October 22, 2004

Press Release

Interim Report January – September 2004 for Beijer Alma AB (publ)

Continued strong earnings performance

- Net revenues were MSEK 1 083.3 (842.3).
- Order bookings were MSEK 1 099.1 (903.2).
- The result after net financial items for January – September was MSEK 132.5 (3.0).
- Net result after taxes was MSEK 90.1 (0.2).
- Earnings per share after taxes were SEK 9.67 (0.08).
- Cash flow after capital expenditures was MSEK 170.1 (44.1); the equity ratio was 47 percent (39).
- The result after net financial items during the third quarter was MSEK 40.2 (10.1).

GROUP

All companies in the Group improved their order bookings as well as invoicing and results. However, during the third quarter Habia's order bookings from the telecom sector were lower than the invoiced volume and the order backlog was thus reduced. One reason for the weaker flow of orders is that a small number of major telecom customers advanced their orders towards the end of the second quarter in order to avoid a shortage during the vacation period. Beijer Alma's opinion, supported by signals from customers, is that the underlying demand situation from the telecom sector remains good.

During the period **January –September** order bookings increased by 21.7 percent to MSEK 1 099.1 (903.2). Invoicing reached MSEK 1 083.3 (842.3), an increase by 28.6 percent. The result after financial items was MSEK 132.5 (3.0). The operating margin was 13.3 percent (2.4) Earnings per share after standard taxes were SEK 10.24 (0.29).

Capital spending continues at a low level. Capital expenditures were MSEK 37.3 (44.0), as compared with depreciation of MSEK 66.4 (65.0). Good earnings, low capital expenditures and a positive trend in working capital generated a cash flow after capital expenditures of MSEK 170.1 (44.1). The cash flow has been used to reduce interest-bearing liabilities and the net indebtedness has declined by MSEK 163.7 since the beginning of the year. Net indebtedness at the end of the period under review was MSEK 223.2 (430.2).

Order bookings increased **during the third** quarter by 5.0 percent to MSEK 314.2 (299.4). Invoicing was MSEK 334.0 (273.3), an increase by 22.2 percent.The result after financial items was MSEK 40.2 (10.1). The operating margin was 13.0 (5.6). Earnings per share after standard taxes were SEK 3.11 (0.78). Cash flow after capital expenditures amounted to MSEK 60.3 (31.8). The net equity ratio was 41.5 percent (96.6) and the debt-equity ratio 46.6 percent (38.5).

SUBSIDIAIRES

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 sector in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland and Latvia.

Order bookings at Lesjöfors increased during **the nine-month period** by 19.2 percent to MSEK 525.1 (440.5). Invoicing was MSEK 515.5 (435.7), an increase by 18.3 percent. The result after financial items amounted to MSEK 84.2 (44.7). The operating margin was 16.7 percent (11.1).

Order bookings during **the third quarter** were MSEK 161.2 (138.2), an increase by 16.6 percent. Invoicing increased by 15.4 percent to MSEK 159.2 (138.0). The result after financial items amounted to MSEK 27.6 (14.4). The operating margin was 17.6 percent (11.3).

Lesjöfors conducts business in three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. Industrial Springs increased invoicing by 13.8 percent, Flat Strip Components by 22.5 percent and Chassis Springs by 21.4 percent. All three business areas posted good and increasing profitability.

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

During **the first nine months of the year** Habia's order bookings increased by 22.6 percent to MSEK 409.9 (334.4). Invoicing reached MSEK 408.6 (284.3), an increase by 43.7 percent. The result was MSEK 53.1 (–23.5). The operating margin was 14.1 percent (neg.).

Order bookings during **the third quarter** were MSEK 102.6 (121.8), a decrease by 15.8 percent. The decrease is, among other things, the effect of certain order advances towards the end of the second quarter. Invoicing increased by 26.9 percent to MSEK 125.5 (98.9). The result after financial items amounted to MSEK 14.7 (0.3). The operating margin was 12.7 percent (2.3).

Habia has recorded a very strong volume increase during the year. The increase began in the telecom sector, but now includes other customer groups as well. According to signals received from major telecom customers, the lower volume of order bookings from the telecom sector during the third quarter is temporary.

ELIMAG AB (www.elimag.se) conducts high-speed machining of aluminum for customers in telecom and other high-tech sectors.

Elimag's order bookings during **the nine-month period** were MSEK 73.8 (49.2), an increase by 50.0 percent. Invoicing increased by 56.6 percent and amounted to MSEK 75.6 (48.3). The result after financial items was MSEK 6.4 (–6.0). The operating margin was 10.5 percent (neg.).

