are employed by the company.

Order bookings increased by 14 percent to MSEK 429 (377) and invoicing was MSEK 412 (366), an increase of 13 percent. Order bookings and invoicing in comparable units increased by 8 percent and 6 percent, respectively. Profit after financial items was MSEK 71.4 (57.7), an increase of 24 percent. Earnings per share after tax were SEK 1.87 (1.51). The operating margin reached 17.7 percent (16.3). Profit after financial items has been affected by MSEK -2.4 as a consequence of exchange rate fluctuations. The comparative figures are based on the exchange rates applying to the equivalent period in the previous year.

Investments in tangible fixed assets, excluding corporate acquisitions, were MSEK 17.8 (18.7) and were, therefore, approximately equivalent to depreciation, which was MSEK 16.4 (15.7). Cash flow after investments, which was charged with MSEK 48.9 in liquid funds for corporate acquisitions, was MSEK -55.8. Net interest-bearing liabilities amounted to MSEK 52.3 (131.8) and the equity ratio was 55.4 percent (54.4). It should be noted that the annual dividend of MSEK 109.7 was paid after the end of the quarter, unlike in the previous year when it was paid during the first quarter. This means that the equity ratios for both years were calculated after dividends. Net liabilities for 2007 have been calculated before dividend, while those for 2006 were calculated after dividend. Net liabilities for 2007, adjusted for dividends, amount to MSEK 162.

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 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.

Lesjöfors increased order bookings by 20 percent to MSEK 275 (229). Invoicing was MSEK 264 (226), an increase of 17 percent. Order bookings and invoicing in comparable units increased by 10 percent and 7 percent, respectively. Profit after financial items was MSEK 57.0 (50.9). The operating margin reached 21.7 percent (22.6).

Lesjöfors' strong development is continuing. Customers in the engineering industry, in particular, increased volumes during the period. Consequently, invoicing has increased most powerfully in the business area Industrial Springs. The business area Flat Strip Components is also demonstrating growth, while invoicing within Chassis Springs is marginally below last year's level. All business areas have shown good profitability.

The integration of the acquired company, European Springs, is developing according to plan.

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HABIA CABLE AB (www.habia.com) is one of Europe's largest manufacturers of specialty cable for applications within telecommunications, nuclear power, defence and other industries. Manufacturing and research and development are conducted in Sweden, with manufacturing also in Germany, China and Latvia.

Habia's order bookings improved by 4 percent to MSEK 154 (149). Total invoicing amounted to MSEK 148 (139), an increase of 6 percent. Profit after financial items was MSEK 20.4 (13.9), and the operating margin was 14.3 percent (10.5).

Demand from the telecommunications sector was weak during the start of the period but has successively improved. However, seen as a whole, volumes to the telecom sector are lower than in the previous year. This has been compensated for by increased sales to other customer groups. This is positive as it allows a better spread of customers and should, therefore, lead to a less volatile trend in sales.

NET REVENUES AND RESULT BY OPERATING SEGMENT

NET REVENUES

MSEK	2007 Q 1	2006 Q 4	2006 Q 3	2006 Q 2	2006 Q 1	2006 Full year	2005 Full year	2004 Full year
Lesjöfors	264.2	225.8	217.8	253.7	226.1	923.4	762.8	673.4
Habia Cable	147.9	141.0	142.7	140.9	139.4	564.0	559.6	527.0
Parent Company and consolidation eliminations	0.1	0.2	–	0.2	–	0.4	0.7	1.2
Continuing operations	412.2	367.0	360.5	394.8	365.5	1,487.8	1,323.1	1,201.6
Discontinued operations	–	–	–	8.0	15.0	23.0	140.6	221.1
Total	412.2	367.0	360.5	402.8	380.5	1,510.8	1,463.7	1,422.7

OPERATING RESULT

MSEK	2007 Q 1	2006 Q 4	2006 Q 3	2006 Q 2	2006 Q 1	2006 Full year	2005 Full year	2004 Full year
Lesjöfors	57.4	56.2	50.8	63.9	51.2	222.1	144.0	110.2
Habia Cable	21.1	17.7	19.8	13.6	14.7	65.8	82.1	75.1
Parent Company and consolidation eliminations	– 5.5	– 5.4	– 2.2	– 5.5	– 6.4	– 19.5	– 19.4	– 19.0
Continuing operations	73.0	68.5	68.4	72.0	59.5	268.4	206.7	166.3
Discontinued operations	–	–	–	– 34.9	– 2.2	– 37.1	37.0	19.6
Total	73.0	68.5	68.4	37.1	57.3	231.3	243.7	185.9

