2009

BEIJER • ALMA

Beijer Alma AB (publ) is an internationally active industrial group focused on the production of components. Its business concept is to acquire, own and develop small and mid-sized companies with favorable growth potential.

contents

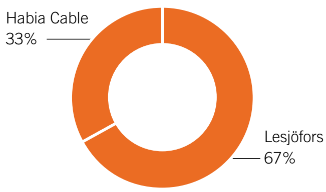
BEIJER ALMA

Beijer Alma's proactive and long-term strategy and development initiatives, combined with investments and supplementary acquisitions, result in competitive companies in selected market segments. In all segments, the Group companies focus on developing strong relationships with customers that offer growth and profitability. The key criteria for the companies' long-term profitable growth are:

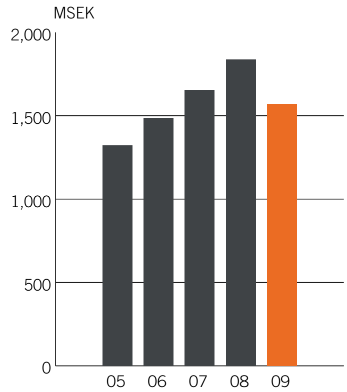
- **Products and concepts with high customer value**
- **International market coverage**
- **High market shares in current segments**
- **Diversified customer base**

Beijer Alma takes a proactive and long-term approach to ownership. The Group companies are not developed with the aim of a future exit. Instead, the goal is to own and develop successful companies with a high level of growth and favorable profitability. Beijer Alma is listed on the NASDAQ OMX Stockholm Mid Cap list (ticker: BEIAb).

Share of total invoicing



Invoicing



online information

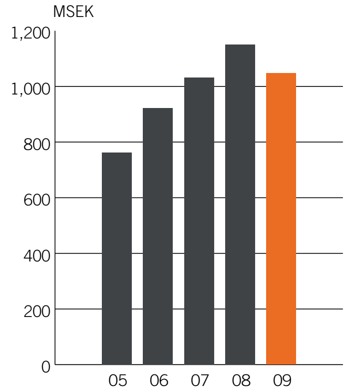
Up-to-date information is always available on Beijer Alma's website: www.beijer-alma.se

LESJÖFORS

Lesjöfors is an international full-range supplier of industrial springs, wire and flat strip components. The Group offers offers both standard and customized products and holds leading positions in the European market. Lesjöfors conducts operations in the following business areas:

- **Industrial Springs – standard industrial springs and customized products**
- **Flat Strip Components – flat strip components and leaf springs**
- **Chassis Springs – aftermarket for passenger cars and**

Invoicing



reports

All reports can be requested from:
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Box 1747, SE-751 47 Uppsala
Telephone +46 18 15 71 60
or downloaded from www.beijer-alma.se

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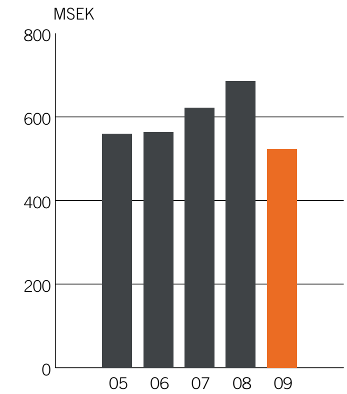
HABIA CABLE

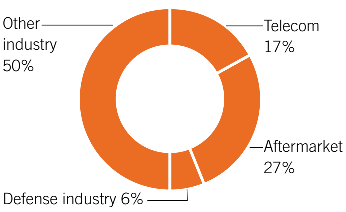
Habia Cable develops, manufactures and sells cables and cable systems for demanding applications. The company is one of the largest players in custom-designed cable in Europe and conducts operations in the following business areas:

- **Radio Frequency & Communication – mobile telecom**
- **High Specification Products – defense, nuclear power and infrastructure/communications**
- **Engineered Cable Solutions – tools, sensors, power generation and standardized products**

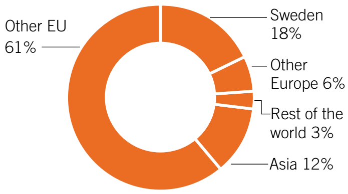
Invoicing



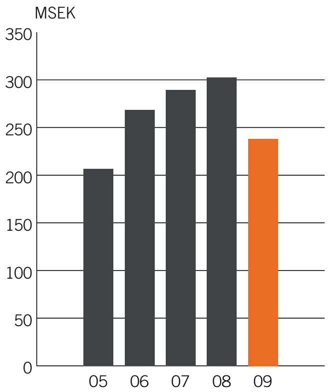
Distribution of customers by segment



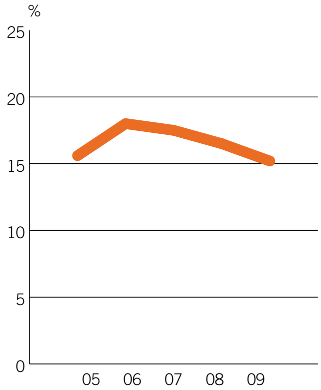
Geographic distribution of invoicing



Operating profit



Operating margin



1,571 MSEK in invoicing

226.5 MSEK in profit after financial items

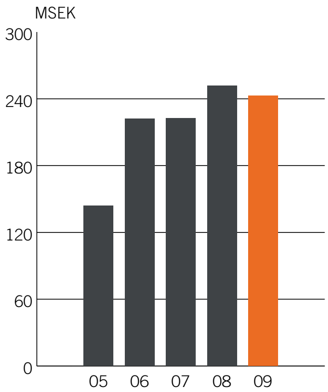
15.2% operating margin

5.92 SEK in earnings per share

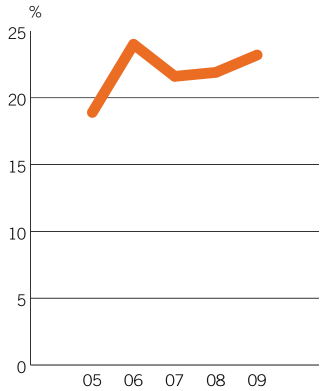
71% equity ratio

5.00 SEK dividend

Operating profit



Operating margin

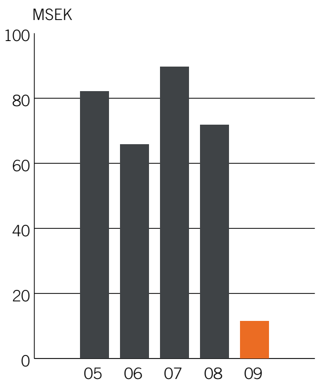


1,047 MSEK in invoicing

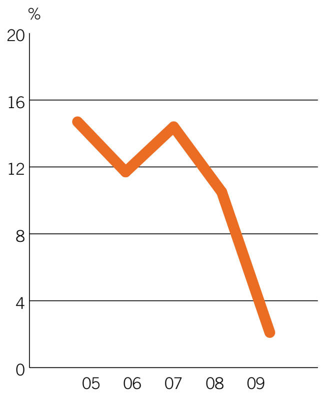
242.9 MSEK in operating profit

23.2% operating margin

Operating profit



Operating margin



523 MSEK in invoicing

11.5 MSEK in operating profit

2.1% operating margin

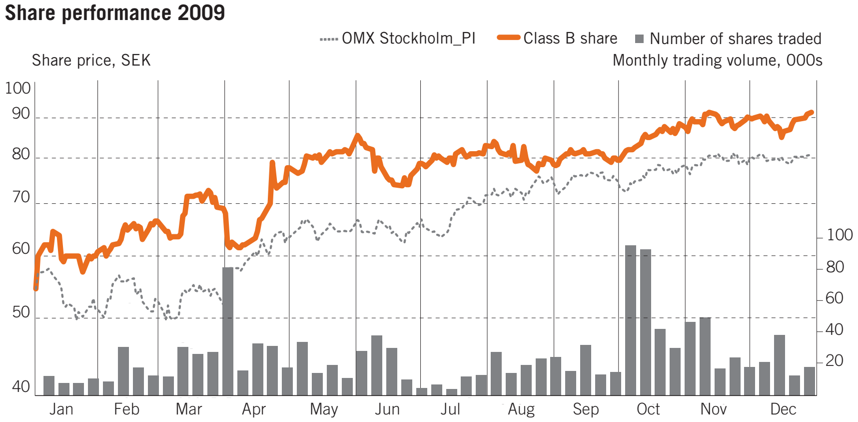
2009 in brief

Beijer Alma is an internationally active industrial group focused on the production of components. The Group's operations are conducted through two subsidiaries: Lesjöfors and Habia Cable.

- **Strong earnings** in a weak market
- **Order bookings declined** 12 percent to MSEK 1,566 (1,785)
- **Invoicing fell** 14 percent to MSEK 1,571 (1,836)
- **Profit after financial items** amounted to MSEK 226 (295)
- **Earnings per share** totaled SEK 5.92 (7.90)
- **The Board of Directors proposed an unchanged dividend** of SEK 5.00 per share
- **Beijer Alma to acquire** the technology trading group Beijer Tech

Key figures	2009	2008	2007
Net revenues, MSEK	1,571	1,836	1,654
Profit after financial items, MSEK	226.5	295.0	282.7
Operating margin, %	15.2	16.5	17.5
Dividend per share, SEK	5.00	5.00	5.00

Share performance 2009



Source: Nasdaq OMX

Net revenues and operating profit

Net revenues MSEK	Q 1	Q 2	Q 3	Q 4	Full-year
Lesjöfors	289.1	296.9	229.3	231.2	1,046.5
Habia Cable	156.4	123.3	112.9	130.0	522.6
Parent Company and Intra-Group	0.1	–	1.9	0.1	2.1
Total	**445.6**	**420.2**	**344.1**	**361.3**	**1,571.2**

Operating profit/loss MSEK					
Lesjöfors	58.5	70.8	55.7	57.9	242.9
Habia Cable	13.8	–5.3	0.3	2.7	11.5
Parent Company and Intra-Group	–3.6	–6.2	–2.2	–4.2	–16.2
Total	**68.7**	**59.3**	**53.8**	**56.4**	**238.2**

annual general meeting

The Annual General Meeting will take place on **Tuesday, March 23, 2010 at 6:00 p.m.** in the Main Hall (Stora Salen) of the Uppsala Concert and Conference Hall (Uppsala Konsert & Kongress), Vaksala torg 1, Uppsala, Sweden. Shareholders who wish to participate in the Annual General Meeting must be listed in Euroclear Sweden AB's (formerly VPC AB) shareholder register by Wednesday, March 17, 2010 and notify the company of their intent to participate not later than Wednesday, March 17, 2010 at 4:00 p.m.

Notification may be given in the following ways: by telephone at +46 (0)18-15 71 60, by fax at +46 (0)18-15 89 87, by e-mail at info@beijeralma.se, online at www.beijer-alma.se or in writing, preferably using the registration form attached to the Annual Report. Registration must include the shareholder's name, national identity number/corporate registration number, shareholdings and daytime telephone number. Shareholders whose holdings are registered in the name of a nominee must register the shares in their own name with Euroclear Sweden to be entitled to participate in the Annual General Meeting. Such registration must be completed not later than Wednesday, March 17, 2010.

Shareholders who wish to have one or two advisors participate in the Annual General Meeting must provide notice of their intention to do so in the manner and time frame applicable for shareholders. Entry cards will be sent out which entitle the holder to participate in the Annual General Meeting. The entry cards are expected to be received by the shareholders not later than Monday, March 22, 2010. Any shareholder who has not received his/her entry card before the Annual General Meeting may obtain a new entry card from the information desk upon presentation of identification. The proposed record date for the right to receive dividends is Friday, March 26, 2010. If the Annual General Meeting votes in accordance with this proposal, dividends are expected to be paid out through Euroclear Sweden commencing Wednesday, March 31, 2010. The Board of Directors proposes to the Annual General Meeting a dividend of SEK 5.00 per share.

A complete notice, including an agenda and proposals, can be ordered from Beijer Alma: by telephone at +46 (0)18-15 71 60, by fax at +46 (0)18-15 89 87 or by e-mail at info@beijeralma.se. This information is also available at www.beijer-alma.se.

financial calendar

Beijer Alma's year-end report and interim reports are published on the company's website at www.beijer-alma.se. The Annual Report and interim reports are sent automatically to shareholders.

March 23	Annual General Meeting
April 28	Interim report: January 1 – March 31
August 18	Interim report: April 1 – June 30
October 29	Interim report: July 1 – September 30
February	Year-end report
March	Annual General Meeting

Ten-year summary

MSEK	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Net revenues	1,571.2	1,836.3	1,654.4	1,487.8	1,323.1	1,201.6	1,154.0	1,113.0	1,320.2	1,132.5
Operating profit	238.2	302.4	289.6	268.4	206.7	166.4	39.7	32.4	32.3	129.1
Net financial items	–11.7	–7.4	–6.9	–6.2	–6.9	–11.4	–21.7	–27.6	–30.3	–19.0
Profit after financial items	226.5	295.0	282.7	262.2	199.8	155.0	18.0	4.8	2.0	110.1
Items affecting comparability	–	–	–	–	–	–	–	–99.9	–	9.6
Profit/loss before tax	226.5	295.0	282.7	262.2	199.8	155.0	18.0	–95.1	2.0	119.7
Tax	–64.1	–78.3	–77.2	–72.4	–57.8	–39.7	–10.5	11.1	10.3	–38.3
Net profit/loss	162.4	216.7	205.5	189.8	142.0	115.3	7.5	–84.0	12.3	81.4
Non-current assets	616.6	657.0	607.8	526.8	558.4	561.3	624.4	657.5	839.3	603.8
Current assets	773.6	803.6	741.6	691.6	621.7	557.5	502.4	519.0	590.0	541.1
Shareholders' equity	985.9	959.6	846.7	747.8	708.9	566.4	449.7	458.3	577.4	482.3
Long-term liabilities and provisions	100.0	107.7	68.0	100.9	126.2	169.2	230.2	299.0	376.6	268.8
Current liabilities	301.2	390.2	434.6	369.7	345.0	383.2	446.9	198.3	475.3	393.8
Total assets	1,390.2	1,460.8	1,349.4	1,218.4	1,180.1	1,118.8	1,126.8	1,176.5	1,429.3	1,144.9
Cash flow after capital expenditures	215.8	150.1	120.0	121.0	142.6	197.2	74.8	116.2	–85.8	–172.7
Depreciation and amortization	71.4	68.2	65.3	68.8	65.2	76.9	89.6	96.6	86.8	64.3
Net capital expenditures excluding corporate acquisition	60.5	89.1	79.2	71.0	48.0	48.0	55.1	18.3	116.0	114.0
Capital employed	1,122.2	1,139.4	1,044.9	932.1	876.3	850.2	909.6	967.9	1,189.3	875.5
Net liabilities	–59.5	18.4	32.8	–6.8	43.0	178.3	386.9	462.4	579.8	375.4
Ratios, %										
Gross margin	36.4	35.3	37.4	37.9	36.8	35.9	28.9	30.7	29.0	35.3
Operating margin	15.2	16.5	17.5	18.0	15.6	13.8	3.4	2.9	2.5	11.4
Profit margin	14.4	16.1	17.1	17.6	15.1	12.9	1.6	0.4	0.1	9.7
Equity ratio	71	66	63	61	60	51	40	39	40	42
Proportion of risk-bearing	73	68	65	64	62	53	43	43	44	46
Net debt/equity ratio	–6	2	4	–1	6	31	86	101	100	78
Return on shareholders' equity	17.2	23.5	25.5	25.9	22.6	22.0	2.9	0.7	0.3	17.0
Return on capital employed	21.2	28.3	29.9	30.0	24.3	19.3	4.5	3.3	3.3	17.0
Interest-coverage ratio	18.7	21.4	23.6	29.6	24.2	13.2	1.7	1.2	1.1	6.1
Average number of employees	1,146	1,220	1,163	980	907	805	896	940	1,092	943

In this and all other tables, the years 2004 to 2009 are calculated in accordance with IFRS and prior years in accordance with the accounting principles applicable at the time.