Order bookings during **the third quarter** increased by 27.0 percent to MSEK 20.7 (16.3). Invoicing was MSEK 22.2 (14.5), an increase by 53.1 percent. The result after financial items was MSEK 1.0 (–1.6) and the operating margin reached 6.8 percent (neg.).

Elimag's two largest customer groups are defense and telecom. Demand from the defense industry is relatively stable, while demand from the telecom sector was quite volatile during the past quarter.

AB STAFSJÖ BRUK (www.stafsjo.com) develops, manufactures and markets knife gate valves for the process industry. The company is internationally active with sales offices in Germany and China and a network of sales representatives in 30 countries.

Stafsjö Bruk's order bookings during **the first nine months of the year** increased by 15.8 percent to MSEK 90.0 (77.8). Invoicing reached MSEK 83.4 (68.7), an increase by 21.4 percent. The result after financial items was MSEK 5.5 (2.1) and the operating margin reached 7.2 percent (3.9).

Order bookings during **the third quarter** were MSEK 29.6 (22.9), an increase of 29.2 percent. Invoicing increased by 25.5 percent to MSEK 27.1 (21.6). The result after financial items was MSEK 1.5 (0.5) and the operating margin reached 5.9 percent (3.2).

Stafsjö's market is characterized by strong demand, but severe pricing pressure, in part due to competition from low-wage countries. Stafsjö continues to lower its production costs by increasing the proportion of suppliers from China.

NET REVENUES AND RESULT BY OPERATING SEGMENT

NET REVENUES

MSEK	2004 Q 3	2004 Q 2	2004 Q 1	2003 Q 4	2003 Q 3	2003 Q 2	2003 Q 1	2003 Full year	2002 Full year
Lesjöfors	159.2	191.6	164.7	136.6	138.0	158.0	139.7	572.3	546.4
Habia Cable	125.5	151.1	132.0	132.5	98.9	96.7	88.7	416.8	400.6
Elimag	22.2	30.0	23.4	20.1	14.5	15.3	18.5	68.4	83.7
Stafsjö Bruk	27.1	27.7	28.6	26.4	21.6	24.2	22.9	95.1	81.9
Parent Company and consolidation eliminations	–	0.1	0.1	–	0.3	1.1	–	1.4	0.4
Group	**334.0**	**400.5**	**348.8**	**315.6**	**273.3**	**295.3**	**269.8**	**1 154.0**	**1 113.0**

OPERATING RESULT

MSEK	2004 Q 3	2004 Q 2	2004 Q 1	2003 Q 4	2003 Q 3	2003 Q 2	2003 Q 1	2003 Full year	2002 Full year
Lesjöfors	28.1	34.1	23.8	11.8	15.6	19.4	13.5	60.3	52.4
Habia Cable	16.0	24.7	16.9	11.9	2.3	–13.1 [1]	–6.3	–5.2 [1]	11.0
Elimag	1.5	3.6	2.8	1.7	–1.0	–1.3	–1.4	–2.0	–10.2
Stafsjö Bruk	1.6	1.8	2.6	1.2	0.7	0.9	1.1	3.9	–3.8
Parent Company and consolidation eliminations	–3.9	–5.1	–4.7	–7.4 [2]	–2.4	–3.7	–3.8	–17.3 [2]	–17.0
Group	**43.3**	**59.1**	**41.4**	**19.2**	**15.2**	**2.2**	**3.1**	**39.7**	**32.4**
Writedowns, etc.	–	–	–	–	–	–	–	–	–99.9
Total	**43.3**	**59.1**	**41.4**	**19.2**	**15.2**	**2.2**	**3.1**	**39.7**	**–67.5**

[1] Including a provision in the amount of MSEK 10.
[2] Including a provision in the amount of MSEK 6.

RESULT AFTER FINANCIAL ITEMS

MSEK	2004 Q 3	2004 Q 2	2004 Q 1	2003 Q 4	2003 Q 3	2003 Q 2	2003 Q 1	2003 Full year	2002 Full year
Lesjöfors	27.6	33.6	23.0	11.5	14.4	18.1	12.2	56.2	46.1
Habia Cable	14.7	23.3	15.1	10.2	0.3	–15.3 [1]	–8.6	–13.4 [1]	0.4
Elimag	1.0	3.2	2.2	1.0	–1.6	–2.1	–2.3	–5.0	–11.8
Stafsjö Bruk	1.5	1.6	2.4	1.1	0.5	0.7	0.9	3.2	–4.7
Parent Company and consolidation eliminations	–4.6	–5.8	–6.3	–8.8 [2]	–3.5	–5.0	–5.7	–23.0 [2]	–25.2
Group	**40.2**	**55.9**	**36.4**	**15.0**	**10.1**	**–3.6**	**–3.5**	**18.0**	**4.8**
Writedowns, etc.	–	–	–	–	–	–	–	–	–99.9
Total	**40.2**	**55.9**	**36.4**	**15.0**	**10.1**	**–3.6**	**–3.5**	**18.0**	**–95.1**

[1] Including a provision in the amount of MSEK 10.
[2] Including a provision in the amount of MSEK 6.

