



year-end report 09

Year-end report 2009

Strong earnings in a weak market

- Net revenues amounted to MSEK 1,571 (1,836) for 2009 and MSEK 361 (425) for the fourth quarter
- The operating margin was 15.2 percent (16.5) for 2009 and 15.6 percent (11.5) for the fourth quarter
- Cash flow totaled MSEK 215.8 (150.1) for 2009 and MSEK 45.0 (24.0) for the fourth quarter, resulting in a strong balance sheet. The equity ratio was 70.9 percent (65.7)
- Profit after financial items amounted to MSEK 226.5 (295.0) for 2009 and MSEK 55.4 (49.5) for the fourth quarter
- Earnings per share after tax totaled SEK 5.92 (7.90) for 2009 and SEK 1.32 (1.38) for the fourth quarter
- The Board of Directors proposes a dividend of SEK 5.00 per share (5.00)
- Beijer Alma acquired the technology trading group Beijer Tech from G & L Beijer

Group

The year 2009 was characterized by a global recession, with weak demand for Beijer Alma's companies. However, demand stabilized during the second half of the year, albeit from a low level. Order bookings have exceeded invoicing since mid-year, and the stock of orders is growing. Extensive cost-cutting measures have been implemented in the past 15 months to cope with lower demand, thereby gradually reducing Beijer Alma's fixed costs and positively impacting the operating margin, which exceeded 15 percent despite the Group's weak sales.

During the year, order bookings declined 12 percent to MSEK 1,566 (1,785). Invoicing totaled MSEK 1,571 (1,836), down 14 percent. The proportion of international sales amounted to 80 percent. Operating profit totaled MSEK 238.2 (302.4) and the operating margin was 15.2 percent (16.5). Profit after financial items amounted to MSEK 226.5 (295.0) and earnings per share after tax to SEK 5.92 (7.90).

Cash flow after capital expenditures amounted to MSEK 215.8 (150.1). Beijer Alma's net cash at year-end totaled MSEK 59.5 (net debt: 18.4). Investments in fixed assets amounted to MSEK 60.5 (89.1) and the equity ratio was 70.9 percent (65.7).

During the fourth quarter, order bookings totaled MSEK 360 (374), down 4 percent. Invoicing declined 15 percent to MSEK 361 (425). Operating profit totaled MSEK 56.4 (48.9) and the operating margin was 15.6 percent (11.5). Profit after financial items amounted to MSEK 55.4 (49.5) and earnings per share after tax to SEK 1.32 (1.38). Cash flow after capital expenditures totaled MSEK 45.0 (24.0).

Lesjöfors AB

Lesjöfors AB 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 largest companies in its industry in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Latvia, the UK and China.

During the year, order bookings declined 6 percent to MSEK 1,040 (1,111). Invoicing amounted to MSEK 1,047 (1,151), down 9 percent. Operating profit totaled MSEK 242.9 (251.6) and the operating margin was 23.2 percent (21.9).

Beijer Alma AB (publ)

Dragarbrunnsgatan 45, Box 1747, SE-751 47 Uppsala. Telephone +46 (0)18-15 71 60. Fax +46 (0)18-15 89 87.

Registered office: Uppsala. Corporate Registration Number: 556229-7480. www.beijer-alma.se

During the fourth quarter, order bookings amounted to MSEK 233 (223), up 4 percent. Invoicing declined 9 percent to MSEK 231 (253). Operating profit totaled MSEK 57.9 (42.3) and the operating margin was 25.0 percent (16.7).

Lesjöfors' operations are conducted in three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. Invoicing declined in Industrial Springs and Flat Strip Components, whose customers primarily operate in the engineering industry. Chassis Springs, which sells to the aftermarket for vehicles, reported increased sales.

Habia Cable AB

Habia Cable AB is one of Europe's largest manufacturers of custom-designed cable for customers in the telecom, transport, nuclear power, defense and other industries. Manufacturing and product development are conducted in Sweden, with additional manufacturing carried out in Germany, China and Poland.

During the year, order bookings declined 22 percent to MSEK 524 (673). Invoicing totaled MSEK 523 (685), down 24 percent. Operating profit amounted to MSEK 11.5 (71.8) and the operating margin was 2.2 percent (10.5).

