

Press Release

Quarterly Report January – March 2006 for Beijer Alma AB (publ)

GOOD EARNINGS TREND CONTINUES

- Net revenues were MSEK 380.5 (320.6)
- Profit after financial items was MSEK 55.3 (38.8)
- Reported profit was MSEK 39.8 (27.5)
- Earnings per share was SEK 4.36 (3.04)
- Cash flow after capital expenditures was MSEK 13.4 (-7.1)
- The equity ratio was 54.4 percent (53.1)

GROUP

Market demand continued to be good in the first quarter of the year. In both Lesjöfors and Habia, which together account for over 93 percent of the Group's invoicing, the majority of customer segments showed good sales development. Increase in demand was particularly strong within the Chassis Springs business area in Lesjöfors. The increase in sales, combined with good cost control, had a positive effect on profitability, and, for the eleventh quarter in a row, profits increased in comparison with the corresponding period in the previous year.

Order bookings increased by 16 percent to MSEK 390.1 (334.9). Net revenues amounted to MSEK 380.5 (320.6), an increase of 19 percent. Order bookings in comparable units increased by 11 percent and the net turnover increased by 14 percent. The profit after financial items was MSEK 55.3 (38.8), an increase of 43 percent. Earnings per share after standard taxes were SEK 4.36 (3.06). The operating margin was 15.1 percent (13.0). The net effect of the exchange rate fluctuations was MSEK 4. The comparative figures are based on the exchange rates applying to the equivalent period in the previous year.

Investments in tangible fixed assets increased to MSEK 18.7 (8.3) and were, therefore, approximately equivalent to depreciation, which was 17.5 MSEK (17.4). Cash flow after investments was MSEK 13.4 (-7.1). Net liabilities, after payment of dividends amounting to MSEK 100.5, were MSEK 131.8 (181.8).

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 its industry in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Latvia and China.

Lesjöfors increased order bookings by 24 percent to MSEK 228.8 (184.1). Invoicing was MSEK 226.1 (178.0), an increase of 27 percent. Order bookings and invoicing in comparable units increased by 16 percent and 19 percent, respectively. Profit after financial items was MSEK 50.9 (29.9). The operating margin reached 22.6 percent (17.0).

Sales development in all three of Lesjöfors' business areas, Industrial Springs, Flat Strip Components and Chassis Springs, showed good development. Chassis Springs was particularly strong, with a sales increase of 38 percent. Invoicing in Flat Strip Components rose by 14 percent. For comparable units within Industrial Springs, the sales increase was 9 percent.

HABIA CABLE AB (www.habia.se) is one of Europe's largest manufacturers of specialty cable for applications within telecommunications, transportation, nuclear power and defence. Research and development is conducted in Sweden, while production facilities are located in Sweden, Germany, Latvia and China.

Habia's order bookings improved by 19 percent to MSEK 148.5 (125.3). Total invoicing amounted to MSEK 139.4 (118.1), an increase of 18 percent. Profit after financial items was MSEK 13.9 (11.3) and the operating margin was 10.6 percent (11.2).

Habia has shown good sales development. However, downward pricing pressure from a number of customers within the telecommunications sector has been hard. Furthermore, rising raw material prices, primarily for copper, have negatively impacted the result.

ELIMAG AB (www.elimag.se) is a leading manufacturer of precision parts in aluminium for customers within telecommunication, defence and other high-tech industries.

Elimag's order bookings were MSEK 12.7 (25.6) and invoicing amounted to MSEK 15.0 (24.3). Profit after financial items was MSEK -2.4 (2.5) and the operating margin was negative (12.0).

Elimag has a difficult demand situation, with order bookings reduced by half during the quarter. Weak demand from telecommunications customers and delays in large defence projects are the primary causes of the downturn. Staff reductions and other cost saving measures have been carried out.

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 -5.2 (-5.0).