PRESIDENT'S STATEMENT

The positive earnings trend continued during the third quarter. The result for the quarter amounted to MSEK 40.2, an improvement by MSEK 30 over the corresponding period one year ago. For the period January – September the result was MSEK 132.5, a result the Group has never achieved even for a full year.

All of the Group's units performed well during the third quarter, as well as so far during the year. Operating margins are a historical high at all subsidiaries.

The higher volume of invoicing impacted earnings positively. Invoicing increased during the first nine months by MSEK 241. Earnings improved by MSEK 129.5 at the same time. Higher invoicing thus generated an earnings effect of 54 percent. This is a consequence of productivity improvements and good cost control across the board among the Group's units.

Lesjöfors continues to produce a very good result. The accumulated operating margin since the beginning of the year is now almost 17 percent. All business areas record growth. We are seeing particularly strong growth in chassis springs and flat strip components. Chassis springs are affected by, among other things, an aging vehicle fleet on the important German market. Demand for flat strip components is driven by good demand in the telecom sector. Industrial springs are showing slower growth, but were positively impacted by a stronger general economy. Lesjöfors normally displays somewhat lower profitability during the fourth quarter, when chassis spring sales are seasonally low.

Habia recorded a good result during the third quarter. This is due in part to high order bookings from telecom customers during the second quarter. The flow of new orders was lower during the third quarter, as certain customers placed particularly large orders during the second quarter to avoid component shortages during the vacation period. The Chinese market also displays a lower level of activity than during the first part of the year. Signals from major telecom customers indicate that order bookings will increase during the months to come.

Elimag recorded good capacity utilization over the summer months, which contributed to the company showing a positive result for the quarter as a whole. Order bookings and invoicing were in balance. Towards the end of the period the company also received new business that all but ensures good capacity utilization for the rest of the year.

Stafsjö sees continued strong demand from customers in the pulp and paper industry. During the summer months the company concluded a number of large contracts on the important German market, with one of the major manufacturers of paper-making machinery. These contracts will contribute to the invoicing volume during the forth quarter.

The Group's earnings performance in combination with good control over working capital, and low capital spending, generated a continued strong cash flow, MSEK 60 during the third quarter. This means that net indebtedness is declining at a rapid rate. During 2004 alone, net indebtedness has declined by MSEK 164 and is now down to MSEK 223. The debt-equity ratio, that is net liabilities relative to equity, is at a low 41 percent and the equity ratio has risen to 47 percent. The trend with a positive cash flow and an increasingly strong balance sheet should be sustained during the fourth quarter, with good control over working capital and limited capital spending needs.

NOMINATION COMMITTEE

At the year's Annual General Meeting it was decided that Board of Directors should appoint two directors who are not members of the Company' Board of Directors, for the task of preparing a proposal – together with the Chairman and principal owner Anders Wall and Director Thomas Halvorsen – for a Board of Directors and directors' fees to be presented to the Annual General Meeting to be held in Uppsala March 30, 2005. A group of the Company's major shareholders have in consultation appointed Mats Gustafsson, SEB Fonder, and Ulf Hedlundh, Svolder AB, to participate in this effort.

EVENTS AFTER THE END OF THE PERIOD

No special events have occurred after the end of the period under review.

Uppsala, October 22, 2004

BEIJER ALMA AB (publ)

Bertil Persson
President & CEO

Contrary to the semi-annual report, this report has not been subject to review by the Company's auditors.