Long-term approach pays off

The problems experienced in the global economy during the year hit with surprising force. Despite a weak trend and many challenges, we are pleased with Beijer Alma's favorable results, which are a testament to our long-term strategy and prove that our well-diversified international sales are a strong asset in weak times.

Nevertheless, changes encountered in our operating environment during the year forced us to make adjustments in the Group, which affected our organization and employees – adjustments that were implemented by Group management in a rapid and responsible manner.

DISTINCT GROWTH

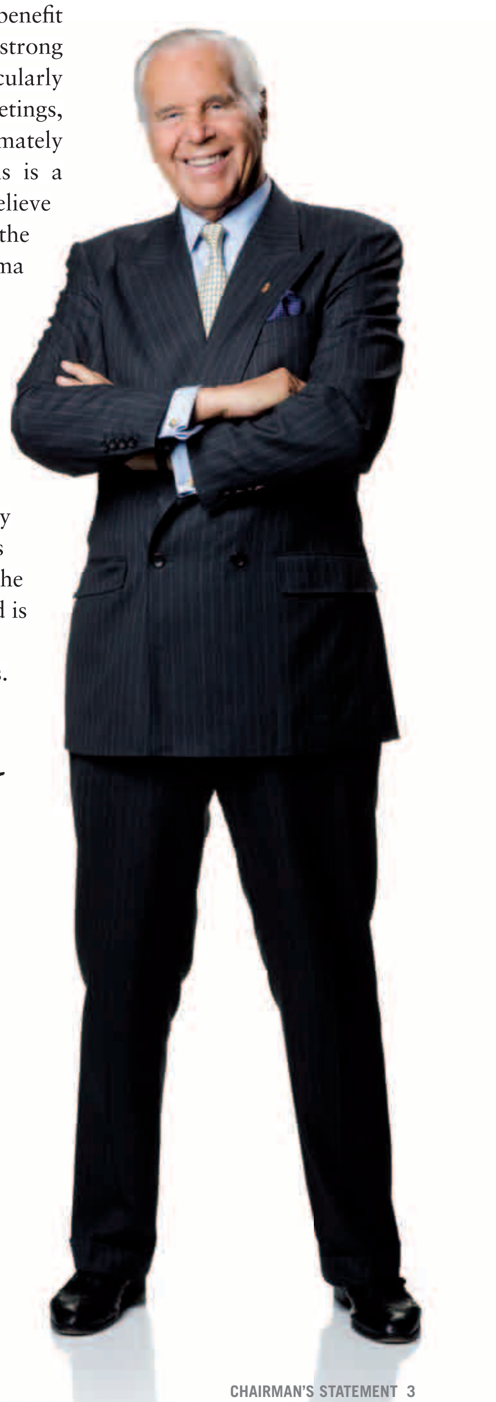
At the same time, periods of crisis and recession create opportunities – particularly in a company with strong finances such as ours. At the time of writing, we could feel satisfied that Beijer Alma had signed a letter of intent with G & L Beijer AB to acquire the company's subsidiary, the technology trading company Beijer Tech. This will enable a new business area to be established, which will offer us interesting growth opportunities. Growth has been an area of focus in our existing companies for a number of years. Among other initiatives, I am referring to Lesjöfors' expansion in Europe, where an impressive trend was noted. One example is the UK, where we are currently the largest spring supplier and has thus enabled other expansion possibilities in new markets. Similary, this type of "bridgehead" will play a key role in our continued growth and guide our future actions. Habia has achieved similar success by gradually broadening its offering to bring a better balance to its operations, which have long been dominated by telecom. Our companies also have a clear focus on various emerging countries, particularly in Asia, that have become new home markets for the Group's production and sales operations over the course of a few short years.

STRONG FINANCES

In my Chairman's statement in 2008, I explained that our ambition was to offer an attractive dividend yield despite the weak market situation. This remains our goal and can be realized through our strong balance sheet, with profitability and cash flow establishing the necessary conditions for a continued positive dividend policy. We hope this will allow us to retain our long-term and loyal shareholders, who clearly benefit from the value of the Group. Our strong relationship with our owners is particularly evident at our Annual General Meetings, which are usually attended by approximately 20 percent of all shareholders. This is a positive trend and I would like to believe that this commitment also reflects the shareholder value that Beijer Alma offers.

Allow me to conclude by thanking Group management and all of our employees in Lesjöfors and Habia. Although Beijer Alma was put through tougher tests in 2009 than it has been in many years, we were able to defend the Group's positions by implementing effective measures. This will prove to be significant now that the trend appears to have turned, demand is beginning to accelerate and we are focusing on new, exciting acquisitions.

Anders Wall
Chairman of the board



Strong earnings in severe recession

In 2009, we experienced the worst recession in modern times. Nevertheless, Beijer Alma's earnings amounted to MSEK 226, which was better than expected given the severity of the recession. One important explanation for this was the savings measures implemented during the year, as well as the Group's favorable customer and product mix.

The decline of the global economy has impacted Beijer Alma. Among other items, the Group produces components for investment goods and thus is dependent on investments in new equipment by industrial companies worldwide. Sales fell a total of 14 percent in 2009, compared with the preceding year. Profit for the year amounted to MSEK 226, compared with MSEK 295 in 2008. Although this is a sharp decline, it is better than expected given the severe recession. The Group's operating margin was also relatively high at 15 percent.

"Several years of positive profit trends and a strong financial position have resulted in a favorable value growth trend for the company's shareholders."

EXTENSIVE SAVINGS

One reason that profit was not impacted more severely by the decline in demand was the extensive savings implemented during the year. Both Habia and Lesjöfors introduced savings packages early, as the signs of deteriorating demand emerged. Costs were then gradually adapted to the increasingly weak trend experienced during the year. The largest savings were achieved by reducing the number of employees. A total of 224 people, or 17 percent of personnel, have left the Group since the savings program was first initiated late in the third quarter of 2008.

Another reason that the profit trend remained relatively strong despite the weak industrial economic situation was Beijer Alma's favorable product mix. Our three largest operating areas are other industry, telecom and chassis springs. Other industry and telecom have been affected significantly by the declining demand, while chassis springs, which is normally countercyclical, experienced robust growth despite the severe recession we have faced.

In addition to cost-cutting measures, the balance sheet was also adapted to the weak demand situation. Inventories and accounts receivable declined during the year. Investments were reduced compared with earliler years and are now lower than the rate of depreciation. Along with favorable profitability, this contributed to a healthy cash flow. The Group has now had a positive cash flow for eight consecutive years, resulting in a strong balance sheet. As we entered 2010, the Group's debts had been transformed into net cash despite a high dividend, with Beijer Alma distributing 63 percent of its profit after tax for 2008 in spring 2009.

FAVORABLE VALUE GROWTH TREND

Several years of positive profit trends and a strong financial position have resulted in a favorable value growth trend for the company's shareholders, through both high dividends and value growth of the share. Our goal is to continue creating value for the company's owners. The central concept is profitable growth. The measures we take, and decisions we make, are intended to increase earnings per share over time, which is the key to value creation.

The strategy for generating profitable growth is based on few fundamental criteria. These criteria are used to assess all growth alternatives, regardless of whether they involve organic growth or acquisitions of new operations.

We seek growth by acquiring or developing operations with high customer value. In practice, this means that Beijer Alma primarily focuses on specially manufactured products in small and medium-sized series. We operate in relatively narrow niches, where we aim to be a major player with high market shares. Because we work in business areas in which the market in each region is normally relatively limited, we must be able to expand internationally if we are to have sufficient growth opportunities. And perhaps most importantly, we strive for a diversified customer portfolio. We do not want to become dependent on a small number of customers and the importance of having a broad customer and product mix became clear in 2009.

CONTINUED GROWTH

Our goal is to continue growing organically and through corporate acquisitions. At the end of the most recent boom period, we took a restrained approach to corporate acquisitions. We deemed many acquisition candidates, both supplementary acquisitions and new potential operating areas, to be overvalued and instead opted to establish a strong balance sheet to prepare for tougher times and facilitate acquisitions on more favorable terms. Now, we have probably moved past the peak of the recession and are facing a period of growth. In light of this, we have decided to acquire the technology trading company Beijer Tech from G & L Beijer in Malmö. This acquisition will provide Beijer Alma with a new subgroup, the third pillar we have been striving to establish for several years. The acquisition of Beijer Tech will give us new opportunities to continue expanding the Group. Our goal is also to ensure the future development of Beijer Alma through a combination of organic growth and supplementary acquisitions.

In addition to acquisitions, the Group companies are working actively to create favorable conditions for future organic growth. One important aspect of this strategy is to expand our presence in low-cost countries, particularly China. All signs indicate that growth in China, India and other emerging countries in Asia will significantly exceed the growth rates in the Western economies. Many of the Group's customers are also moving more of their manufacturing operations to Asia. As such, having a presence in these markets will be crucial for future value creation. Habia has manufactured cable for telecom customers in China for many years. In 2009, the company also opened a production plant for cables for other customer segments. The new plant will primarily supply the Asian market with locally produced products, but can also be used for exports to other areas of the world. In addition, Habia has opened a cabling production plant in Poland. This unit will strengthen Habia's competitiveness in the area of advanced cabling in the European market. Lesjöfors is also gradually expanding its production in China and established a gas spring manufacturing plant in Latvia in 2009.

WELL EQUIPPED

We are now emerging from the worst recession of the post-war period. Extensive cost adjustments have been implemented and the number of employees in high-cost countries is lower than in 2001, despite the sales volume for the Group companies being nearly 50 percent higher. During the same period, the proportion of employees in low-cost countries has gone from a few percent to nearly 25 percent.

There is good reason to believe that the recession has now turned, albeit at an initially slow rate. The Beijer Alma Group is well equipped to capitalize on the improved demand situation. We are financially strong and have used this strength to create a new area of operations through the acquisition of Beijer Tech. We have also built an international organization with a solid presence in growth regions and reduced our costs – a combination that should ensure a favorable earnings effect from increased sales.

Bertil Persson
President and CEO

Strategy

Efficient operational control and long-term ownership pave the way for value creation in Beijer Alma. This strategy combines effective business models and business control with strong products, high quality, investments in manufacturing capacity and international sales.

Profitable growth
The main goal of Beijer Alma's operations is growth, which ensures long-term expansion and development. For this goal to be considered fulfilled, growth must be combined with sustainable profitability. This is achieved in various ways – for example, through work on products with high customer value or investments in international sales. Beijer Alma contributes strategy work, business control and investment assistance to promote the profitable growth of its subsidiaries.

Organic growth
Organic growth involves making continuous investments in product and market development. Beijer Alma prioritizes this type of growth since it often generates high quality and low risk. Organic development also enables existing organizations to be utilized while focusing work on markets and products that are familiar to the Group.

Corporate acquisitions
Corporate acquisitions can refer to new operations as well as acquisitions that supplement existing subsidiaries. Supplementary acquisitions strengthen the Group in selected markets or specific technological areas. The risk involved in supplementary acquisitions is also lower since these acquisitions are performed in familiar markets or product areas.

High customer value
Most of the Group companies' products are adapted to meet specific customer needs, which creates higher value for our customers. Unlike standardized volume products, unique product concepts provide greater freedom in terms of sales and marketing.

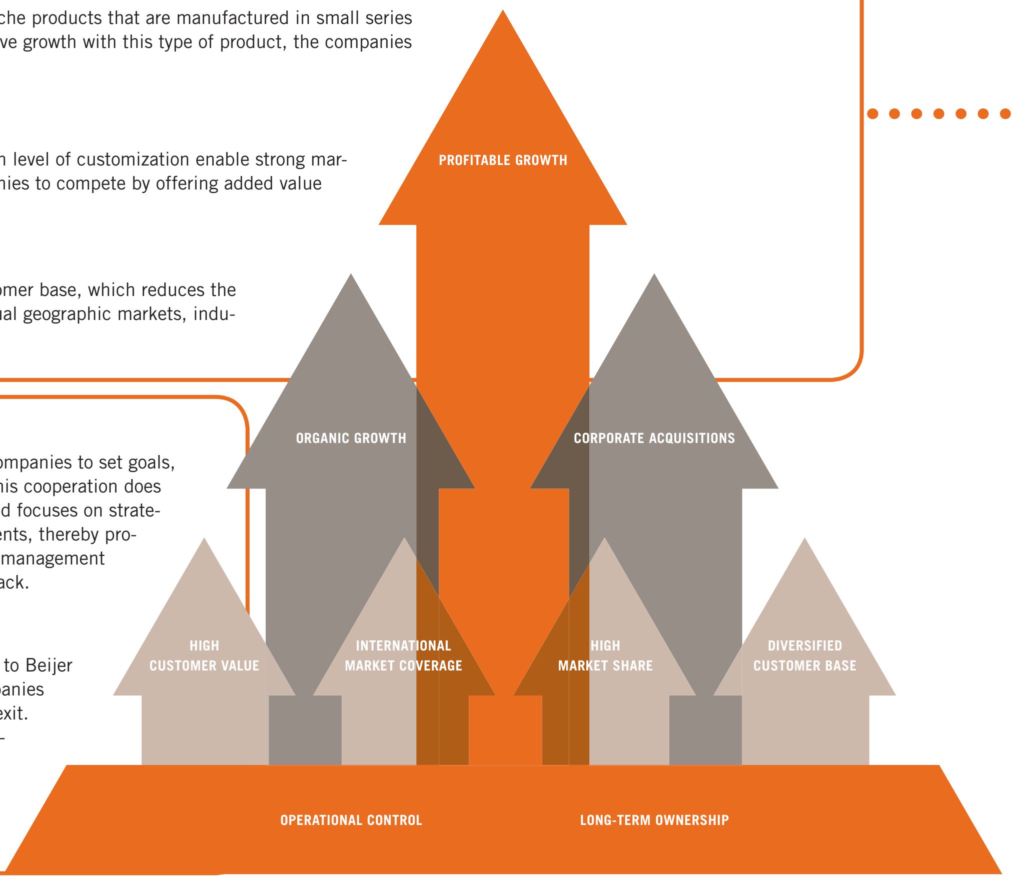
International market coverage
The Group companies primarily focus on niche products that are manufactured in small series and generate high customer value. To achieve growth with this type of product, the companies must have broad international sales.