NET REVENUES AND RESULT BY OPERATING SEGMENT

NET REVENUES

MSEK	2006 Q 1	2005 Q 4	2005 Q 3	2005 Q 2	2005 Q 1	2005 Full year	2004 Full year	2003 Full year
Lesjöfors	226.1	186.2	181.8	216.8	178.0	762.8	673.4	572.3
Habia Cable	139.4	160.2	144.8	136.5	118.1	559.6	527.0	416.8
Elimag	15.0	22.0	18.1	28.7	24.3	93.1	102.8	68.4
Parent Company and consolidation eliminations	0	0.2	0.4	-0.1	0.2	0.7	1.2	1.4
Continuing operations	380.5	368.6	345.1	381.9	320.6	1,416.2	1,304.4	1,058.9
Discontinued operations	-	-	-	21.7	25.8	47.5	118.3	95.1
Total	380.5	368.6	345.1	403.6	346.4	1,463.7	1,422.7	1,154.0

OPERATING RESULT

MSEK	2006 Q 1	2005 Q 4	2005 Q 3	2005 Q 2	2005 Q 1	2005 Full year	2004 Full year	2003 Full year
Lesjöfors	51.2	31.2	35.7	46.8	30.3	144.0	110.2	60.3
Habia Cable	14.7	23.2	26.3	20.2	12.4	82.1	75.1	-5.2
Elimag	-2.2	1.0	0.4	1.4	2.9	5.7	10.0	-2.0
Parent Company and consolidation eliminations	-6.1	-7.0	-3.3	-5.3	-3.8	-19.4	-19.0	-17.3
Continuing operations	57.6	48.4	59.1	63.1	41.8	212.4	176.3	35.8
Discontinued operations	-	-	-	30.8	0.5	31.3	9.6	3.9
Total	57.6	48.4	59.1	93.9	42.3	243.7	185.9	39.7

PROFIT AFTER FINANCIAL ITEMS

MSEK	2006 Q 1	2005 Q 4	2005 Q 3	2005 Q 2	2005 Q 1	2005 Full year	2004 Full year	2003 Full year
Lesjöfors	50.9	31.1	35.7	46.6	29.9	143.3	108.0	56.2
Habia Cable	13.9	22.4	25.4	18.9	11.3	78.0	69.5	-13.4
Elimag	-2.4	0.8	0.2	1.0	2.5	4.5	8.1	-5.0
Parent Company and consolidation eliminations	-7.1	-7.2	-3.6	-5.8	-4.9	-21.5	-22.5	-23.0
Continuing operations	55.3	47.1	57.7	60.7	38.8	204.3	163.1	14.8
Discontinued operations	-	-	-	30.8	0.4	31.1	8.9	3.2
Total	55.3	47.1	57.7	91.5	39.2	235.4	172.0	18.0

PRESIDENT'S STATEMENT

The year 2006 has started off well. In comparison with the corresponding period in the previous year, invoicing in the first quarter increased by 14 percent in comparable units, and by 19 percent when including acquired entities. Profit before tax increased by 43 percent to MSEK 55.3. The quarter's operating margin was 15 percent, unchanged compared to the year 2005. The number of working days during the first quarter had a positive impact on invoicing and results, mainly due to the fact that the Easter holidays fell during April this year.

Both Lesjöfors and Habia showed stronger development in comparison with the previous year, while Elimag had a weak development in demand.

In **Lesjöfors**, all business areas are showing growth. The Industrial Springs business has benefited from the acquisition of Danfoss' spring manufacturing unit in Denmark and is showing growth of 28 percent. Excluding the acquisition, the growth rate for Industrial Springs was 9 percent. Demand in this business area has been positively affected by overall situation of the industrial sector. Flat Strip Components experienced growth of 14 percent, primarily due to increasing sales to telecoms customers. The newly established manufacturing units in China and Latvia are contributing to Lesjöfors' competitive ability within this field. The most outstanding growth area in Lesjöfors, as well as the Beijer Alma Group as a whole, is Chassis Springs. Within this business area, which is aimed towards the car aftermarket, Lesjöfors is the largest market player in Europe. The market has benefited from deregulation, an aging total number of vehicles and increased demand from Eastern Europe. Furthermore, in recent years Lesjöfors has gained market share in a number of large European markets. During the first quarter, the Chassis Springs business experienced growth of 38 percent.