During the fourth quarter, order bookings totaled MSEK 127 (150), down 15 percent. Invoicing fell 24 percent to MSEK 130 (172). Operating profit amounted to MSEK 2.7 (10.7) and the operating margin was 2.1 percent (6.2).

Although Habia reported weak sales to all customer groups, order bookings stabilized during the second half of the year. Major personnel reductions were implemented to adapt the organization to the prevailing demand situation. The full impact of the company's lower cost level will be felt from early 2010.

Parent Company

The Parent Company, Beijer Alma AB, is a holding company that does not conduct its own operations or external invoicing.

During the year, profit after financial items amounted to MSEK 65.7 (58.4), including dividends from subsidiaries totaling MSEK 85.0 (75.0).

Revenues and earnings per operating sector/segment

Net revenues

MSEK	2009	2009	2009	2009	2008	2008	2008	2008	2009	2008	2007
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year	Full-year
Lesjöfors	231.2	229.3	296.9	289.1	253.3	285.0	323.8	289.1	1,046.5	1,151.2	1,032.3
Habia Cable	130.0	112.9	123.3	156.4	171.5	174.7	177.4	161.3	522.6	684.9	622.0
Parent Company and intra-Group	0.1	1.9	–	0.1	–	0.1	0.1	0.1	2.1	0.2	0.1
Total	361.3	344.1	420.2	445.6	424.8	459.8	501.3	450.5	1,571.2	1,836.3	1,654.4

Operating profit/loss

MSEK	2009	2009	2009	2009	2008	2008	2008	2008	2009	2008	2007
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year	Full-year
Lesjöfors	57.9	55.7	70.8	58.5	42.3	62.6	82.4	64.3	242.9	251.6	222.7
Habia Cable	2.7	0.3	-5.3	13.8	10.7	20.8	18.8	21.5	11.5	71.8	89.7
Parent Company and intra-Group	-4.2	-2.2	-6.2	-3.6	-4.1	-3.9	-7.6	-5.4	-16.2	-21.0	-22.8
Total	56.4	53.8	59.3	68.7	48.9	79.5	93.6	80.4	238.2	302.4	289.6

President's statement

During the fourth quarter of 2009, profit once again increased compared with the year-earlier period. This was the first time this had happened since the global recession began. Beijer Alma's full-year profit amounted to MSEK 226. Although this is lower than the figure for 2008, 2009 was the strongest year to date for the Group. Despite a decline in profit compared with the preceding year, we are satisfied with our results given the difficult situation being experienced in our operating environment. The operating margin for the full-year was 15 percent, which is marginally lower than in 2008. The Group benefitted from a favorable product mix and the cost reductions implemented during the year. These cost savings primarily comprised personnel reductions. The number of employees has declined 17 percent since the end of the third quarter of 2008. The reductions were implemented in high-cost countries, while the number of employees in low-cost countries increased somewhat.

Lesjöfors reported weaker invoicing – but stronger sales – for the fourth quarter, compared with the year-earlier period. Sales declined 9 percent. Industrial Springs and Flat Strip Components reported lower sales volumes, while Chassis Springs' volumes increased compared with 2008. Despite weaker volumes, all business areas reported higher profit compared with the fourth quarter of 2008, and the operating margin for the quarter rose to 25 percent.

Habia's invoicing in the telecom sector and other customer areas declined in the fourth quarter, compared with the corresponding period in 2008. The company's invoicing fell a total of 24 percent. Despite this decline, operating profit was positive. Cost adjustments continued to be implemented to cope with this weak trend. In 2009, Habia also completed a new manufacturing plant in China for cable customers outside the telecom sector and a cabling assembly plant in Poland. These new units are expected to contribute to the company's growth in the next few years.

The level of investments in 2009 was lower than the level of depreciation and amortization. The figure was also lower than the level of investments in the preceding year and was the result of the surplus capacity generated by the weak demand situation. Inventory levels and accounts receivable also declined during the year. Combined with the Group's relatively favorable earnings capacity, this resulted in a strong, positive cash flow. Cash flow for the full-year amounted to MSEK 216, which enabled the Group's net debts to be converted into net cash. This means that Beijer Alma's financial position is stronger than ever before.