PROFIT AFTER FINANCIAL ITEMS

MSEK	2007 Q 1	2006 Q 4	2006 Q 3	2006 Q 2	2006 Q 1	2006 Full year	2005 Full year	2004 Full year
Lesjöfors	57.0	56.6	50.9	63.3	50.9	221.7	143.3	108.0
Habia Cable	20.4	17.1	19.1	12.9	13.9	63.0	78.0	69.5
Parent Company and consolidation eliminations	– 6.0	– 6.2	– 3.2	– 6.0	– 7.1	– 22.5	– 21.5	– 22.5
Continuing operations	71.4	67.5	66.8	70.2	57.7	262.2	199.8	155.0
Discontinued operations	–	–	–	– 34.9	– 2.4	– 37.3	35.6	17.0
Total	71.4	67.5	66.8	35.3	55.3	224.9	235.4	172.0

PARENT COMPANY

The Parent Company, which conducts no business of its own, is a holding company without external invoicing. Profit after financial items was MSEK -5.8 (-5.2).

PRESIDENT'S STATEMENT

The first quarter of 2007 was the fifteenth consecutive quarter with a higher profit than the corresponding quarter in the previous year. Furthermore, profit exceeded those achieved in the second quarter of 2006 to become the highest in the Group's history. Demand was driven by a strong economic climate and, consequently, the traditional industrial segments in Habia and Lesjöfors showed growth in demand and profits. To this can be added the positive effects of the recent acquisitions carried out by Lesjöfors.

Invoicing for the entire Beijer Alma Group increased by 13 percent to MSEK 412 and profit increased by 24 percent to MSEK 71.4. The combination of the positive development of volumes and good cost control means that the increase in invoicing is once again high within the Group. Additionally, operating margin increased by 1.4 percentage points to 17.7 percent.

Demand in Lesjöfors increased from both the Industrial Springs and Flat Strip Components segments, while Chassis springs had a somewhat weaker start to the year than in the previous year. Invoicing increased by 17 percent to MSEK 264. Organic growth was 7 percent. The greatest part of the increased growth through acquisitions came from European Springs & Pressings Ltd, which was acquired on 1 February. The acquisition has contributed positively to both invoicing and profit during the quarter. With the acquisition of European Springs, together with the previous acquisition of Harris Springs, Lesjöfors has established itself as the UK's largest spring manufacturer. Profitability in Lesjöfors continues to be high. Operating margin was 21.7 percent, compared with 22.6 percent in the equivalent period of the previous year. The acquisition of European Springs initially had a faint negative effect on the margin. Profit after financial items increased by MSEK 6 to MSEK 57 during the first quarter. The backlog of orders has increased by MSEK 10, contributing to the good prospects for the continued positive development of invoicing and profit.

Habia has also experienced positive demand from the traditional industrial segments, while volumes from telecom customers have been somewhat weaker, compared with the previous year. The positive sales trend regarding industrial customers more than compensated for the slightly weaker demand from the telecom sector, with the result that total invoicing during the quarter increased by 6 percent to MSEK 148. The proportion of telecom sales has fallen during the quarter from 42 to 35 percent. Good cost control has optimised the impact on profits of the increase in invoicing. Profit after financial items increased by 47 percent to MSEK 20. This resulted in an operating margin of 14.3 percent, an increase of 3.8 percentage points compared with the previous year. Habia has also built up its order book during the year. In addition, order bookings from telecom customers have gradually improved during the year's first months. At the same time, the increased proportion of orders from customers outside the telecom segment is improving the company's risk profile. Consequently, conditions also look positive for Habia for the second quarter.

For the Beijer Alma Group as a whole, conditions for the second quarter continue to look good, as regards both invoicing volumes and profit. However, it should be remembered that the comparative figures are becoming increasingly challenging.

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 March 28, 2007, a resolution was adopted approving a dividend of SEK 4,00 (3.67) per share. Anders Ullberg was elected as board member after Johan Norman declined re-election. Anders Ullberg, former Managing Director of SSAB, is chairman of the board of Boliden, vice chairman of TietoEnator, board member of Atlas Copco et al. Other members and deputy members of the Board of Directors were re-elected.

ACCOUNTING PRINCIPLES

The Group

This interim report has been prepared in accordance with International Financial Reporting Standards – IFRS – as approved by the European Union. The presentation of the interim report follows IAS 34 Interim Financial Reporting and RR 31 Consolidated Interim Reporting, as well as the Swedish Annual Accounts Act. Accounting principles and terms of calculation are unchanged from those applied in the Annual Report 2006.

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 to the previous year and with the consolidated accounting principles in applicable parts.