High market share
Quality, breadth of product range and a high level of customization enable strong market positions. This allows the Group companies to compete by offering added value in addition to low prices.

Diversified customer base
Beijer Alma strives to achieve a broad customer base, which reduces the Group's risk and its dependency on individual geographic markets, industries and companies.

Operational control
Beijer Alma works closely with the Group companies to set goals, follow up and exercise long-term control. This cooperation does not involve operational activities, but instead focuses on strategic development, acquisitions and investments, thereby providing the Group companies with access to management resources that mid-sized companies often lack.

Long-term ownership
The concept of a long-term approach is key to Beijer Alma's ownership strategy. The Group companies are not developed with the aim of a future exit. Instead, the goal is to create groups of companies with industrially sound structures that achieve long-term success and in which the rate of growth and profitability is high.



STRATEGY IN PRACTICE

Beijer Alma's strategy functions as a tool to facilitate long-term profitability and growth. The strategy comprises a number of components that jointly drive the development of the Group. President and CEO, Bertil Persson, explains how this strategy works in practice.

"Profitable growth is a central concept for us – our 'mantra' and the goal toward which all of our strategic efforts should ultimately contribute," says Bertil Persson. "Our operations have high margins and favorable profitability. Profitable growth entails that we also protect these margins as the Group grows and earnings per share increase over time.

"Profitable growth is achieved in two ways," he continues. "Firstly, through organic growth, meaning that subsidiaries grow by developing new products or expanding into additional markets. The second alternative is acquisitions – both of new businesses and supplementary acquisitions in Habia and Lesjöfors."

The strategy is based on the Group's business-to-business focus. In recent years, Beijer Alma's operations have concentrated on manufacturing, but the Group's strategy also enables trading operations. As the subsidiaries develop, efforts to create and maintain a high level of profitability are guided by a number of criteria.

Clear criteria

"High customer value is one such prerequisite," says Bertil Persson. "This means that we conduct considerable specialized manufacturing of customized products and avoid mass production of standardized products, which generate lower margins. Accordingly, we choose not to prioritize high-volume industries, with regard to telecom and vehicles. This also applies for acquisitions and investments."

Choice of market niche is another profitability criterion. Beijer Alma is a relatively small player that focuses on a few narrow niches. The Group's goal is to achieve high market shares to avoid becoming a marginal player that only competes with low prices.

"Due to Beijer Alma's niche strategy, our sales must be international if we are to establish the necessary conditions for long-term growth," explains Bertil Persson. "It is equally important that our customer portfolio is diversified so that we do not become dependent on a few companies or industries.

"Such dependency creates risks. Should the Group lose major customers, it would be difficult to offset this loss in a reasonable period of time. It would also leave the Group in a weak negotiating position in its dialog with customers."

Adopting a long-term approach is key in Beijer Alma's efforts to achieve profitable growth, which means that the Group builds value over time.

"We do not focus on quick capital gains," says Bertil Persson. "Beijer Alma aims to increase the profitability of its subsidiaries in a consistent and long-term manner. That is how we create value for our shareholders."

DISTINCT VALUE CREATION

"To acquire, own and develop small and mid-sized companies with favorable growth potential." This is Beijer Alma's business concept, which means that the Group aims to build an industrial group with a sustainable profit trend. Beijer Alma owns and develops unlisted companies, usually as full owner. In this sense, the Group differs from traditional investment companies, whose holdings primarily comprise other listed companies. Beijer Alma's long-term ownership philosophy also distinguishes the Group from private equity players. This approach gives investors access to a unique group of established, unlisted subsidiaries in attractive growth areas. Access to the capital market provides financial resources for growth. The Group structure enables Beijer Alma to finance growth in a manner that otherwise would not be possible, particularly since the individual Group companies are probably too small to be listed on a stock exchange.

SURPLUS RETURN

Value creation in the Group has resulted in a clear surplus return. An investment of SEK 1 in Beijer Alma on January 1, 2005 would have grown to SEK 2.65 by year-end 2009, including reinvested dividends. This corresponds to an annual return of 32 percent. During the same period, an investment in the general index, including reinvested dividends, would have grown to SEK 1.58, or 11.61 percent annually.

SUSTAINABLE DEVELOPMENT

Sustainability issues are becoming increasingly prevalent in society and the business world. Focus is being placed on questions pertaining to companies' environmental and social responsibility. At Beijer Alma, environmental work is governed by company-specific goals and guidelines. This work is discussed in more detail in the company presentations included in this Annual Report.

Beijer Alma's work in the area of social responsibility is based on the UN's and OECD's "The Ten Principles," which deal with such issues as human rights, child labor, forced labor, the environment and corruption. These principles are included in the directive issued to the subsidiary presidents. Local rules and guidelines are also provided in the form of company values, also known as the Code of Conduct. The presidents of the subsidiaries, together with their business area managers and local presidents, are responsible for ensuring that the companies' internal work and contacts with customers, suppliers and other external stakeholders are characterized by ethics and social responsibility.

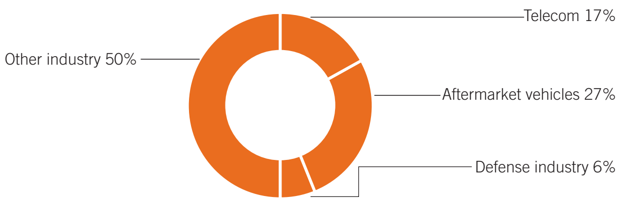
Risk analysis

Beijer Alma is impacted by a number of risk factors that could have repercussions on the Group's earnings and financial position. The following section describes the market and financial risks to which the Group is exposed. Operational risk management is reported in the Corporate Governance Report on page 52 and in Note 28.

CUSTOMER SEGMENTS

The largest customer segment in 2009 was other industry, which accounted for 50 percent of invoicing. This segment includes various customers, industries and companies, each of which accounts for a very small portion of the Group's total invoicing. The fact that other industry is the largest individual segment demonstrates that the Group's focus on diversification has generated results. The second-largest segment is the aftermarket for vehicles, which accounted for 27 percent of the Group's total invoicing in 2009. These operations are conducted by Lesjöfors and comprise several markets in Northern and Eastern Europe. The dependency on individual customers, industries and companies in this segment is more extensive than in other industry segment, but less significant than in the telecom segment. Telecom is the third-largest segment, with 17 percent of invoicing. The telecom segment includes fewer customers and each customer accounts for a relatively large portion of the Group's total invoicing. The purchasing decisions and technology choices made by individual customers in this segment have a more significant impact on Beijer Alma. With 6 percent of invoicing, defense is the fourth-largest segment. Operations in this segment are primarily conducted by Habia and are dominated by a few major customers. The defense market operates on a project basis, which means that volumes can vary over time and are dependent on the number of projects in which a company participates.

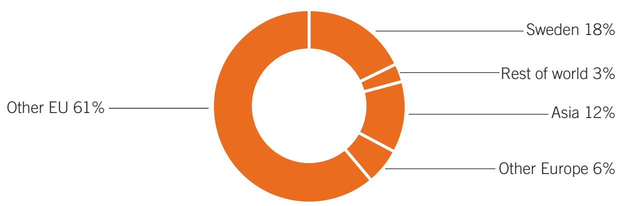
Invoicing by customer segment



GEOGRAPHIC SEGMENTS

The Group companies' products are currently available in approximately 60 different markets. The most important geographic markets are Europe and Asia, while sales are lower in North and South America. The single largest market is Europe, which includes such countries as the UK, Sweden

Invoicing by geographic market



and Germany. In Asia, the significance of the Chinese market has increased in recent years, mainly due to strong national growth, as well as the expansion of Beijer Alma's sales and production organizations in the country. China accounted for 8 percent of invoicing in 2009 and serves as a hub for re-export to Korea, India and other markets in Asia.

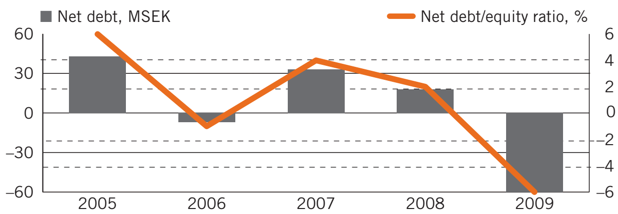
MARKET RISKS

Beijer Alma's most significant market risks are linked to the interest-rate, exchange and commodity markets.

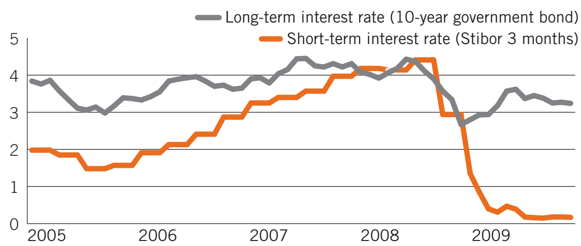
Interest-rate risk

Interest-rate trends have a direct impact on the Group through its net debt/losses. However, this risk is limited since the Group's net debt has declined substantially in recent years and is currently almost zero.

Net debt and net debt/equity ratio



Swedish intereste rates

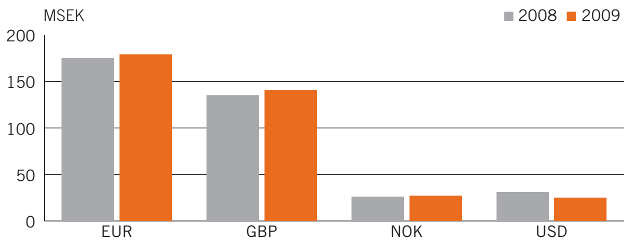


Source: Reuters

Currency risk

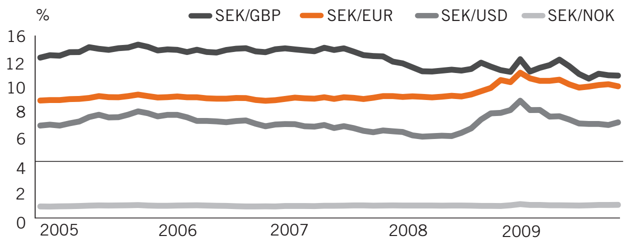
Beijer Alma’s subsidiaries are export companies with production facilities in several countries. Approximately 82 percent of the Group’s sales are conducted outside Sweden, while about 60 percent of production takes place in Sweden, which means that Beijer Alma’s operations are affected by currency fluctuations. The Group’s single largest currency exposure is in EUR, followed by GBP, NOK and USD. Beijer Alma’s exchange-rate policy stipulates that a portion of the company’s forecast flows in foreign currencies for the coming 12 months are to be hedged. In 2009, the hedging horizon for EUR was extended, which means that portions of exposures up to 24 months can be hedged. Currency hedging provides the scope to take measures to mitigate the effects of any currency fluctuations.

Currency exposure



The amounts shown have been translated to MSEK and refer to net exposure – that is, income less expenses in each currency.

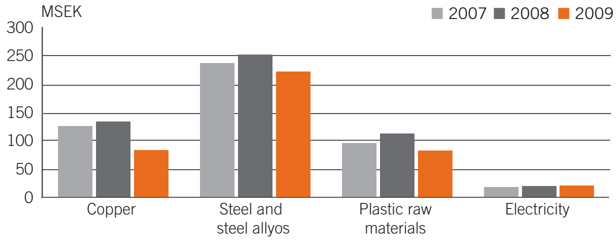
Exchange rates



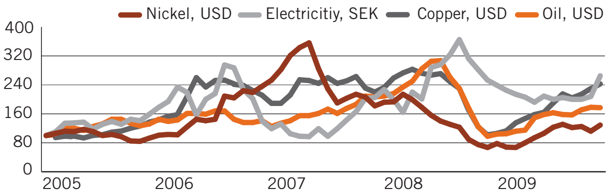
Source: Nordea

At the beginning of 2009, the SEK weakened substantially in relation to the EUR. The SEK reached its lowest level in early March, when it was quoted at more than 11.60 in relation to the EUR. The SEK strengthened during the second half of 2009, finishing the year at about 10.20. The GBP remained unchanged at year-end at approximately SEK 11.40. However, significantly higher levels were quoted during the year, including a peak of more than SEK 13. The NOK rose approximately 9 percent against the SEK, from SEK 1.13 to SEK 1.23. The USD weakened during the year from about 7.80 to 7.20.

Raw material exposure



Raw material prices, indexed, January 2005 = 100



Source: Nordea

Commodity risk

Beijer Alma’s production costs are affected by the prices of various metals, as well as energy prices. The most crucial metals are copper, steel and steel alloys. Following a substantial decline in the fourth quarter of 2008, most raw material prices rose in 2009. The price of copper increased from USD 3,200 to nearly USD 7,400 and the price of nickel rose from USD 11,300 to USD 18,800. Oil prices also increased significantly during the year. A barrel of Brent crude oil was quoted at USD 46 at the beginning of the year and increased to approximately USD 78 by year-end.

SENSITIVITY ANALYSIS

Beijer Alma’s financial position could be impacted by a number of occurrences. The table to the right illustrates how profit would be affected by price changes in key input commodities and currencies. The sensitivity analysis shows the impact of a 5-percent price change on profit before tax.