This financial strength is being utilized to ensure the Group's growth. Beijer Alma has signed a letter of intent with G & L Beijer AB to acquire the company's industrial trading operations, Beijer Tech. This acquisition will generate the type of growth opportunities we are seeking. Our goal is to continue developing our operations through a combination of organic growth and acquisitions.

Beijer Alma entered 2010 with somewhat stronger demand for the Group's products and significantly reduced costs, which will enable us to achieve a favorable profit trend during the coming year.

Dividend proposed by the Board of Directors

The Board of Directors proposes to the Annual General Meeting an unchanged dividend of SEK 5.00 per share (5.00).

Annual General Meeting 2010

The Annual General Meeting will be held on Tuesday, March 23, 2010 at 6:00 p.m. at the Uppsala Concert and Conference Hall (Uppsala Konsert & Kongress).

Events after the end of the period

Beijer Alma AB signed a letter of intent with G & L Beijer AB to acquire the subsidiary Beijer Tech. This transaction will enable Beijer Alma to establish a new business area for technology trading. Beijer Tech has approximately 180 employees and reported revenues of MSEK 505 in 2009. The acquisition, which will be carried out as a combined share and cash transaction, is expected to be completed in March.

Risks and uncertainties

The Group's material risks and uncertainties 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 82 percent of the company's sales are conducted outside Sweden, while approximately 60 percent of production takes place in Sweden.

Management of the Group's financial risks is described on pages 8-9 and in Note 28 of the 2008 Annual Report. The business risks are described on pages 8-9 of the 2008 Annual Report. The Group is deemed to have a favorable risk spread across industries and companies. The prevailing economic trend generally means that the companies' financial strength has weakened. This has resulted in the increased risk of individual companies not being able to fulfill their payment commitments. Besides this, the assessment is that no material risks arose during the year.

Accounting policies

Group

This interim report was prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). The presentation of the interim report complies with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The following standards and amendments came into effect in 2009: IFRS 8 Operating Segments. IFRS 8 replaces IAS 14 Segment Reporting and applies from January 1, 2009. This standard has not resulted in any changes to Beijer Alma's identified segments. Operations are conducted in two business areas, which, as in earlier years, comprise the Group's segments.

IAS 1 (Revised) Presentation of Financial Statements. This revised standard does not permit the presentation of income and expense items in the statement of changes in shareholders' equity. Instead, these items are to be recognized as other comprehensive income. Beijer Alma recognizes income and expenses in its statement of consolidated comprehensive income. Comprehensive income for the period and changes in shareholders' equity pertaining to transactions with shareholders are recognized in the statement of changes in shareholders' equity.

In all other respects, the accounting policies and terms of calculation are unchanged from those applied in the 2008 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 2.2 Accounting for legal entities. These accounting policies correspond with those used in the year-earlier period and with the consolidated accounting policies where applicable.

Consolidated comprehensive income

Condensed income statement

Group					
MSEK	2009	2008	2009	2008	2007
	Q4	Q4	Full-year	Full-year	Full-year
Net revenues	361.3	424.8	1,571.2	1,836.3	1,654.4
Cost of goods sold	-225.2	-285.3	-999.0	-1,187.6	-1,035.3
Gross profit	136.1	139.5	572.2	648.7	619.1
Selling expenses	-45.2	-51.5	-190.7	-194.1	-178.1
Administrative expenses	-33.7	-38.6	-142.5	-153.7	-152.2
Profit from participations in associated companies	-0.8	-0.5	-0.8	1.5	0.8
Operating profit	56.4	48.9	238.2	302.4	289.6
Interest income	0.5	4.1	1.1	7.1	5.6
Interest expenses	-1.5	-3.5	-12.8	-14.5	-12.5
Profit after financial items	55.4	49.5	226.5	295.0	282.7
Tax on profit for period	-19.1	-11.7	-64.1	-78.3	-77.2
Net profit attributable to Parent Company shareholders	36.3	37.8	162.4	216.7	205.5
Other comprehensive income					
Income/expenses recognized directly against shareholders' equity					
Cash-flow hedges	-3.0	-5.7	26.8	-14.6	-2.3
Translation differences	6.2	32.8	-25.7	48.0	5.4
Total other comprehensive income after tax	3.2	27.1	1.1	33.4	3.1
Total comprehensive income attributable to Parent Company shareholders	39.5	64.9	163.5	250.1	208.6
Net earnings per share					
before and after dilution, SEK	1.32	1.38	5.92	7.90	7.49
Dividend per share, SEK	-	-	5.00	5.00	5.00
Includes amortization and depreciation in the amount of, MSEK	15.7	17.8	71.4	68.2	65.3
Parent Company					
MSEK	2009	2008	2009	2008	2007
	Q4	Q4	Full-year	Full-year	Full-year
Administrative expenses	-7.0	-6.4	-30.8	-31.7	-33.4
Other operating income	3.4	3.4	13.7	13.7	13.2
Operating loss	-3.6	-3.0	-17.1	-18.0	-20.2
Income from participations in Group companies	85.0	75.0	85.0	75.0	232.0
Interest income and similar revenues	1.4	3.0	6.1	9.9	0.5
Interest expenses and similar expenses	-4.3	-6.8	-8.3	-8.5	-5.0
Profit after financial items	78.5	68.2	65.7	58.4	207.3
Tax on net profit for the period	-0.4	-0.1	2.6	2.5	6.4
Net profit	78.1	68.1	68.3	60.9	213.7