In total, Lesjöfors increased its invoicing by 19 percent, excluding acquisitions, and by 27 percent with acquisitions included. Profit for the first quarter was MSEK 50.9, which provides for an operating margin of 23 percent. All areas of operations have shown good profitability. The demand situation continues to be positive. The general conditions in the industrial market are continuing to develop well, while, at the same time, Lesjöfors is maintaining its strong position in Industrial and Chassis Springs.

Habia Cable also experienced growth during the first quarter. Invoicing increased by 18 percent compared to the corresponding period last year. In Habia, sales to telecoms customers have in particular seen growth. Sales in this area were approximately 30 percent higher than in the first quarter of 2005. Telecoms customers represented 42 percent of sales during the quarter. The high growth rate in this field is partially due to weak comparative figures in 2005.

Profit for the quarter was MSEK 13.9, which is 23 percent higher than in the previous year. The impact on profits due to the increase in volumes was 12 percent, which is a lower effect than normally generated by volume increases in previous years. The reasons for this are higher prices for raw materials and increasing downward pressure on pricing for finished products. As regards the higher prices for raw materials, Habia is primarily affected by increases in prices on the copper market. Copper, together with different plastic materials, is the most important component in cable production. In the past year, the price of copper has increased by 60 percent, and only in just the last three months it has increased by 50 percent. In spite of this, the operating margin for the first quarter was 11 percent, which is in line with the previous year.

Demand from manufacturers of base station antennas continues to look promising, and the larger customers are signalling increased need. Demand from other segments is also relatively promising.

Elimag experienced a substantial decrease in demand during the latest quarters. During this period, invoicing decreased by 38 percent to MSEK 15. The result amounted to MSEK -2.4. The weak development in volumes is partly due to a weak demand from telecoms customers and partly due to the delay of several important orders from the defence sector. The company is handling the decrease in demand through the implementation of cost reduction measures. During the first quarter, approximately 15 individuals were given notice. In addition, the company is actively developing new projects and customer relationships. However, some of these measures will have little effect until later this year and in following years. Therefore, it is reasonable to expect a weak development in volumes and profits during the forthcoming quarters.

Outlook for the Group

Overall, the outlook continues to be positive for the Group as regards the demand situation and profit development. However, the first quarter has been compared to a weak opening quarter in 2005. It should also be noted that development for the remainder of 2005 was strong. Consequently, comparative figures for the remainder of 2005 are not as easily surpassed.

ANNUAL GENERAL MEETING

At the Annual General Meeting held March 22, 2006, a resolution was adopted approving a dividend of SEK 11.00 (5.00), of which SEK 3.00 (1.50) was an extra dividend. All members and deputy members of the Board of Directors were re-elected. The General Meeting also approved a 3:1 split, which has since been executed. The first trading day for the split shares was 26 April.

EVENTS AFTER THE END OF THE PERIOD

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

ACCOUNTING PRINCIPLES**The Group**

This interim report has been prepared in accordance with International Financial Reporting Standards – IFRS – approved by the European Union. The presentation of the interim report follows IAS 34 Interim Financial Reporting and RR 31 Consolidated Interim Reporting. Accounting principles and terms of calculation are unchanged from those applied in the Annual Report 2005.