Sensivity analysis

Input commodity/currency	Change, %	Impact on operating profit, MSEK
Copper	+/– 5	4.1
Steel and steel alloys	+/– 5	11.1
Plastic raw materials	+/– 5	4.1
Electricity	+/– 5	1.0
EUR	+/– 5	9.0
GBP	+/– 5	7.0
NOK	+/– 5	1.4
USD	+/– 5	1.3

The Beijer Alma share

The Beijer Alma share was listed on the stock exchange in 1987. At year-end 2009, the Group had 3,686 shareholders and a market capitalization of MSEK 2,510. Beijer Alma's policy is that not less than one third of the Group's net profit, excluding items affecting comparability, shall be distributed to the shareholders.

- The Beijer Alma share is listed on the NASDAQ OMX Stockholm Mid Cap list.
- At year-end, Beijer Alma's share capital amounted to MSEK 114.3 (114.3).
- All shares have a quotient value of SEK 4.17 and entitle the shareholder to equal rights to participation in the company's assets and earnings.
- There are no convertible subordinated debentures or options outstanding.
- No issues were carried out in 2009.
- A total of 1,303,697 shares were traded during the year. This corresponds to 5.4 percent of the outstanding Class B shares, down 2.6 percentage points from 2008.
- An average of approximately 5,194 shares were traded each trading day.

OWNERSHIP

- The number of shareholders at year-end was 3,686.
- Of these shareholders, institutional owners accounted for 60.6 percent of capital and 39.8 percent of votes.
- The holdings of foreign shareholders amounted to 6.6 percent of capital and 3.2 percent of votes.

	Number of shareholders	% of votes	% of capital
Swedish shareholders	3,469	96.8	93.4
Foreign shareholders	217	3.2	6.6
Total	**3,686**	**100.0**	**100.0**

LARGEST SHAREHOLDERS

Name	Total	Number of Class A shares	Number of Class B shares	Number of votes	% of share capital	% of votes
Anders Wall, with family and companies	3,513,120	1,974,000	1,539,120	21,279,120	12.8	37.1
Svolder Aktiebolag	2,387,300	0	2,387,300	2,387,300	8.7	4.2
Kjell and Märta Beijer Foundation	1,682,050	0	1,682,050	1,682,050	6.1	2.9
Lannebo Funds	1,650,000	0	1,650,000	1,650,000	6.0	2.9
Anders Wall Foundations	1,562,160	693,000	869,160	7,799,160	5.7	13.6
Livförsäkrings AB Skandia	1,475,134	0	1,475,134	1,475,134	5.4	2.6
Didner & Gerge Fonder Aktiebolag	1,217,900	0	1,217,900	1,217,900	4.4	2.1
Swedbank Robur Funds	1,084,185	0	1,084,185	1,084,185	4.0	1.9
Odin Sverige Mutual Fund	903,006	0	903,006	903,006	3.3	1.6
Kjell Beijer 80-year Foundation	754,200	0	754,200	754,200	2.8	1.3
Fourth AP Fund	699,346	0	699,346	699,346	2.6	1.2
SEB Asset Management S A	646,500	0	646,500	646,500	2.4	1.1
Göran W Huldtgren, with family and companies	539,010	304,800	234,210	3,282,210	2.0	5.7
Aktie-Ansvar Funds	471,474	0	471,474	471,474	1.7	0.8
Handelsbanken Funds, incl. XACT	349,386	0	349,386	349,386	1.3	0.6
JP Morgan Chase Bank, W9	344,431	0	344,431	344,431	1.3	0.6
Odin Sverige II Mutual Fund	288,900	0	288,900	288,900	1.1	0.5
Skandia Funds	285,667	0	285,667	285,667	1.0	0.5
Other	7,577,331	358,200	7,219,131	10,801,131	27.6	18.8
Total	**27,431,100**	**3,330,000**	**24,101,100**	**57,401,100**	**100.0**	**100.0**

Source: Shareholder register December 28, 2009, including known changes.

OWNERSHIP STRUCTURE

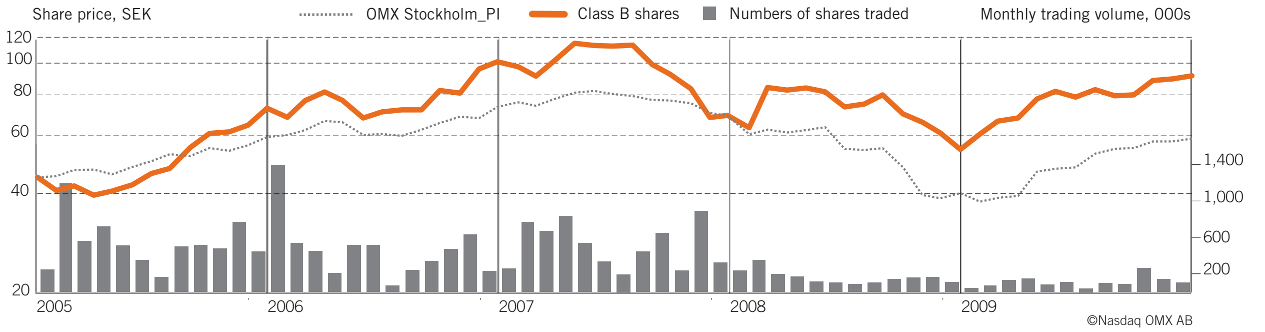
	Number of shareholders	% of shareholders	Number of shares	of which Class A	of which Class B	% of shares	% of votes
1–500	1,964	53.3	357,377	0	357,377	1.3	0.6
501–1,000	675	18.3	524,601	1,800	522,801	1.9	0.9
1,001–2,000	472	12.8	725,137	0	725,137	2.6	1.3
2,001–5,000	316	8.6	1,029,172	0	1,029,172	3.8	1.8
5,001–10,000	117	3.2	821,514	0	821,514	3.0	1.4
10,001–20,000	47	1.3	675,934	43,200	632,734	2.5	1.9
20,001–50,000	40	1.1	1,247,028	153,500	1,093,528	4.6	4.6
50,001–100,000	24	0.7	1,634,714	318,100	1,316,614	6.0	7.8
100,001–500,000	31	0.8	20,415,623	2,813,400	17,602,223	74.4	79.7
Total	**3,686**	**100.0**	**27,431,100**	**3,330,000**	**24,101,100**	**100.0**	**100.0**

Source: Shareholder register December 28, 2009

SHARE PERFORMANCE

- In 2009, the market price of the Beijer Alma share rose 68 percent. The Stockholm All Share Index rose 56 percent.
- The closing price at year-end was SEK 91.50 (54.50), corresponding to a market capitalization of MSEK 2,510.
- The highest price was SEK 92.50, which was quoted on December 29, 2009. The lowest price was SEK 56, which was quoted on January 2, 2009.

Share performance 2005–2009



SHARE CAPITAL TREND

Year		Increase in share capital, SEK 000s	Total share capital, SEK 000s	Increase in number of shares	Total numbers of shares outstanding
1993	Opening balance	0	53,660	0	2,146,400
1993	Non-cash issue in connection with acquisition of G & L Beijer Import & Export AB i Stockholm	6,923	60,583	276,900	2,423,300
1993	New issue	30,291	90,874	1,211,650	3,634,950
1994	Non-cash issue in connection with acquisition of AB Stafsjö Bruk	5,000	95,874	200,000	3,834,950
1996	Conversion of subordinated debentures	47	95,921	1,875	3,836,825
1997	Conversion of subordinated debentures	2,815	98,736	112,625	3,949,450
1998	Conversion of subordinated debentures	1,825	100,561	73,000	4,022,450
2000	Conversion of subordinated debentures	30	100,591	1,200	4,023,650
2001	Non-cash issue in connection with acquisition of Elimag Industri AB	11,750	112,341	470,000	4,493,650
2001	Split 2:1	–	112,341	4,493,650	8,987,300
2001	Conversion of subordinated debentures	388	112,729	31,000	9,018,300
2002	Conversion of subordinated debentures	62	112,791	5,000	9,023,300
2004	Conversion of subordinated debentures	1,505	114,296	120,400	9,143,700
2006	Split 3:1	–	114,296	18,287,400	27,431,100

PER-SHARE DATA

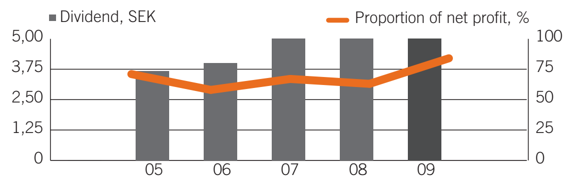
	2009	2008	2007	2006	2005	2004	2003	2002	2001
Earnings per share based on average number of shares outstanding after 26.3% and 28% standard tax, respectively, SEK	6.08	7.74	7.42	6.88	5.25	4.07	0.49	0.21	0.11
after tax, SEK	5.92	7.90	7.49	6.92	5.17	4.21	0.28	–2.88	0.45
Shareholders' equity per share, SEK	35.94	34.98	30.87	27.26	25.84	20.65	16.61	16.71	21.04
Dividend per share, SEK	5.00[1)]	5.00	5.00	4.00	3.67	1.67	0.50	0.33	0.67
Dividend ratio, %	84	63	67	58	71	40	179	–11	149
Dividend yield, %	5.5	9.2	7.2	4.0	5.0	3.7	2.2	2.6	2.9
Market price at year-end, SEK	91.50	54.50	69.25	101.00	72.83	44.83	22.33	12.73	23.00
Highest market price, SEK	92.50	87.50	117.00	102.00	73.33	45.00	24.00	26.00	44.83
Lowest market price, SEK	56.00	50.00	63.00	59.75	39.50	22.00	12.93	11.30	15.00
P/E ratio at year-end	15.5	6.9	9.2	14.7	13.9	11.0	45.6	60.6	209.1
Cash flow per share, SEK	7.87	5.47	2.59	4.41	5.20	6.94	2.76	4.29	–3.17
Closing number of shares outstanding[2)]	27,431,100	27,431,100	27,431,100	27,431,100	27,431,100	27,431,100	28,830,540	28,830,540	28,830,540
Average number of shares outstanding[2)]	27,431,100	27,431,100	27,431,100	27,431,100	27,431,100	27,431,100	28,830,540	28,830,540	28,830,540

1) Dividend proposed by Board of Directors. 2) Including subordinated convertible debentures and personnel options during 1997–2003.

DIVIDEND POLICY

Beijer Alma's dividend policy stipulates that the dividend shall amount to not less than one third of the Group's net profit, excluding items affecting comparability, but that consideration shall always be given to the Group's long-term financing needs.

Dividend and dividend ratio



Lesjöfors

LESJÖFORS IN BRIEF

Lesjöfors is an international full-range supplier of industrial springs, wire and flat strip components. The company offers standard and specially manufactured industrial springs, holds a leading position in the Nordic region and is one of the largest players in the European market.

"The company's product mix enables a strong trend in one business area to offset weak sales in the others."

Kjell-Arne Lindbäck, President

BUSINESS AREAS

- **Industrial Springs** – standard industrial springs and customized products
- **Flat Strip Components** – flat strip components and leaf springs
- **Chassis Springs** – aftermarket for passenger cars and light trucks

SENIOR MANAGEMENT

Kjell-Arne Lindbäck, President, born 1952, Degree in Business Administration, Lesjöfors employee since 1997.
Bertil Persson, Chairman of the Board.

2009 IN BRIEF

- **Invoicing amounted to** MSEK 1,047 (1,151) and operating profit to MSEK 243 (252)
- **Personnel reductions** implemented to handle weak demand
- **Increased growth** in Chassis Springs, primarily in the UK and German markets
- **Restructuring** due to declining demand and increased investments in production in low-cost countries
- **Establishment of gas spring manufacturing** operations in Latvia
- **Streamliningof spring operations** in the UK, where manufacturing was concentrated to two plants

Key figures, MSEK	2009	2008	2007	2006	2005
Net revenues	1,046.5	1,151.2	1,032.3	923.4	762.8
Cost of goods sold	–624.0	–720.4	–636.9	–552.3	–473.3
Gross profit	422.5	430.8	395.4	371.1	289.5
Selling expenses	–106.5	–104.9	–93.7	–87.0	–91.0
Administrative expenses	–73.1	–74.3	–79.0	–62.0	–54.5
Operating profit	242.9	251.6	222.7	222.1	144.0
Operating margin, %	23.2	21.9	21.6	24.0	18.9
Net financial items	–7.3	–8.0	0.5	–0.4	–0.7
Profit after financial items	235.6	243.6	223.2	221.7	143.3
of which depreciation and amortization	48.2	44.3	41.4	43.0	39.3
Capital expenditures, excluding corporate acquisitions	34.9	57.5	55.4	52.3	34.9
Return on capital employed, %	33	37	44	51	35
Average number of employees	686	764	743	578	531



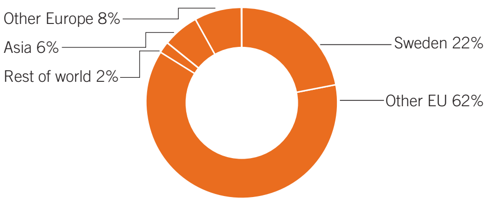
TRENDS IN 2009

Lesjöfors' invoicing in 2009 totaled MSEK 1,047 (1,151), down 9 percent. Operating profit amounted to MSEK 243 (252) and the Group's operating margin was 23 percent (22). The largest decline in sales was experienced in Industrial

Sales in Chassis Springs increased substantially, particularly in the UK, Germany and the Nordic region.

Springs and Flat Strip Components. This downturn was particularly pronounced in the first half of 2009 and was followed by a gradual stabilization in all business areas later in the year. Sales in Chassis Springs increased substantially, particularly in the UK, Germany and the Nordic region. The strong trend in Chassis Springs largely offset the weak sales reported in the other business areas. Invoicing amounted to MSEK 422 in Industrial Springs, MSEK 205 in Flat Strip Components and MSEK 420 in Chassis Springs.

Invoicing by geographic market

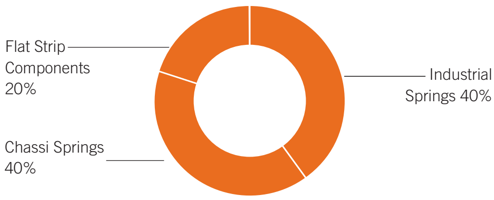


MARKET AND SALES

Lesjöfors is a leading company in the areas of springs, wire and flat strip components. The product range boasts a unique breadth and offers both customized and standardized products. The company's products are used in various household products and high-tech applications. Lesjöfors' standardized products provide customers access to a broad range of finished products with short lead times. In addition to the breadth of its product range, Lesjöfors' key competitive advantages are its high level of expertise in spring technology and design, its cost-effective manufacturing operations, excellent product quality and efficient distribution and customer service.