Condensed balance sheet

Group

MSEK	2009 Dec. 31	2008 Dec. 31	2007 Dec. 31
Assets			
Fixed assets			
Intangible assets	121.3	130.8	116.4
Tangible assets	462.7	483.5	434.3
Financial assets	32.6	43.0	57.1
Total fixed assets	616.6	657.3	607.8
Current assets			
Inventories	288.7	325.8	267.4
Receivables	289.4	316.2	308.9
Cash and bank balances	195.5	161.5	165.3
Total current assets	773.6	803.6	741.6
Total assets	1,390.2	1,460.8	1,349.4

MSEK	2009 Dec. 31	2008 Dec. 31	2007 Dec. 31
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	114.3	114.3	114.3
Other contributed capital	165.3	165.3	165.3
Reserves	29.6	28.4	-4.9
Retained earnings, including net profit for the period	676.7	651.6	572.0
Shareholders' equity attributable to Parent Company shareholders	985.9	959.6	846.7
Minority interest	3.1	3.3	-
Total shareholders' equity	989.0	962.9	846.7
Long-term liabilities to credit institutions	66.9	80.7	40.4
Other long-term liabilities	33.1	26.9	27.6
Current liabilities to credit institutions	68.8	99.1	157.4
Current non-interest-bearing liabilities	232.4	291.2	277.3
Total shareholders' equity and liabilities	1,390.2	1,460.8	1,349.4

Parent Company

MSEK	2009 Dec. 31	2008 Dec. 31	2007 Dec. 31
Assets			
Fixed assets			
Tangible assets	1.3	1.5	0.9
Financial assets	203.0	210.0	219.7
Total fixed assets	204.3	211.5	220.6
Current assets			
Receivables	340.1	368.4	433.7
Cash and cash equivalents	0.1	0.1	0.1
Total current assets	340.2	368.5	433.8
Total assets	544.5	580.0	654.4

MSEK	2009 Dec. 31	2008 Dec. 31	2007 Dec. 31
Shareholders' equity and liabilities			
Share capital	114.3	114.3	114.3
Statutory reserve	165.3	165.4	165.3
Retained earnings	164.4	209.1	71.9
Net profit for the period	68.3	60.9	213.7
Total shareholders' equity	512.3	549.6	565.2
Current liabilities to credit institutions	17.3	12.1	60.7
Current non-interest-bearing liabilities	14.9	18.3	28.5
Total shareholders' equity and liabilities	544.5	580.0	654.4