SUMMARY INCOME STATEMENT

MSEK	2007 Q 1	2006 Q 1	2006 Full year	2005 Full year	2004 Full year
Net revenues	412.2	365.5	1, 487.8	1, 323.1	1, 201.6
Cost of goods sold	- 258.9	- 232.6	- 924.6	- 835.8	- 770.5
Gross result	153.3	132.9	563.2	487.3	431.1
Selling expenses	- 43.3	- 40.8	- 164.9	- 164.0	- 158.4
Administrative expenses	- 37.2	- 32.7	- 130.9	- 116.4	- 107.6
Share in result of associated company	0.2	0.1	1.0	- 0.2	1.3
Operating result	73.0	59.5	268.4	206.7	166.4
Interest income and similar items	0.9	0.3	3.0	1.7	1.3
Interest expenses and similar items	- 2.5	- 2.1	- 9.2	- 8.6	- 12.7
Result after financial items	71.4	57.7	262.2	199.8	155.0
Taxes	- 20.0	- 16.3	- 72.4	- 57.8	- 40.0
Net result in continuing operations	51.4	41.4	189.8	142.0	115.0
Net result in discontinued operations	-	- 1.6	- 37.3	34.1	12.2
Net result for the period	51.4	39.8	152.5	176.1	127.2
Earnings per share in continuing operations					
– before dilution, SEK	1.87	1.51	6.92	5.17	4.21
– fully diluted basis, SEK	1.87	1.51	6.92	5.17	4.21
Earnings per share in discontinued operations					
– before dilution, SEK	-	- 0.06	- 1.36	1.25	0.43
– fully diluted basis, SEK	-	- 0.06	- 1.36	1.25	0.43
Reported income per share					
– before dilution, SEK	1.87	1.45	5.56	6.42	4.64
– fully diluted basis, SEK	1.87	1.45	5.56	6.42	4.64
Dividend per share, SEK	-	-	4.00	3.67	1.67
Depreciation and amortisation is included in an amount of, MSEK	16.4	15.7	68.8	65.2	69.4

SUMMARY BALANCE SHEETS

MSEK	2007	2006	2006	2005	2004
	31 Mar	31 Mar	31 Dec	31 Dec	31 Dec
ASSETS					
Fixed assets					
Intangible assets	116.9	72.6	70.4	72.7	71.1
Tangible fixed assets	428.4	449.3	408.2	443.5	467.9
Financial assets	49.4	42.9	48.2	42.2	22.3
Total fixed assets	594.7	564.8	526.8	558.4	561.3
Current assets					
Inventories	261.2	216.8	245.1	222.5	223.1
Receivables	331.2	304.0	255.4	274.8	228.9
Cash and bank balances	60.2	103.4	191.1	124.4	105.5
Total current assets	652.6	624.2	691.6	621.7	557.5
Total assets	1,247.3	1,189.0	1,218.4	1,180.1	1,118.8

MSEK	2007	2006	2006	2005	2004
	31 Mar	31 Mar	31 Dec	31 Dec	31 Dec
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	114.3	114.3	114.3	114.3	114.3
Other contributed capital	165.3	165.3	165.3	165.4	165.4
Reserves	- 6.3	4.2	- 8.0	5.0	- 7.2
Profit brought forward including result for the period	417.9	363.6	476.2	424.2	293.9
Total shareholders' equity	691.2	647.4	747.8	708.9	566.4
Long-term liabilities to credit institutions	67.1	87.9	72.3	97.2	130.5
Other long-term liabilities	25.2	28.0	28.6	29.0	38.7
Short-term liabilities to credit institutions	45.0	146.9	111.6	69.5	146.0
Current non-interest-bearing liabilities	418.8	278.8	258.1	275.5	237.2
Total shareholders' equity and liabilities	1,247.3	1,189.0	1,218.4	1,180.1	1,118.8

SUMMARY CASH FLOW STATEMENT

MSEK	2007	2006	2006	2005	2004
	Q 1	Q 1	Full year	Full year	Full year
Cash flow from current operations before changes in working capital and capital investitures	68.9	49.4	241.2	214.8	211.2
Cash flow in discontinued operations	-	0.8	- 8.0	61.2	11.6
Changes in the working capital, increase (-) decrease (+)	- 56.0	- 16.7	- 33.1	- 47.8	4.3
Cash flow from current operations	12.9	33.5	200.1	228.2	227.1
Investment operations	- 19.8	- 24.3	- 79.1	- 85.6	- 36.6
Acquired operations	- 48.9	-	-	-	-
Cash flow after capital expenditures	- 55.8	9.2	121.0	142.6	190.5
Financing operations	- 75.1	- 29.8	- 56.2	- 126.8	- 153.3
Change in liquid funds	- 130.9	- 20.6	64.8	15.8	37.2
Liquid funds at beginning of period	191.1	124.4	124.4	105.5	71.0
Cash in discontinued operations and exchange rate changes in cash	-	- 0.4	1.9	3.1	- 2.7
Liquid funds at end of period	60.2	103.4	191.1	124.4	105.5
Approved but unutilised committed credit facilities	296.8	269.0	301.7	349.6	309.3
Available liquid funds	357.0	372.4	492.8	474.0	414.8