Lesjöfors is a leading company in the areas of springs, wire and flat strip components. The product range boasts a unique breadth and offers both customized and standardized products.

Distribution of customers by segment



Lesjöfors has approximately ten of its own sales offices, which handle sales in the Nordic region and Europe. In other markets, sales are managed through a network of distributors, which Lesjöfors continuously strives to expand. The main areas of focus in this expansion are the Eastern European and Russian markets. The company's sales work is characterized by proximity to its customers in each market. Lesjöfors' broad and well-established sales organization contributes to this proximity, while local online solutions, which give products and services a customer-oriented profile, also play an increasingly important role.


Key facts about Lesjöfors' sales

- cover approximately 60 markets, the largest of which include the UK, Sweden and Germany
- 78 percent of sales are conducted outside Sweden
- 60 percent of sales pertain to customized products
- the market share for Industrial Springs in the Nordic region is about 40 percent
- the market share for Chassis Springs in Europe exceeds 45 percent

OPERATIONS AND ORGANIZATION

Lesjöfors has 13 production units in six countries. Ensuring a local foundation for its manufacturing operations is also a critical part of the company's strategy. The corporate culture is characterized by a short chain of command, a business-minded approach and decentralization, a combination that paves the way for a high level of growth. Ensuring a short chain of command and conducting manufacturing operations in close proximity to its customers makes it easier for Lesjöfors to grow and gradually establish

strong market positions. Similarly, a business-minded approach and decentralization, guided by the requirements of the company's sales personnel and machine operators, enables the company to better respond to the demands of its customers. Successfully meeting these needs results in continuous improvements in quality, profitability and efficiency, which is confirmed by the company's high level of growth.

Lesjöfors' increasing production in low-cost countries also helps to strengthen the company's positions. In recent years, the most labor-intensive production operations have been relocated to plants in Latvia and China. This trend continued in 2009, when most of the company's flat strip components manufacturing operations in Denmark were moved to Latvia, thereby bolstering Lesjöfors' competitiveness in the Danish market.

QUALITY

All of Lesjöfors' production units have been awarded ISO 9001 quality certification. The spring operations in Stece Fjädrar AB are also certified in accordance with TS, the quality standard of the automotive industry. In 2009, work to achieve TS certification began at three additional units in Lesjöfors. The company's daily efforts in the area of quality are integrated into its production systems, thus facilitating controls and inspections. The key concept is overall quality, including product quality, delivery precision and fast response to customers.

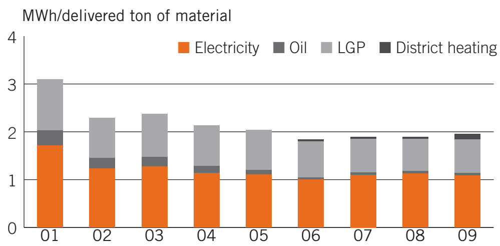
Delivery precision in the Group improved during the year and is now at 97 percent. The reasons for this improvement included a continued focus on efficient planning and control of the company's plants. As part of its quality initiatives, Lesjöfors conducts benchmarking between units. The company also performs customer surveys every two years, during which the various units are evaluated using a customer satisfaction index.

ENVIRONMENT

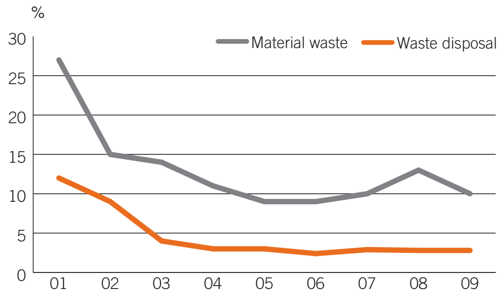
A total of 11 of the company's 13 production units have been awarded ISO 14001 environmental certification. This means that one additional plant was certified in 2009. The Group's environmental objectives are based on the largest and most critical environmental aspects identified for each unit. One prioritized objective in 2009 was to reduce energy consumption in Lesjöfors.

All of the company's units are Class C plants, which means that they have a relatively low environmental impact. At the plants, all waste is sorted into five to seven fractions. The largest fractions are wet grinding waste, waste disposal and recycled raw material. Resource utilization is another prioritized area. All units in Lesjöfors work actively to reduce the amount

Total energy consumption



Material waste and waste disposal



of material waste generated during production and 100 percent of the disposed raw materials are recycled.

SOCIAL RESPONSIBILITY

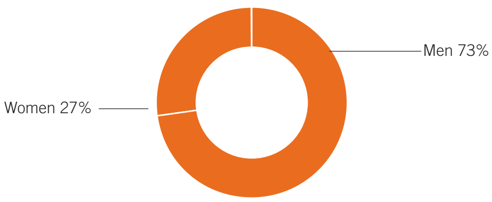
Lesjöfors' work in the area of social responsibility is based on the UN's and OECD's "The Ten Principles," which address such issues as human rights, child labor, forced labor, the environment and corruption. Social responsibility and ethics are a distinct part of the Group's short-chain-of-command corporate culture. Maintaining this short chain of command involves informal interactions, with standards established through daily work rather than formal rules and regulations. All of Lesjöfors' operations have

a shared view of the fundamental values that govern the company's relationships with its own employees, as well as its customers, business partners and other external stakeholders. The CEO and local management are responsible for establishing and, when necessary, further developing this approach.

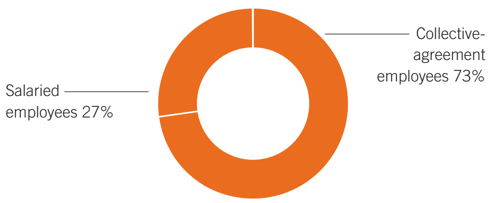
EMPLOYEES

The number of employees declined by 78 to 686 (764). A total of 98 people (131) work in the low-cost countries of Latvia and China. The number of employees in Sweden is 301 (300). A total of 163 people (161) work in the UK, and Lesjöfors has 83 employees (122) in Denmark.

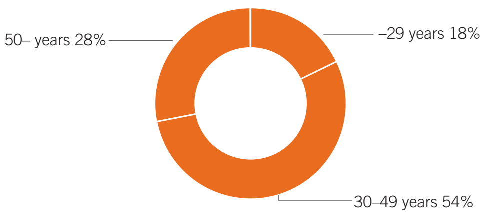
Distribution by gender



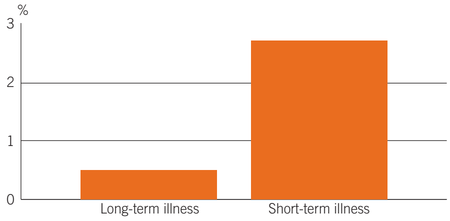
Salaried employees/collective-agreement employees



Distribution by age



Sickness absence



Broad product development

Two factors characterize Lesjöfors' product development initiatives: much of the work has been decentralized to various companies and a large portion of the development occurs in "live" customer projects. But there is an another common factor – it is the employees' knowledge of spring materials, metals, mechanics, mechanics of materials and manufacturing technology that makes the product development competitive.

"This delegated work method results in short lead times and a high level of flexibility. Theoretical models are used for the dimensioning of new product varieties, while prototypes are mostly developed locally in the companies," says Lars Bergqvist, Head of Technological Development at Lesjöfors.

"Despite the recession, we are implementing many development projects. We manage our development processes in accordance with customer requirements and depending on the type of application. This can include everything from the aviation industry's detailed models to simpler processes for smaller-scale requirements," he continues.

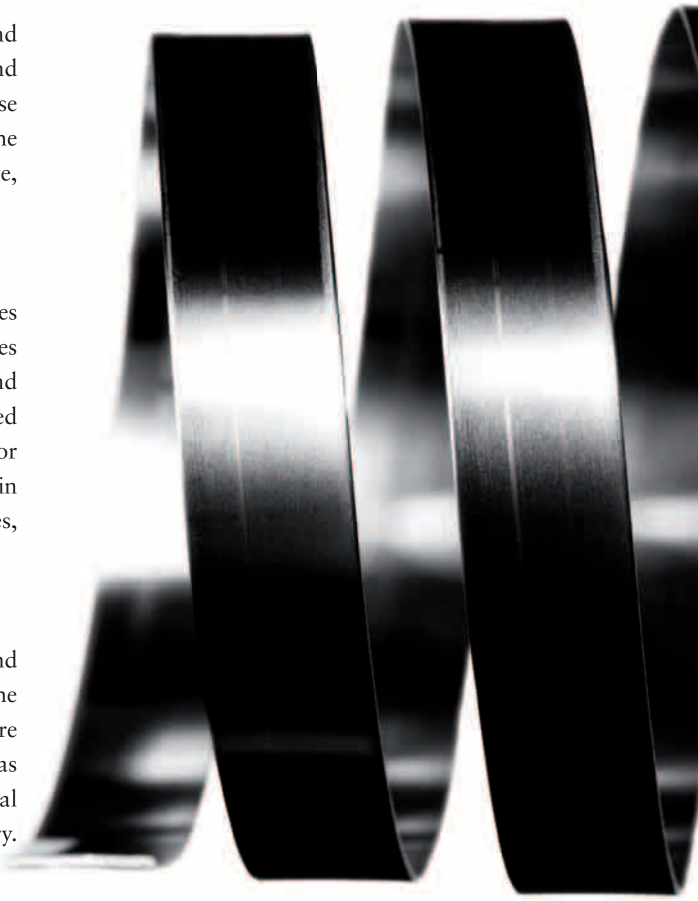
COMPREHENSIVE QUALITY ASSURANCE

A central development group leads the product technology network at Lesjöfors. The group's members participate in projects with special requirements, including those with advanced technical prerequisites or where functional requirements for the products are extensive or otherwise distinctive. The group also manages initiatives to develop product performance, including in terms of fatigue strength. It monitors material development and pursues projects with material manufacturers and surface treatment companies.

"The work is adapted depending on the application and customer requirements, but because springs are used in most industries, the models for quality assurance vary. Lesjöfors uses ISO 9000 as a starting point, but we also use other industry-specific models," says Bergqvist.

A current project involves Tour & Andersson, a world leader in technology for waterborne heating and cooling systems. When Tour & Andersson decided to develop a new type of valve that required a new spring solution, it turned to Lesjöfors. The spring was developed in close cooperation between the companies. Because the new compression spring is sensitive, a special packaging system was also designed to protect it until it is mounted in the valve. ■

INDUSTRIAL SPRINGS



Operations in this business area include manufacturing, storage and distribution of industrial springs. The product range is broad and encompasses both standard springs and customized products. These types of springs are used in most major industrial sectors, including the power, paper and pulp industries and the areas of offshore, automotive, automation and infrastructure.

CUSTOMERS AND COMPETITORS

Industrial Springs has a well-diversified customer structure, which provides a favorable risk spread. The company's key competitive advantages in this business area are its breadth of product range, high quality and excellent service. Since Lesjöfors customizes many spring products based on the specific requirements of its customers, the company's capacity for innovation and problem-solving are also important. The company's main competitors in the Nordic region include such companies as Spinova, Ewes, Meconet and Hagens fjädrar.

MARKET AND SALES

The principal markets in this business area are the Nordic region and the UK. Sales in several of these markets declined during the year. The exception was the Norwegian market, where investments in the offshore industry remained at a high level. The decline in sales in other areas was attributable to the generally weak economic conditions in the industrial sector and, in particular, the sharp downturn in the automotive industry. Sales in Industrial Springs in 2009 amounted to MSEK 422 (508).

Enhanced performance using hot presetting

Over time, a spring that is exposed to a load loses it strength. The technical term for this is relaxation. Today, Lesjöfors uses a technique at its plant in Herrljunga that enables springs to better maintain their strength over time. This technique is known as hot presetting.

"We began working with hot presetting in 2006, when a customer needed to produce springs that offered higher performance," explains Lars Blidberg, President of Lesjöfors Industrifjädrar. "Since then, we have developed a unique technique in this area."

BUILT-IN FORCE

Hot presetting itself is not a new technique. It is used, for example, to produce valve springs for car engines, where it is vital that springs do not lose their strength over time. The process of hot presetting involves heating the springs to between 150 and 200 degrees Celsius. The springs are then overloaded, compressed and cooled, which allows them to "set" in a more compressed position.

"To put it simply, hot presetting gives the springs a built-in force that causes them to try to 'spring back.' This force improves the performance and extends the service life of the springs," explains Christian Olsson, who developed the technique at Lesjöfors.

Controlling the process is crucial. For hot presetting to be successful, time and temperature must be carefully controlled during the various stages of the process. At the same time, this technique offers new opportunities – opportunities that Lars Blidberg expects will have a positive impact on Industrifjädrar's sales.

"Hot presetting utilizes material in a more optimal manner, enabling fewer and lighter springs to be used in new ways," says Lars Blidberg. "This increases our competitiveness, since it allows our products to be used in new customer applications." ■

FLAT STRIP COMPONENTS

Flat Strip Components specializes in the design, development and production of components in strip steel. Lesjöfors' broad technical solutions make it possible to always select the production technology best suited to each assignment, regardless of whether the assignment focuses on small production series or highly automated volume products. Lesjöfors aims to become involved in each customer project at an early stage to ensure its ability to influence quality, optimize functionality and manufacturing and increase cost-efficiency.

CUSTOMERS AND COMPETITORS

The most important customers in this business area operate in the telecom, electronics, automotive and medical industries. The company's key competitive advantages are its high level of technological competence, advanced tool development, low-cost production and excellent technical service. Lesjöfors' competitors include such companies as Meconet, AQ Holmbergs and Goss Components.

MARKET AND SALES

Lesjöfors' principal markets are the Nordic region, the UK and China. Sales in all of these markets declined significantly. Although demand from the telecom industry was relatively strong at the beginning of the year, this trend also weakened, which primarily impacted Lesjöfors' operations in China. Demand in the automotive industry also declined sharply during the year. Despite a weak performance, Lesjöfors made aggressive investments in selected markets, including the UK, which resulted in new, attractive business transactions. Sales in Flat Strip Components in 2009 amounted to MSEK 205 (339).