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Next report date:
Year-end Financial Report, February 9, 2005

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

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SUMMARY STATEMENTS OF INCOME

MSEK	2004 Q 3	2003 Q 3	2004 Jan.-Sep.	2003 Jan.-Sep.	2003 Full year	2002 Full year	2001 Full year
Net revenues	334.0	274.6	1 083.3	842.3	1 154.0	1 113.0	1 320.2
Cost of goods sold	–220.8	–191.5	–713.6	–606.0	–821.0	–770.7	–937.8
Gross profit	**113.2**	**83.1**	**369.7**	**236.3**	**333.0**	**342.3**	**382.4**
Selling expenses	–42.6	–42.4	–134.5	–133.1	–176.0	–185.6	–204.0
Administrative expenses	–27.8	–25.1	–91.8	–81.8	–116.2	–118.9	–147.6
Writedowns of fixed assets	–	–	–	–	–	–99.9	–
Share in result of associated companies before tax	0.5	-0.4	0.4	-0.9	–1.1	–5.4	1.5
Operating result	**43.3**	**15.2**	**143.8**	**20.5**	**39.7**	**–67.5**	**32.3**
Interest income and similar items	0.2	0,7	0.6	1.7	2.8	3.3	5.4
Interest expenses and similar items	–3.3	–5.2	–11.9	–19.2	–24.5	–30.9	–35.7
Result after financial items	**40.2**	**10.1**	**132.5**	**3.0**	**18.0**	**–95.1**	**2.0**
Taxes	–12.9	–3.2	–42.4	–2.8	–10.5	11.1	10.3
Net result for the period	**27.3**	**6.9**	**90.1**	**0.2**	**7.5**	**–84.0**	**12.3**
Earnings per share before dilution, SEK	2.99	0.76	9.86	0.02	0.83	–9.31	1.36
Earnings per share fully diluted basis, SEK	2.94	0.74	9.67	0.08	0.83	–9.31	1.36
Dividend, SEK	–	–	–	–	1.50	1.00	2.00
Depreciation and amortization is included in an amount of, MSEK	21.6	19.4	66.4	65.0	89.6	96.6	86.6

SUMMARY BALANCE SHEETS

MSEK	2004 Sep. 30	2003 Sep. 30	2003 Dec. 31	2002 Dec. 31	2001 Dec. 31
ASSETS					
Fixed assets					
Intangible fixed assets	77.3	95.1	90.7	107.7	169.1
Tangible fixed assets	483.3	508.8	501.5	518.8	640.7
Financial assets	26.1	32.2	32.2	30.9	29.4
Total fixed assets	**586.7**	**636.1**	**624.4**	**657.4**	**839.2**
Current assets					
Inventories	204.7	210.7	205.5	251.6	289.5
Receivables	279.2	257.0	225.9	220.2	268.6
Liquid funds	82.9	50.2	71.0	47.2	32.0
Total current assets	**566.8**	**517.9**	**502.4**	**519.0**	**590.1**
Total assets	**1 153.5**	**1 154.0**	**1 126.8**	**1 176.4**	**1 429.3**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	114.3	112.8	112.8	112.8	112.7
Restricted reserves	185.7	183.7	179.1	185.6	203.6
Unrestricted reserves	147.3	148.5	152.3	243.9	248.8
Net result for the period	90.1	0.2	7.5	–84.0	12.3
Total shareholders' equity	**537.4**	**445.2**	**451.7**	**458.3**	**577.4**
Provisions	42.2	49.3	44.2	50.6	64.3
Long-term liabilities to credit institutions	139.3	223.3	184.0	248.2	312.3
Current liabilities to credit institutions	159.7	250.2	266.6	254.1	292.2
Current non-interest-bearing liabilities	274.9	186.0	180.3	165.2	183.1
Total shareholders' equity and liabilities	**1 153.5**	**1 154.0**	**1 126.8**	**1 176.4**	**1 429.3**

SUMMARY STATEMENTS OF CASH FLOW

MSEK	2004 Q 3	2003 Q 3	2004 Jan.-Sep.	2003 Jan.-Sep.	2003 Full year	2002 Full year	2001 Full year
Cash flow from current operations before change in working capital and capital expenditures	50.2	27.3	163.0	75.2	99.3	98.4	91.8
Change in working capital, increase (–) decrease (+)	20.5	9.8	35.3	5.8	26.8	35.7	–36.5
Cash flow from current operations	70.7	37.1	198.3	81.0	126.1	134.1	55.3
Investment operations	–10.4	–5.3	–28.2	–36.9	–51.3	–17.9	–141.0
Cash flow after capital expenditures	60.3	31.8	170.1	44.1	74.8	116.2	–85.7
Financing operations	–61.7	–15.3	–158.2	–41.0	–48.8	–97.8	77.7
Change in liquid funds	**–1.4**	**16.5**	**11.9**	**3.1**	**26.0**	**18.4**	**–8.0**
Liquid funds at beginning of period	84.3	33.8	71.0	47.2	47.2	32.0	17.8
Sold cash and exchange rate changes in cash	–	–	–	–	–2.2	–3.2	22.2
Liquid funds at end of period	82.9	50.3	82.9	50.3	71.0	47.2	32.0
Approved but unutilized committed credit facilities	284.4	214.0	284.4	214.0	204.4	226.9	207.0
Available liquid funds	367.3	264.3	367.3	264.3	275.4	274.1	239.0