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 STATEMENTS

MSEK	2006 Q 1	2005 Q 1	2005 Full year	2004 Full year	2003 Full year
Net revenues	380.5	320.6	1,416.2	1,304.4	1,154.0
Cost of goods sold	-249.4	-210.1	-915.8	-856.0	-821.0
Gross result	131.1	110.5	500.4	448.4	333.0
Selling expenses	-41.4	-40.8	-166.9	-161.4	-176.0
Administrative expenses	-32.5	-27.7	-120.9	-111.9	-116.2
Share in result of associated company	0.1	-0.2	-0.2	1.3	-1.1
Operating result	57.3	41.8	212.4	176.4	39.7
Interest income and similar items	0.3	0.2	1.7	1.3	2.8
Interest expenses and similar items	-2.3	-3.2	-9.8	-14.6	-24.5
Result after financial items	55.3	38.8	204.3	163.1	18.0
Taxes	-15.5	-11.3	-59.3	-42.3	-10.5
Net result in continuing operations	39.8	27.5	145.0	120.8	7.5
Net result in discontinued operations	-	0.3	31.1	6.4	-
Net result for the period	39.8	27.8	176.1	127.2	7.5
Earnings per share in continuing operations					
- before dilution, SEK	4.36	3.02	15.86	13.22	-
- fully diluted basis, SEK	4.36	3.02	15.86	13.22	-
Earnings per share in discontinued operations					
- before dilution, SEK	-	0.03	3.40	0.70	-
- fully diluted basis, SEK	-	0.03	3.40	0.70	-
Reported income per share					
- before dilution, SEK	4.36	3.04	19.25	13.91	0.83
- fully diluted basis, SEK	4.36	3.04	19.25	13.91	0.83
Dividend per share, SEK			11.00	5.00	1.50
Depreciation and amortisation is included in an amount of, MSEK	17.5	17.4	78.7	76.9	89.6

SUMMARY BALANCE SHEETS

MSEK	2006 31 Mar	2005 31 Mar	2005 31 Dec	2004 31 Dec	2003 31 Dec
ASSETS					
Fixed assets					
Intangible fixed assets	72.6	71.7	72.7	71.1	90.7
Tangible fixed assets	449.3	460.8	443.5	467.9	501.5
Financial fixed assets	42.9	22.9	42.2	22.3	32.2
Total fixed assets	564.8	555.4	558.4	561.3	624.4
Current assets					
Inventories	216.8	222.4	222.5	223.1	205.5
Receivables	304.0	262.6	274.8	228.9	225.9
Cash and cash equivalents	103.4	89.0	124.4	105.5	71.0
Total current assets	624.2	574.0	621.7	557.5	502.4
Total assets	1,189.0	1,129.4	1,180.1	1,118.8	1,126.8

MSEK	2006 31 Mar	2005 31 Mar	2005 31 Dec	2004 31 Dec	2003 31 Dec
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' Equity					
Share capital	114.3	114.3	114.3	114.3	112.8
Share premium reserve	165.3	165.3	165.3	165.4	156.6
Other reserves	4.2	-1.4	5.0	-7.2	-
Retained earnings	323.8	294.0	248.2	166.7	175.1
Net result for the period	39.8	27.8	176.1	127.2	7.2
Total shareholders' equity	647.4	600.0	708.9	566.4	451.7
Long-term liabilities to credit institutions	87.9	125.2	97.2	130.5	184.0
Other long-term liabilities	28.0	37.8	29.0	38.7	44.2
Short-term liabilities to credit institutions	146.9	138.7	69.5	146.0	266.6
Current non-interest-bearing liabilities	278.8	227.7	275.5	237.2	180.3
Total shareholders' equity and liabilities	1,189.0	1,129.4	1,180.1	1,118.8	1,126.8

SUMMARY CASH FLOW STATEMENT

MSEK	2006 Q 1	2005 Q 1	2005 Full year	2004 Full year	2003 Full year
Cash flow from operating activities before changes in working capital and capital expenditures	49.4	45.0	225.5	224.7	99.3
Cash flow from discounted operations	-	1.2	73.3	1.6	-
Change in working capital, increase (-) decrease (+)	-11.7	-44.4	-51.8	8.3	26.8
Cash flow from current operations	37.7	1.8	247.0	234.6	126.1
Investment operations	-24.3	-8.9	-86.5	-37.4	-51.3
Cash flow after capital expenditures	13.4	-7.1	160.5	197.2	74.8
Financing operations	-34.0	-11.7	-144.7	-160.0	-48.8
Change in liquid funds	-20.6	-18.8	15.8	37.2	26.0
Liquid funds at beginning of period	124.4	105.5	105.5	71.0	47.2
Sold cash and exchange rate changes in cash	-0.4	2.3	3.1	-2.7	-2.2
Liquid funds at end of period	103.4	89.0	124.4	105.5	71.0
Approved but unutilized committed credit facilities	269.0	314.9	349.6	309.3	204.4
Available liquid funds	372.4	403.9	474.0	414.8	275.4