Denmark strengthens competitiveness

Weak economic conditions have impacted companies in many industries. To adapt to this trend, Lesjöfors has taken a new approach by strengthening competitiveness in Flat Strip Components in Denmark. Production has been relocated, and Lesjöfors' plant in Latvia now accounts for most of the manufacturing for the Danish market.

"The production in Denmark was relatively labor-intensive, resulting in high costs and lower competitiveness," says Kjell-Arne Lindbäck, President of Lesjöfors. "In such conditions, it is an advantage that our group of companies can manage restructuring processes that will allow us to continue to supply customers with competitive products in the future."

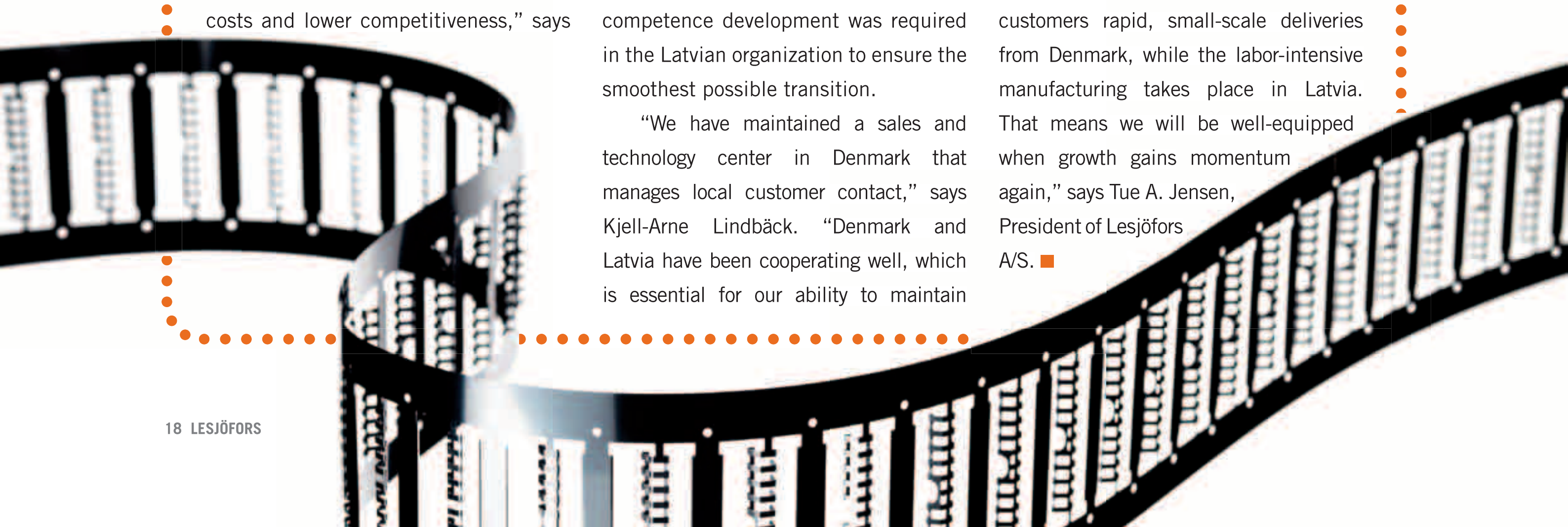
LOCAL CUSTOMER SERVICE

As part of the relocations, machinery and special tools were moved in the company. Accordingly, some competence development was required in the Latvian organization to ensure the smoothest possible transition.

"We have maintained a sales and technology center in Denmark that manages local customer contact," says Kjell-Arne Lindbäck. "Denmark and Latvia have been cooperating well, which is essential for our ability to maintain competence related to both technology and service."

The changes commenced in the spring, and a few months later, the plant in Latvia was able to begin deliveries. The restructuring primarily impacted small and mid-sized volumes of stamped and bent components.

"By relocating most of our manufacturing, we have secured long-term competitiveness. Now we can offer customers rapid, small-scale deliveries from Denmark, while the labor-intensive manufacturing takes place in Latvia. That means we will be well-equipped when growth gains momentum again," says Tue A. Jensen, President of Lesjöfors A/S. ■



CHASSIS SPRINGS

Chassis Springs specializes in the aftermarket for passenger cars and light vehicles. Lesjöfors offers the market's broadest range of proprietary, quality-assured vehicle springs for European and Asian cars. The company handles everything from design and manufacturing to inventory management and logistics. This ensures control of the entire value chain, which is unique in this industry.

CUSTOMERS AND COMPETITORS

Chassis Springs' products are sold in more than 50 markets, with customers in this business area comprising nationwide distributors of automotive spare parts. In addition to its proprietary manufacturing operations and breadth of product range, Lesjöfors' key competitive advantages are its delivery reliability and efficient customer support. The primary competitors in this area are Suplex, K+F and Kayaba.

MARKET AND SALES

Lesjöfors is the undisputed leader in the area of chassis springs in Europe, with a market share valued at more than 45 percent. Its largest markets are Scandinavia, the UK, Germany and Eastern Europe. Sales in most markets increased substantially during the year, particularly in the UK and Germany. To meet this strong demand, Lesjöfors expanded its production and logistics capacity during 2009, thereby doubling the production volumes at its proprietary plant. Sales in Chassis Springs in 2009 amounted to MSEK 420 (304).

Advantage Latvia – smooth production and short delivery times

Lesjöfors has relocated its gas spring manufacturing operations to Europe. The company's plant in Latvia took over production in autumn 2009, thereby enabling more flexible manufacturing and shorter delivery times for European customers.

Gas springs are used in the industrial sector, as well as in the aftermarket for passenger cars and light trucks in such applications as hoods and hatches. Lesjöfors' gas spring manufacturing operations were previously located in Korea, where the company has been a part-owner of the spring manufacturer Hanil Precision Ltd. since 2005. Lesjöfors' manufacturing operations in Korea focus on large production series, for example, of original springs for the automotive industry.

"At the same time, many European customers are purchasing smaller volumes. We took this into consideration when moving our production operations and adapted our work to smaller manufacturing series. Production is now smoother and more cost-efficient for us," explains Lars Bergqvist, Head of Technological Development at Lesjöfors.

SUPPORTS THE GROUP

Lesjöfors relocated its manufacturing operations to its plant in Latvia, which will eventually become responsible for the gas spring requirements of the entire Group. Establishment of the operations began in early 2009 and the first deliveries were made in the autumn.

"We manufacture gas springs for Lesjöfors' standard product range and for the aftermarket in the automotive industry, but we also have the capacity to manufacture customized gas springs," explains Girts Ancevskis, who is responsible for Lesjöfors' operations in Latvia. "We currently have excellent capacity in the areas of design, prototype development and series deliveries."

Relocating the company's manufacturing operations to Latvia has also significantly reduced delivery times. While transports from Korea were time consuming, Lesjöfors' products now reach customers throughout Europe in only two days.

"Moving our manufacturing operations to a closer location also simplified our development work – for example, in terms of testing and trials of new gas spring products," emphasizes Lars Bergqvist. ■

Habia Cable

HABIA IN BRIEF

Habia Cable is one of Europe's largest manufacturers of custom-designed cables and cable systems for demanding applications. The company's products are sold in approximately 40 markets.

BUSINESS AREAS

- **Radio Frequency & Communication** – mobile telecom
- **High Specification Products** – defense, nuclear power, infrastructure/communications
- **Engineered Cable Solutions** – hand tools, sensors, power generation, standardized products

SENIOR MANAGEMENT

Johan Vinberg, President, born 1952, Degree in Engineering, Habia employee since 2004. Bertil Persson, Chairman of the Board.

2009 IN BRIEF

- **Invoicing amounted** to MSEK 523 (685) and operating profit to MSEK 11.5 (71.8)
- **Extensive personnel reductions** implemented to handle weak demand
- **Relocation of cabling operations** from Latvia to Poland
- **Investment in joint venture** in the area of cross-linking of polymers using radiation
- **Opening a new plant** in China
- **Operations in the Distribution Products business area** integrated with Engineered Cable Solutions

"The year 2009 was characterized by more intense price pressure and increased volatility."

Johan Vinberg, President

Key figures, MSEK	2009	2008	2007	2006	2005
Net revenues	522.6	684,9	622,0	564,0	559,6
Cost of goods sold	–374.9	–467.2	–398.9	–372.1	–362.8
Gross profit	147.4	217.7	223.1	191.9	196.8
Selling expenses	–84.2	–89,2	–84,4	–77,9	–72,9
Administrative expenses	–37.8	–41,3	–36,5	–36,3	–32,4
Research and development	–13.9	–15,4	–12,5	–11,9	–9,4
Operating profit	11.5	71,8	89,7	65,8	82,1
Operating margin, %	2.2	10,5	14,4	11,7	14,7
Net financial items	–3.9	–7,5	–3,4	–2,8	–4,1
Profit after financial items	7.6	64.3	86.3	63.0	78.0
of which depreciation and amortization	24.5	23.4	23.6	25.2	24.4
Capital expenditures, excluding corporate acquisitions	25.6	30.6	23.5	18.7	10.9
Return on capital employed, %	3	20	34	27	33
Average number of employees	455	452	415	396	370

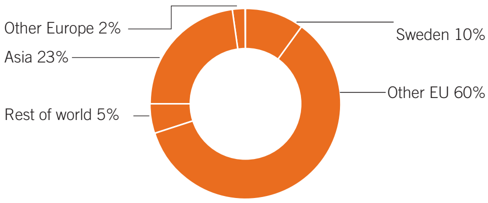
TRENDS IN 2009

Habia's invoicing totaled MSEK 523 (685). Operating profit amounted to MSEK 11.5 (71.8) and profit after financial items to MSEK 7.6 (64.3). Sales to most customer segments declined during the year. The drop in invoicing amounted to 24 percent and was distributed fairly evenly among the business areas. The year 2009 was also characterized by more intense price pressure and increased volatility in demand, with shorter and more rapid order cycles.

To manage this trend, Habia implemented major savings. Compared with the fourth quarter of 2008, the company's costs were reduced by 20 to 25 percent. At the same time, the company was able to cope with the price pressure in the telecom sector in China through cost rationalization measures, which in turn enabled Habia to defend its position in that market. The weak market situation was partly offset by a somewhat more stable trend in such countries as Korea and India, as well as such customer segments as defense, energy and infrastructure. Late in the year, demand began to stabilize in an increasing number of Habia's markets.

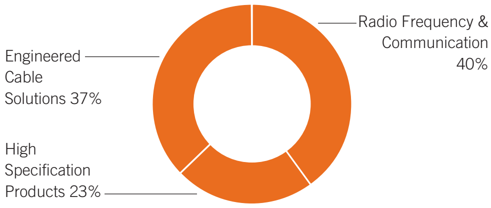
MARKET AND SALES

Invoicing by geographic market



The global cable market, which generates annual revenues of about USD 120 billion, is estimated to have declined between 20 and 30 percent in 2009. The European cable market is valued at approximately EUR 15 billion and the custom-designed cable market niche at about EUR 1 billion. The area of custom-designed cable was impacted more severely by the weak economic situation than the rest of the cable market. In recent years, Habia's market share in the area of custom-designed cable has been approximately 6 percent. Despite weaker demand, the company continued to defend this share in 2009. At the same time, Habia's market share grew significantly in selected segments, particularly in the global market for cables for base station antennas, where the company's share amounts to approximately 50 percent.

Distribution of customers by segment



Key facts about Habia's sales

- cover about 40 markets, the largest of which include Germany, China, the UK and Sweden.
- more than 90 percent of sales are conducted outside Sweden

- approximately 90 percent pertain to customized products
- the largest segment is telecom, which accounted for 40 percent of sales in 2009
- other major customer segments include defense, nuclear power and other industry

OPERATIONS AND ORGANIZATION

The marketing organization focuses on service, marketing and sales. The company's 200 largest customers are dealt with by Habia's field sales personnel and several other customers are managed by in-house sales personnel. The company's key competitive advantages are its high level of technological know-how, its ability to develop customized cable concepts, its flexible production operations and its global service. Habia's cables and cable systems are used in demanding applications and must be able to withstand extreme demands, including high or low temperatures, radioactivity, vibrations, chemicals and extensive bending.

The company's key competitive advantages are its high level of technological know-how, its ability to develop customized cable concepts, its flexible production operations and its global service.

Habia has production facilities in Sweden, China, Germany and Poland. The largest plant, located in the Swedish town of Söderfors, accounted for nearly 50 percent of the company's manufacturing volumes in 2009.

At the same time, China has become an increasingly important market, with Habia building ultramodern facilities in the area and establishing a sales hub for several Asian markets. Previously, only telecom products were produced in China. During the autumn, manufacturing for customers outside the telecom sector commenced at the company's new plant, making Habia's operations in China the company's second largest production plant after Söderfors.

QUALITY

Habia's Polish operations were granted quality certification in 2009, which means that all of the company's plants are now certified in accordance with ISO 9001. Several units were also certified in accordance with various industry requirements, including Underwriters Laboratories (UL) and Rolls Royce, which certify nuclear power products. Habia's own quality efforts focus on identifying and meeting various customer demands. Customer surveys are conducted regularly, and the results of these surveys influence the direction of the company's quality initiatives. Prioritized areas included delivery times and delivery precision, and Habia implemented a new planning process to achieve improvements in these areas. The process

involves more efficient feedback on all delivery problems and is linked to tangible action plans intended to increase precision. The objective is to always combine high delivery precision with a large proportion of customer-specific products and the flexible manufacturing operations for which Habia is recognized.