SPECIFICATION OF CHANGE IN SHAREHOLDERS' EQUITY

	2004 Jan.–Sep.	2003 Jan.-Sep.	2003 Jan.–Dec.	2002 Jan.–Dec.	2001 Jan.–Dec.
Opening shareholders' equity	**451.7**	**458.3**	**458.3**	**577.4**	**482.3**
New issue	–	–	–	–	103.6
Dividend paid	–13.5	–9.0	–9.0	–18.0	–35.9
Conversion of subordinated debentures	10.3	–	–	0.4	2.7
Translation difference	–1.2	–4.3	–5.1	–17.5	12.4
Net result for the period	90.1	0.2	7.5	–84.0	12.3
Closing shareholders' equity	**537.4**	**445.2**	**451.7**	**458.3**	**577.4**

NUMBER OF SHARES

	2004 Sep. 30	2003 Sep. 30	2003 Dec. 31	2002 Dec. 31	2001 Dec. 31
Number of shares outstanding	9 143 700	9 023 300	9 023 300	9 023 300	9 018 300
Subordinated debentures outstanding	–	386 880	386 880	386 880	391 880
Personal options outstanding	200 000	200 000	200 000	200 000	200 000
Total number of shares outstanding, fully diluted basis	9 343 700	9 610 180	9 610 180	9 610 180	9 610 180
Average number of shares outstanding, fully diluted basis	9 343 700	9 610 180	9 610 180	9 610 180	9 610 180

1 110 000 of shares outstanding are class A shares; the remainder is class B shares.
Personnel options entitle their holders to subscribe for class B shares.

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KEY FINANCIAL INDICATORS

	2004 Q 3	2003 Q 3	2004 Jan.-Sep.	2003 Jan.-Sep.	2003 Full year	2002 Full year	2001 Full year
Number of shares outstanding [1)]	9 343 700	9 610 180	9 343 700	9 610 180	9 610 180	9 610 180	9 610 180
Net revenues, MSEK	334.0	274.6	1 083.3	842.3	1 154.0	1 113.0	1 320.3
Operating result, MSEK	43.3	15.2	143.8	20.5	39.7	–67.5	32.3
Result before taxes, MSEK	40.2	10.1	132.5	3.0	18.0	–95.1	2.0
Earnings per share after actual taxes, SEK	2.94	0.74	9.67	0.08	0.83	–9.31	1.36
Earnings per share after 28 % standard taxes, SEK	3.11	0.78	10.24	0.29	1.45	0.45 [2)]	0.28
Cash flow after capital expenditures per share, SEK	6.45	3.31	18.20	4.90	8.29	12.88	–9.50
Return on equity, %	22.1	6.6	25.6	0.6	2.9	0.7 [2)]	0.3
Return on capital employed, %	20.2	6.8	22.0	3.1	4.5	3.3 [2)]	3.3
Shareholders' equity per share, SEK	58.78	49.34	58.78	49.34	50.06	50.79	64.03
Equity ratio, %	46.6	38.6	46.6	38.6	40.1	39.0	40.4
Debt equity ratio (net), %	4.15	96.6	41.5	96.6	85.7	100.9	100.4
Liquid assets including committed credit facilities not drawn upon, MSEK	367.3	264.3	367.3	264.3	274.4	274.1	239.0
Capital expenditures, MSEK	14.4	4.7	37.3	44.0	55.1	17.9	116.0
Interest coverage ratio	13.4	2.7	12.2	1.2	1.7	1.2 [2)]	1.1
Number of employees at end of period	926	874	926	874	879	909	1 006

1. For periods during 2004, including personnel options outstanding. Not including personnel options, the number of shares outstanding as of September 30, 2004 was 9 143 700. For other periods, also including personnel options outstanding.
2) Not including writedown of fixed assets in September, 2002.

ACCOUNTING PRINCIPLES

This interim report has been compiled in accordance with recommendation RR 20, Interim reporting, of the Swedish Financial Accounting Standards Council. From January 1, 2004 Beijer Alma applies the Council's recommendation RR 29, Compensation to employees.

The implementation has had no significant effect on the result or financial position. No assessment can be made currently, however, of the effect of implementing RR 29 with respect to ITP plans because Alecta is still not in a position to provide the needed basic data.

In all other respects the same accounting principles have been applied to this interim report as to the most recently presented annual report.