Condensed cash-flow statement

MSEK	2009 Q4	2008 Q4	2009 Full-year	2008 Full-year	2007 Full-year
Cash flow from operating activities before change in working capital and capital expenditures	39.9	20.5	245.9	260.0	260.7
Cash flow from discontinued operations	–	–	–	–	–
Change in working capital, increase (–)decrease (+)	19.2	20.5	31.5	–26.4	–66.0
Cash flow from operating activities	59.1	41.0	277.4	233.6	194.7
Investing activities	–14.1	–17.0	–61.6	–60.2	–74.8
Acquired operations	–	–	–	–23.3	–48.9
Cash flow after capital expenditures	45.0	24.0	215.8	150.1	71.0
Financing activities	–6.8	–1.4	–181.1	–156.5	–96.8
Change in cash and cash equivalents	38.2	22.6	34.7	–6.4	–25.8
Cash and cash equivalents at beginning of period	157.6	136.8	161.5	165.3	191.1
Cash from acquired/discontinued operations and exchange- rate differences in cash	–0.3	2.1	–0.7	2.6	–
Cash and cash equivalents at end of period	195.5	161.5	195.5	161.5	165.3
Approved but unutilized committed credit facilities	418.5	338.6	418.5	338.6	221.3
Available liquidity	614.0	500.1	614.0	500.1	386.6

Specification of changes in shareholders' equity

MSEK	2009 Full-year	2008 Full-year	2007 Full-year
Opening shareholders' equity attributable to Parent Company shareholders	959.6	846.7	747.8
Comprehensive income for the period	163.5	250.1	208.6
Dividend paid	-137.2	-137.2	-109.7
Closing shareholders' equity attributable to Parent Company shareholders	985.9	959.6	846.7
Minority interest	3.1	3.3	-
Total closing shareholders' equity	989.0	962.9	846.7

Specification of shareholders' equity for the period

	Share capital	Other contributed capital	Reserves	Retained earnings incl. net profit for the period	Total
December 31, 2008	114.3	165.3	28.5	651.6	959.6
Comprehensive income for the period	-	-	1.1	162.4	163.5
Dividend paid	-	-	-	-137.2	-137.2
December 31, 2009	114.3	165.3	29.6	676.7	985.9

Number of shares

	2009 Dec. 31	2008 Dec. 31	2007 Dec. 31
Number of shares outstanding	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
Average number of shares, after full dilution	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

	2009 Q4	2008 Q4	2009 Full-year	2008 Full-year	2007 Full-year
Number of shares	27,431,100	27,431,100	27,431,100	27,431,100	27,431,100
Net revenues, MSEK	361.3	424.8	1,571.2	1,836.3	1,654.4
Operating profit, MSEK	56.4	48.9	238.2	302.4	289.6
Profit before tax, MSEK	55.4	49.5	226.5	295.0	282.7
Earnings per share after tax, SEK	1.32	1.38	5.92	7.90	7.49
Earnings per share after 26.3% (28) standard tax, SEK	1.49	1.30	6.08	7.74	7.42
Cash flow per share after capital expenditures, SEK	1.64	0.87	7.87	5.47	4.37
Return on shareholders' equity, %	16.9	15.4	17.2	23.5	25.5
Return on capital employed, %	20.6	19.1	21.2	28.3	29.9
Shareholders' equity per share, SEK	35.94	34.98	35.94	34.98	30.87
Equity ratio, %	70.9	65.7	70.9	65.7	62.8
Net debt/equity ratio, %	-6.0	1.9	-6.0	1.9	3.9
Cash and cash equivalents, including unutilized credit facilities, MSEK	614.0	500.1	614.0	500.1	386.7
Capital expenditures, MSEK	8.2	39.6	60.5	89.1	79.2
Interest-coverage ratio, multiple	38.0	15.6	18.7	21.4	23.6
Number of employees at end of period	1,146	1,220	1,146	1,220	1,163

Uppsala, February 15, 2010

Beijer Alma AB (publ)

Anders Wall
Chairman

Anders G. Carlberg
Director

Göran W Hultgren
Director

Peter Nilsson
Director

Marianne Nivert
Director

Anders Ullberg
Director

Johan Wall
Director

Bertil Persson
President & CEO

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

If you have any questions, please contact:

Bertil Persson, President & CEO, Telephone +46 (0)8-506 427 50, bertil.persson@beijer-alma.se

Jan Blomén, Chief Financial Officer, Telephone +46 (0)18-15 71 60, jan.blomen@beijer-alma.se

Read more at: www.beijer-alma.se

Visit our subsidiaries:

www.lesjoforsab.com

www.habia.com

Next report date:

Interim report, April 28, 2010

The Annual Report for 2009 will be available on the company's website on March 8, 2010.

The Annual Report will be sent to shareholders on or about March 10, 2010.