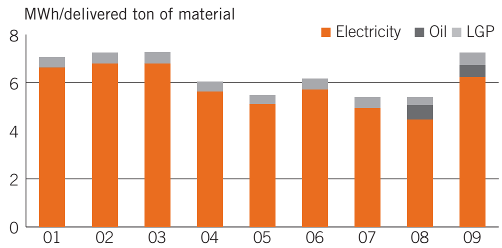
ENVIRONMENT

Habia's Swedish operations have been certified in accordance with ISO 14001 since 2000 and were recertified in October. Working in accordance with the ISO 14001 standard involves identifying significant environmental aspects that are linked to Habia's operations and using these aspects to form the basis of the company's internal

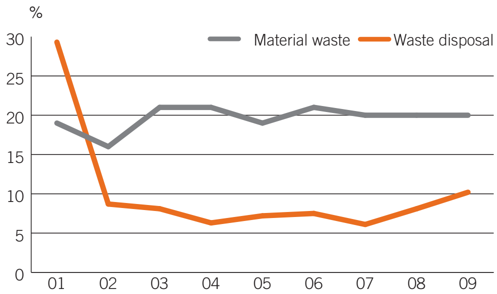
China has become an increasingly important sales hub for several Asian markets.

environmental objectives. These objectives focus on electricity consumption, reducing scrap and material waste, and recycling engineering plastics. As part of its plastic recycling program, Habia partners with the Royal Swedish Institute of Technology and the Environmental Protection Institute to conduct projects aimed at optimizing the reuse of industrial waste material. Reducing scrap is another focus area in which Habia has achieved a certain level of success, although the company's internal objectives have not been completely fulfilled. Reducing electricity consumption is also a top priority. Although the company's consumption has declined, this is partly attributable to the current economic situation. To reduce its emissions of greenhouse gases, Habia no longer uses electricity generated by fossil fuels. During the year, the final phase of the production permit for the company's plant in Söderfors was completed. The company's actions to limit diffused emissions of volatile organic compounds were approved by the authorities.

Total energy consumption



Material waste and waste disposal



SOCIAL RESPONSIBILITY

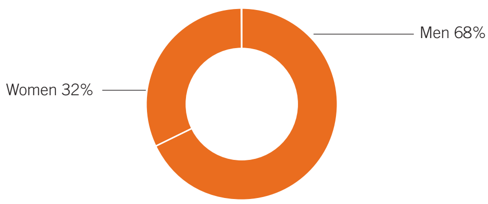
Habia's work in the area of social responsibility is based on the UN's and OECD's "The Ten Principles," which address such issues as human rights, child labor, forced labor, the environment and corruption. The company's work in this area is also governed by three internal values: Transparency, Reliability and Integrity. These are the values on which managers and other employees

are to base their internal and external contacts. The content of the values is discussed regularly – for example, during management and employee meetings, conferences, training programs and in connection with new recruitment.

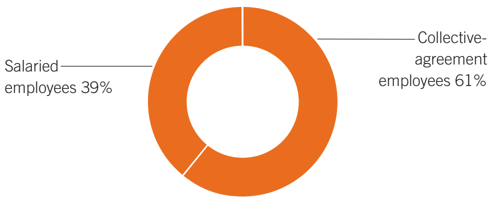
EMPLOYEES

The number of employees increased by 3 to 455 (452). In the low-cost countries of China and Poland, the number of employees rose by 58 to 178 (120). In high-cost countries, the number of employees declined by 55.

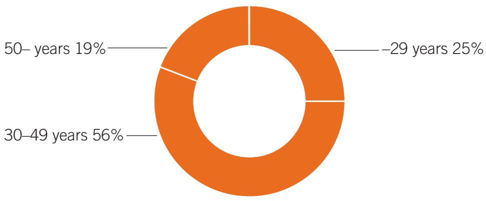
Distribution by gender



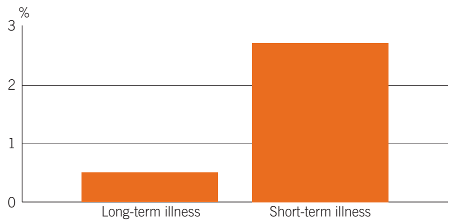
Salaried employees/collective-agreement employees



Distribution by age



Sickness absence



"Lean" approach streamlines development

Since 2008, a single word has characterized Habia's product development work – Lean. The term "lean product development" encompasses an entire philosophy of working in the most coordinated and resource-efficient manner possible. The ultimate goal is to conduct development activities that in one way or another contribute to increased customer value.

"We started working on lean product development in 2008. The goal is to create a joint agenda to give our marketing, purchasing and production employees the same focus when it comes to development work," explains Hans Larsson, Vice President – Research and Development at Habia. "We also needed to streamline our project portfolio and establish clear priorities to bring everyone together."

In early 2008, some 50 Habia employees participated in a "Lean" training program, which focused on increased efficiency, teamwork and value creation.

"In addition to clear priorities, a lean approach also involves optimal visualization of development activities," explains Hans Larsson. "Everyone must know what phase the project is in and what needs to be done. Focusing on problems is key. Problems must be detected early so that they don't affect the end of the project, which could have serious consequences."

NEW PLASTIC MATERIALS

One main area is materials development, particularly the development of the plastic materials used in cables. While fluoroplastics used to dominate, these are now being phased out due to more stringent environmental requirements. Accordingly, Habia must develop new materials that are as high in quality and as cost-efficient as the old ones.

"We have started working on a new type of base plastic material. The challenge is to create materials with the same strain and age properties as fluoroplastics, and to ensure that they are equally flameproof and have the same surface strength," explains Hans Larsson. "Simply put, this is about creating new, stronger bonds in the plastic that provide the right properties."

One method used is known as cross-linking, a process that can be performed chemically or by irradiating the plastic. In 2009, Habia made an investment in Irradose AB i Tierp, a joint venture that has constructed a plant for cross-linking of polymers using radiation.

"The investment in Irradose is generating new opportunities for us," says Hans Larsson. "Cross-linking has become easier and has enabled us to more efficiently drive the development of new high-performance materials." ■

RADIO FREQUENCY & COMMUNICATION (RF)

This business area specializes in mobile telecom. Habia currently holds a world-leading position in cables used in base station antennas, with a market share of approximately 50 percent. The company supplies products for GSM and 3G technology and offers a broad range of cables in the area of RF. The single largest cable product is Flexiform, which is used for transmitting mobile telephony signals.

CUSTOMERS AND COMPETITORS

Habia works with all major antenna manufacturers in the area of mobile telecom and conducts sales in 25 markets. Customer requirements focus on high electronic and mechanical performance, competitive prices and flexible delivery capacity. RF & Communication offers outstanding expertise, cost-efficient and flexible production, and global service. Habia's principal competitors in this business area are the Swiss company Huber+Suhner, the Chinese company Kingsignal and the Japanese company Nissei.

MARKET AND SALES

Sales in the telecom segment declined approximately 25 percent during the year. The trend was particularly weak in the German market, as well as other European countries and the US. Competition in the telecom market in China has gradually increased, primarily as a result of Asian companies developing products that challenge Flexiform. To manage this trend, Habia implemented various cost adjustments, including more efficient purchasing, and launched new competitive cable concepts for the Asian market. The largest markets in 2009 were Germany, China and South Korea. RF & Communication accounted for 40 percent of Habia's revenues during the year.

Speedfoam 240 HT– a new focus attracted new customers

What began as a project geared toward the telecom and communications market instead resulted in Speedfoam 240 HT, an RF cable product designed for military applications. When product development commenced four years ago, the objective was to create a product with improved performance for radio base station antennas and the telecom market.

"During the development stage, however, we discovered that the material used was unsuitable for our production processes. As a result, this development work came to a standstill," explains Brian Dempster, Market Manager at Habia Cable.

NEW AREA OF APPLICATION

Around the same time, Habia became aware of requirements emerging in the defense market. By adapting the design it was possible to use the materials already developed to meet these needs. Brian Dempster and his colleagues then shifted their focus to a new area of customer demand and transitioned their product from the telecom market to the defense market, which appeared to offer greater potential.

"It turned out that our cable was highly suitable for the equipment used to detect, deter and disrupt roadside bombs in areas of combat like Iraq and Afghanistan," explains Brian Dempster. "Because these bombs are often activated via a mobile phone or similar device, the military has had to develop sophisticated systems for detecting and blocking the transmission of such signals. This equipment requires high-powered low loss cables suitable for use in a rugged environment."

Habia resumed its development work and, following a number of adjustments, launched Speedfoam 240 HT – a product sold to customers in the US and UK during 2009. Brian Dempster believes the product not only has the potential to be sold to additional defense customers, but also to ultimately be used in other industries. ■

HIGH SPECIFICATION PRODUCTS (HSP)

HSP focuses on the defense, nuclear power, space, aviation and rail segments. Cable products are produced in line with shared international standards and sold in large volumes. The demands on problem-solving and customization are high in all customer segments. Habia's key competitive advantages are its high level of expertise in product development and sales and its efficient technical support.

CUSTOMERS AND COMPETITORS

Defense and nuclear power are the largest customer segments. In the defense market, Habia supplies products for marine, army and aviation applications. In many cases, customers in this business area operate in various global defense industries. The principal markets are Europe and Asia, predominantly the Nordic region, the UK, France, South Korea, China and India. The company's main competitor in the area of defense is the US company Tyco Electronics. Its principal competitors in the nuclear power segment are the French company Nexans, the Italian company Prysmian and the US company Rockbestos.

MARKET AND SALES

Habia's niche in the defense market is valued at SEK 1.5 billion and its market share is about 7 percent. Habia's niche in the nuclear power sector is valued at about MSEK 300, bringing the company's market share to between 10 and 15 percent.

Sales in this business area declined approximately 15 percent. The key markets were the Nordic region, the UK, France and Asia. Habia supplied cables and cabling systems for submarines and surface vessels to the defense sector in such areas as the Netherlands, France and the US. Operations in the nuclear power sector were dominated by deliveries to customers in Asian countries, such as Korea and India. HSP accounted for 23 percent of Habia's revenues in 2009.

Habiatron – a more flexible cable concept

A lighter and more flexible cable that can still handle the extreme demands of a radioactive environment – this is a fitting description of Habiatron, the cable concept for the nuclear industry now being delivered by Habia to the Korean market. In mid-2009, Habia received a new order from Korea Hydro & Nuclear Power valued at about MSEK 20 and encompassing deliveries between 2010 and 2012.

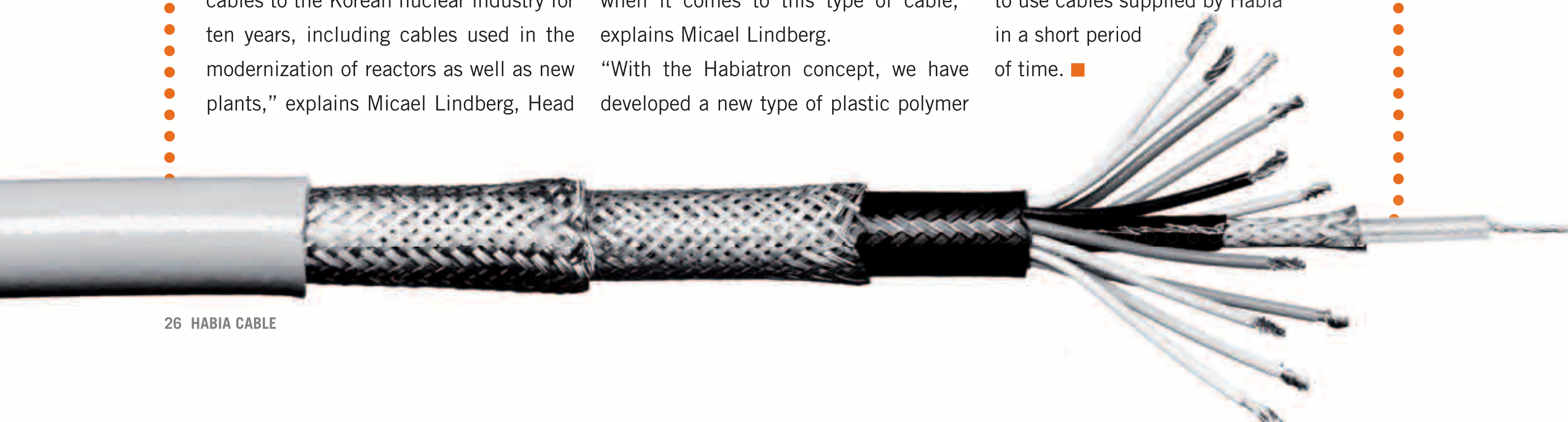
"We have delivered custom-designed cables to the Korean nuclear industry for ten years, including cables used in the modernization of reactors as well as new plants," explains Micael Lindberg, Head of High Specification Products. "The order from Korea Hydro & Nuclear Power pertains to two new reactors – Shin Kori 3 and 4."

TECHNOLOGICAL ADVANTAGE

Habia's custom-designed cables will be used in the reactors' containment chambers, where conditions are extreme. They must be able to withstand steam pressure, high temperatures and radiation.

"Habia has a technological advantage when it comes to this type of cable," explains Micael Lindberg. "With the Habiatron concept, we have developed a new type of plastic polymer that allows thinner insulation to be used in the cables. These high-performance plastics result in a more flexible cable and generate weight and space savings of at least 30 percent compared with competing products."

Korea is one of several countries in Asia making major investments in nuclear power. The country is currently home to some 20 reactors and the rate of expansion remains high. Shin Kori 3 and 4 will be the third construction project to use cables supplied by Habia in a short period of time. ■



ENGINEERED CABLE SOLUTIONS (ECS)

This business area focuses mainly on the engineering industry, offering high-tech products adapted to the unique requirements of each company. Cable volumes are small and production is technology-intensive. Habia's key segments include hydraulic and pneumatic tools, known as power tools, as well as sensors, gas turbines, marine diesel engines, offshore and raw-material processing. As of 2009, ECS also handles sales of standardized products, including cables for such applications as measuring, railways, lighting equipment, heating and white goods.

CUSTOMERS AND COMPETITORS

Customers in this business area require high-quality technical advice and support, as well as fast, customized deliveries. Habia meets these demands by offering quality products, short response times, flexible production and customer-oriented service. The main competitors are the Italian company Intercond, which is owned by the French company Nexans, and the German companies HEW and Ernst & Engbring.

MARKET AND SALES

Sales in ECS declined 29 percent in 2009. One reason for this decline was that many customers are directly or indirectly dependent on the global automotive industry, which was hit hard by the financial and economic crisis. Europe is the main market for ECS. The single largest market is Sweden, followed by the other Nordic countries, as well as Germany, the UK and the Netherlands. Late in the year, a clear stabilization in demand was noted. Habia's positions in the French market were strengthened during the year through increased deliveries to the power tools segment. ECS accounted for 37 percent of the company's revenues in 2009.

Power cable deliveries to India

In autumn 2009, Habia secured a delivery order to the power and energy sector in India, comprising the delivery of cables to four thermal plants. These plants, which produce electricity and are powered by such fossil fuels as gas, oil and coal, are owned by NTPC, which with a generating capacity of 31,000 MW is India's largest energy company.

"Habia has worked on this project for about five years and faced intense competition from another company," explains Alexis Albin, Sales Manager for Habia in Asia. "We received an order from NTPC in autumn 2009 and deliveries will begin in spring 2010.