SPECIFICATION OF RESULT IN DISCOUNTED OPERATIONS

MSEK	2006 Q 1	2005 Q 1	2005 Full year	2004 Full year
Capital gain	-	-	31.1	-
Sales revenue	-	25.8	-	118.3
Expenses	-	-25.4	-	-109.4
Profit before taxes	-	0.4	31.1	8.9
Taxes	-	-0.1	-	-2.5
Profit after taxes	-	0.3	31.1	6.4

SPECIFICATION OF CHANGE IN SHAREHOLDERS' EQUITY

MSEK	2006	2005	2005	2004	2003
	Q 1	Q 1	Full year	Full year	Full year
Opening shareholders' equity	708.9	566.4	566.4	451.7	458.3
Effect of IFRS	–	3.7	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	1.5	-4.1	-5.1	–	–
Translation difference	-2.2	6.2	13.5	-7.2	-5.1
Net result of the period	39.8	27.8	176.1	127.2	7.5
Closing shareholders' equity	647.4	600.0	708.9	566.4	451.7

NUMBER OF SHARES

	2006	2005	2005	2004	2003
	31 Mar	31 Mar	31 Dec	31 Dec	31 Dec
Number of shares outstanding	9,143,700	9,143,700	9,143,700	9,143,700	9,023,300
Subordinated debentures outstanding	–	–	–	–	386,880
Personnel options outstanding	–	–	–	–	200,000
Total number of shares outstanding, fully diluted basis	9,143,700	9,143,700	9,143,700	9,143,700	9,610,180
Average number of shares outstanding, fully diluted basis	9,143,700	9,143,700	9,143,700	9,143,700	9,610,180

1,110,000 of the total number of shares outstanding are class A shares and the remainder are class B shares.

KEY FINANCIAL INDICATORS

	2006	2005	2005	2004	2003
	Q 1	Q 1	Full year	Full year	Full year
Number of shares outstanding	9,143,700	9,143,700	9,143,700	9,143,700	9,610,180
Net revenues, MSEK	380.5	320.5	1,416.2	1,304.4	1,154.0
Operating result, MSEK	57.3	41.8	212.4	176.4	39.7
Result before taxes, MSEK	55.3	38.8	204.3	163.1	18.0
Earnings per share after actual taxes, SEK	4.36	3.02	15.86	13.22	0.83
Earnings per share after 28 % standard taxes, SEK	4.36	3.06	16.09	12.85	1.45
Cash flow after capital expenditures per share, SEK	1.47	-0.78	17.55	21.57	8.29
Return on equity, %	23.5	19.2	23.1	23.1	2.9
Return on capital employed, %	26.2	19.4	24.8	20.2	4.5
Shareholders' equity per share, SEK	70.80	65.62	77.53	61.94	49.83
Equity ratio, %	54.4	53.1	60.1	50.6	39.9
Debt equity ratio (net), %	20.4	30.3	6.1	31.5	86.1
Liquid funds including committed credit facilities not drawn upon, MSEK	372.4	403.9	474.0	414.8	274.4
Capital expenditures, MSEK	18.7	8.3	48.0	48.0	55.1
Interest coverage ratio	25.3	12.9	21.8	12.2	1.7
Number of employees at end of period	973	856	971	867	879

Figures for the year 2003 have not been recalculated for IFRS in any of the above tables and compilations.

Uppsala den 27 April 2006

BEIJER ALMA AB (publ)

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