SPECIFICATION OF RESULT IN DISCONTINUED OPERATIONS

MSEK	2007 Q 1	2006 Q 1	2006 Full year	2005 Full year	2004 Full year
Capital gain/loss	–	–	– 32.5	31.1	–
Sales revenue	–	15.0	23.0	93.1	221.1
Expenses	–	– 17.4	– 28.6	– 88.6	– 204.1
Profit before taxes	–	– 2.4	– 38.1	35.6	17.0
Taxes	–	0.8	0.8	– 1.5	– 4.8
Profit after taxes	–	– 1.6	– 37.3	34.1	12.2

SPECIFICATION OF CHANGES IN SHAREHOLDERS' EQUITY

MSEK	2007 31 Mar	2006 Full year	2005 Full year	2004 Full year
Opening shareholders' equity	747.8	708.9	566.4	451.7
Effect of IFRS	–	–	3.7	– 2.0
Dividend paid	– 109.7	– 100.6	– 45.7	– 13.5
Conversion of subordinated debenture loan	–	–	–	10.2
Foreign exchange effect in forward contracts in accordance with IAS 39	– 5.7	4.6	– 5.1	–
Translation difference	7.4	– 17.6	13.5	– 7.2
Net result for the period	51.4	152.5	176.1	127.2
Closing shareholders' equity	691.2	747.8	708.9	566.4

SPECIFICATION OF SHAREHOLDERS' EQUITY FOR THE PERIOD

	Share capital	Other contributed capital	Reserves	Profit brought forward including result for the period	Total
31 December 2006	114.3	165.3	– 8.0	476.2	747.8
Dividend paid	–	–	–	– 109.7	– 109.7
Change in hedging reserve	–	–	– 7.9	–	– 7.9
Taxation of hedging reserves	–	–	2.2	–	2.2
Translation differences	–	–	7.4	–	7.4
Net profit for the period	–	–	–	51.4	51.4
31 March 2007	114.3	165.3	– 6.3	417.9	691.2

NUMBER OF SHARES

	2007 31 Mar	2006 31 Dec	2005 31 Dec	2004 31 Dec
Number of shares outstanding	27,431,100	27,431,100	27,431,100	27,431,100
Total number of shares outstanding, fully diluted basis	27,431,100	27,431,100	27,431,100	27,431,100
Average number of shares outstanding, fully diluted basis	27,431,100	27,431,100	27,431,100	27,431,100

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

KEY FINANCIAL INDICATORS	2007	2006	2006	2005	2004
	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	412.2	365.5	1,487.8	1,323.1	1,201.6
Operating result, MSEK	73.0	59.5	268.4	206.7	166.4
Result before taxes, MSEK	71.4	57.7	262.2	199.8	155.0
Earnings per share after taxes, SEK	1.87	1.51	6.92	5.17	4.21
Profit per share after 28 % standard taxes, SEK	1.87	1.52	6.88	5.25	4.07
Cash flow after capital expenditures per share, SEK	- 0.31	0.34	4.41	5.20	6.94
Return on equity, %	28.6	24.5	25.9	22.6	22.0
Return on capital employed, %	34.0	27.3	30.0	24.3	19.3
Shareholders' equity per share, SEK	25.20	23.60	27.26	25.84	20.65
Equity ratio, %	55.4	54.4	61.4	60.1	50.6
Debt equity ratio (net), %	7.6*	20.4	- 0.9	6.1	31.5
Liquid funds including committed credit facilities not drawn upon, MSEK	357.0	372.4	492.8	474.0	414.8
Investments, MSEK	17.8	18.7	71.0	48.0	48.0
Interest coverage ratio	29.6	26.3	29.6	21.3	11.7
Number of employees at end of period	1,140	919	980	907	805
* Debt equity ratio (net) after dividend	23.4				

CORPORATE ACQUISITIONS

Lesjöfors has acquired the UK industrial spring manufacturer European Springs & Pressings Ltd, taking over operations on 1 February 2007. European Springs has an annual turnover of approximately MSEK 100 and, during the last 18 month period, has had an operating margin of 13 percent.

Purchase money	MSEK	57.3
Acquired net assets	MSEK	14.3
Goodwill	MSEK	43.0

No other intangible assets have been identified in the preliminary acquisition calculation. Goodwill is attributable to the profitability of the business and to the synergy effects expected to arise through co-operation with Lesjöfors' other businesses in the UK.

The assets included in the acquisition were valued at fair value as follows:

Tangible fixed assets	MSEK	18.0
Inventories	MSEK	6.1
Receivables	MSEK	24.3
<u>Non-interest-bearing liabilities</u>	<u>MSEK</u>	<u>-34.1</u>
Acquired net assets	MSEK	14.3

Uppsala, 25 April 2007

BEIJER ALMA AB (publ)

Bertil Persson
President & CEO

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

Any questions will be answered by:

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