"Although price competition is intense in this type of procurement process, we have now successfully secured our largest order ever in the Indian energy market," Alexis Albin continues.

Habia currently offers a broad range of thermocouple cables, also known as compensation cables. These cables are primarily connected to various types of sensors installed in thermal plants, such as sensors used for temperature measurement.

ATTRACTIVE MARKET

After spending a number of years working up a market, Habia has now received an important order from the Indian energy market. Although such companies as NTPC already produce a considerable amount of electricity, an extensive expansion is expected. NTPC's goal is to achieve an annual production rate of approximately 75,000 MW by 2017, which means the company will more than double its current capacity. This will create attractive future opportunities for Habia.

"The energy requirements in India are enormous. Many power plants are only able to utilize half of their production capacity due to a lack of fuel. Consequently, major investments are being made in this area – not only in the continued expansion of thermal plants, but also in nuclear power, which currently accounts for only 3 percent of the country's energy supply," explains Alexis Albin.

"India is already one of Habia's largest and most important markets, and as the energy sector expands, our potential in this area will continue to grow," Alexis Albin concludes. ■

Beijer Alma's story

- Beijer Alma is an international industrial group that operates in more than 60 markets. Operations focus on component production. The company's key products are custom-designed cables, industrial springs, chassis springs and flat-strip components. Habia Cable is the global market leader in custom-designed cable for mobile telecom. Lesjöfors holds a leading position in Europe in the area of chassis springs in the aftermarket for passenger cars and light trucks.
- In 1983, Alma Invest was founded on the initiative of Upsala Sparbank and a number of entrepreneurs in the Uppland region. The original goal was to acquire blocks of shares in smaller companies in the region and to support the progress of the business sector in the Uppland region. The Group focused on wholly owned subsidiaries in the areas of industry and trade.
- The company carried out its first acquisitions in 1985 and Alma Invest was listed on the stock exchange in 1987. In the 1990s, a number of companies were purchased and sold. The Group changed its name to Alma Industri & Handel, which became Beijer Alma in 1998. Beijer Alma now focuses on component production and international sales. In parallel, the Group has created a strategy based on a long-term and proactive approach to the ownership of unlisted subsidiaries.

1983 – Alma Invest is founded in Uppsala on the initiative of Upsala Sparbank and various entrepreneurs in the Uppland region. The company's business concept is to acquire blocks of shares in smaller companies in the region.

1985 – The business concept is changed and the company's operations are no longer limited geographically. Instead, the aim is to create a group of wholly owned subsidiaries in the areas of industry and trade. The Group's first acquisition is Stickler Drivteknik. The cable manufacturer Habia Cable is acquired later.

1987 – The Alma share is introduced on the OTC list of the Stockholm Stock Exchange. Alma Invest changes its name to Alma Industri & Handel. At year-end, the Group has 1,400 shareholders.

1988 – The company's spring operations are established through the acquisition of Stockholms Fjäderfabrik and Automatfjäder.

1989 – The Group supplements its spring operations through the acquisition of Lesjöfors. The company has four plants and will become the foundation of the future spring operations.

1992 – Sparbanken sells its stake. Anders Wall becomes the principal shareholder in the Group.

1993 – Anders Wall is appointed Chairman of the Board. The G & L Beijer Import & Export trading company is acquired. Lesjöfors begins working on a range of standard chassis springs.

1994 – Valve manufacturer Stafsjö Bruk is acquired.

1995 – The Group changes its name to Beijer Alma Industri & Handel.

1996 – The spring plant in Lesjöfors is completely destroyed in a fire. Lesjöfors acquires spring manufacturers Kilen Industri and Nyme and toolmaker Scandic Tools.

1997 – The Group has now been listed on the stock market for ten years and the number of shareholders has increased to 1,850. After the fire in Lesjöfors, a new plant is opened, which is Europe's most modern spring plant.

1998 – Lesjöfors acquires GS Industri and spring manufacturer DK Fjedre. The Group changes its name to Beijer Alma AB.

1999 – Disposal of G & L Beijer Import & Export trading operation. The sale reflects the Group's new focus on industrial production companies with high growth potential. This strategy makes capital available for investments in Habia and Lesjöfors.

2000 – Bertil Persson is appointed President and CEO. Lesjöfors acquires spring manufacturer Buck Jeppesen. Habia begins manufacturing in China and acquires the German cable company Isotec Kabel.

2001 – Elimag Industri is acquired. Capacity of Habia's plant in Söderfors is expanded.

2002 – Lesjöfors establishes manufacturing operations in China.

2003 – Lesjöfors begins manufacturing in Latvia.

2005 – AB Stafsjö Bruk is divested. Lesjöfors acquires Danfoss' spring operations and becomes part owner of Hanil Precision, one of Korea's leading manufacturers of gas springs.

2006 – Elimag is sold. Lesjöfors acquires the UK company Harris Springs.

2007 – Lesjöfors acquires the UK company European Springs & Pressings, bringing its total number of plants to 13. Beijer Alma celebrates its 20th anniversary as a listed company and has 3,002 shareholders at year-end.

2008 – Habia acquires the cabling company CS Technology AB and Lesjöfors concludes the acquisition of Stece AB's spring operations.

2009 – Habia opens a manufacturing plant for multicore cable in China. Lesjöfors begins manufacturing gas springs in Latvia and concentrates its production in the UK to fewer plants.

Administration Report

The Board of Directors and the President of Beijer Alma AB (publ) hereby submit the company's Administration Report and Annual Accounts for the 2009 financial year, the company's 27th year of operation.

REVENUES AND EARNINGS

Group

The year 2009 was characterized by a global recession with weak demand, a trend that Beijer Alma's companies managed through the implementation of cost-saving measures. 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. Order bookings declined 12 percent to MSEK 1,566 (1,785). Invoicing amounted to MSEK 1,571 (1,836), down 14 percent. The proportion of international sales was 82 percent (80). 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 net profit to MSEK 162.4 (216.7).

The Group's performance during the past five years is shown in the table below:

MSEK	2009	2008	2007	2006	2005
Net revenues	1,571	1,836	1,654	1,488	1,323
Profit after financial items	226	295	283	262	200
Net profit	162	217	206	152	142
Shareholders' equity	986	960	847	748	709
Total assets	1,390	1,461	1,349	1,218	1,180

Subsidiaries

Lesjöfors, which is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components, decreased its order bookings by 6 percent to MSEK 1,040 (1,111). Invoicing fell 9 percent to MSEK 1,047 (1,151). Operating profit totaled MSEK 242.9 (251.6) and the operating margin was 23.2 percent (21.9). Lesjöfors conducts operations in three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. Sales 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 declined sales.

Habia Cable, which manufactures custom-designed cables, decreased its order bookings by 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). Although Habia reported weak sales to all customer groups in 2009, the company's sales levels stabilized during the second half of the year. Extensive personnel reductions were implemented to adapt the organization to the prevailing market situation. The full earnings effects of these cost savings will be felt from early 2010.

Parent Company

The Parent Company's operations primarily comprise owning and managing shares and participations in subsidiaries and associated companies, and responsibility for certain Group-wide functions. The company conducts no external invoicing. The Parent Company's profit after financial items amounted to MSEK 65.7 (58.4), including dividends from subsidiaries totaling MSEK 85.0 (75.0). Net profit totaled MSEK 68.3 (60.9).

CAPITAL EXPENDITURES

Investments in fixed assets amounted to MSEK 60.5 (89.1), compared with depreciation totaling MSEK 71.4 (68.2). Of these investments, Lesjöfors invested MSEK 34.9 and Habia invested MSEK 25.6.

RESEARCH AND DEVELOPMENT

Development costs normally pertain to order-related development and are charged to each order.

CASH FLOW, LIQUIDITY AND FINANCIAL POSITION

Cash flow after capital expenditures amounted to MSEK 215.8 (150.1). Net interest-bearing liabilities, meaning interest-bearing liabilities less cash and cash equivalents, declined MSEK 78 during the year. The company had a net debt of MSEK 18.4 at the beginning of the year and net cash of MSEK 59.5 at year-end. Available liquidity, which is defined as cash and cash equivalents plus approved but unutilized overdraft facilities, totaled MSEK 614 (500) at year-end. The equity ratio at year-end was 70.9 percent (65.7). The net debt/equity ratio, which is defined as net debt in relation to shareholders' equity, was negative 6.0 percent (1.9).

PROFITABILITY

The return on average capital employed was 21.2 percent (28.3), while the return on average shareholders' equity was 17.2 percent (23.5).

PERSONNEL

The number of employees was 1,146 (1,220). Since the fourth quarter of 2008, the number of employees has declined by 185 individuals, including 74 people in 2009. Beijer Alma conducts low-cost production operations in China, Latvia and Poland. During 2009, the number of employees in these countries declined by five, bringing the total number to 256. Of the company's employees, 497 individuals (532) work in Sweden and 649 (688) work abroad.

OWNERSHIP STRUCTURE

Beijer Alma has approximately 3,700 shareholders (3,300). The largest shareholder is Anders Wall, including his family and companies, with 12.8 percent of the capital and 37.1 percent of the votes. In terms of capital, other major owners include Svolder AB with 8.7 percent, the Kjell and Märta Beijer Foundation with 6.1 percent, Lannebo Funds with 6.0 percent, the Anders Wall Foundations with 5.7 percent and Livförsäkringaktiebolaget Skandia with 5.4 percent. No major ownership changes occurred in 2009.

ENVIRONMENT

A total of 11 of Lesjöfors' 13 production plants have been awarded ISO 14001 certification. One of these units was granted certification in 2009. All of the company's plants are Class C plants, which means that they have a relatively low environmental impact. All waste is sorted into various fractions and 100 percent of disposed raw materials are recycled. The prioritized areas for Lesjöfors' environmental work include reduced resource utilization, which involves minimizing energy consumption. Habia's Swedish unit is certified in accordance with ISO 14001 and is a Class B plant, which means that it is subject to permit requirements. These permit requirements pertain to emissions of volatile hydrocarbons. The prioritized areas for the company's environmental work include reducing the amount of scrap generated in production. Accordingly, the company is conducting a joint project with the Royal Swedish Institute of Technology regarding the recycling of plastics used in production operations.

RISKS AND UNCERTAINTIES

The Group's material risks and uncertainties include business and financial risks. Business risks may include major customer exposures 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 within Sweden. Management of the Group's financial risks is described in Note 28. With regard to business risks, strategic work is being carried out to broaden the Group's customer base in terms of geography and industry. The Group is deemed to have a favorable risk spread across industries and companies. In general, the prevailing economic conditions have caused the financial situation of many companies to deteriorate. This means that there is an declined risk that individual companies will not be able to fulfill their payment commitments. Besides this, no material risks arose during the year.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Beijer Alma AB has 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.

OUTLOOK FOR 2010

Beijer Alma entered 2010 with somewhat stronger demand and significantly reduced costs. Financially, the Group is stronger than it has ever been. This will enable a favorable profit trend, while at the same time allowing the Group to take aggressive action.

PROPOSED APPROPRIATION OF PROFITS

The Board of Directors and the President propose that the following funds be made available for distribution by the Annual General Meeting:

SEK 000s	
Retained earnings	164,322
Net profit for the year	68,344
Total	**232,666**

to be appropriated as follows:	
Dividend to shareholders of SEK 5.00 per share	137,155
To be carried forward	95,511

BOARD OF DIRECTORS' STATEMENT CONCERNING THE PROPOSED DIVIDEND

After the proposed dividend, the Parent Company's equity ratio will amount to 64 percent and the Group's equity ratio to 59 percent. These equity ratios are adequate given that the company and the Group continue to conduct profitable operations. The liquidity of the Group and the company is expected to remain adequate. In the opinion of the Board of Directors, the proposed dividend will not prevent the Parent Company or the other Group companies from fulfilling their short or long-term obligations. Nor will it prevent any company from fulfilling its required capital expenditures. Accordingly, the proposed dividend can be justified in accordance with the provisions in Chapter 17, Section 3, Paragraphs 2-3 of the Swedish Companies Act (the prudence rule).

Income statement

Amounts in SEK 000s	Note	Group		Parent Company	
		2009	**2008**	**2009**	**2008**
Net revenues	3,4	1,571,219	1,836,306	–	–
Cost of goods sold	1,5,7,8	–998,992	–1,187,590	–	–
Gross profit		**572,227**	**648,716**	**0**	**0**
Selling expenses	1,5,7,8	–190,718	–194,101	–	–
Administrative expenses	1,5,7,8	–142,497	–153,732	–30,787	–31,670
Other operating income		–	–	13,700	13,700
Profit/loss from participations in associated companies	6	–856	1,474	–	–
Operating profit/loss	**7,8**	**238,156**	**302,357**	**–17,087**	**–17,970**
Income from participations in Group companies	9	–	–	85,000	75,000
Interest income		1,104	7,133	6,068	9,902
Impairment of securities	17	–5,896	–	–5,896	–6,594
Interest expenses		–6,910	–14,458	–2,345	–1,899
Profit after financial items		**226,454**	**295,032**	**65,740**	**58,439**
Tax on net profit for year	10	–64,077	–78,313	2,604	2,499
Net profit for the year attributable to Parent Company shareholders		**162,377**	**216,719**	**68,344**	**60,938**
Other comprehensive income					
Income/expenses recognized directly against shareholders' equity					
Cash-flow hedges after tax		26,783	–14,658	–	–
Translation differences		–25,621	47,912	–	–
Total other comprehensive income		**1,162**	**33,254**	**0**	**0**
Total comprehensive income attributable to Parent Company shareholders		**163,539**	**249,973**	**68,344**	**60,938**
Net earnings per share before and after dilution, SEK	11	5.92	7.90	–	–
Proposed/adopted dividend per share, SEK		–	–	5.00	5.00

Balance sheet

Amounts in 000s	Note	Group		Parent Company	
		2009	2008	2009	2008
ASSETS					
Fixed assets					
Intangible assets					
Goodwill	12	121,147	130,592	–	–
Licenses		140	187	–	–
Tangible assets					
Land and land improvements	13	16,571	17,166	–	–
Buildings	14	162,206	175,652	–	–
Plant and machinery	15	256,267	258,742	–	–
Equipment, tools, fixtures and fittings	16	27,636	31,914	1,259	1,519
Financial assets					
Deferred tax assets	26	2,260	7,020	–	–
Other long-term receivables		3,117	3,057	–	–
Other securities	17	12,479	17,508	12,407	17,508
Participations in associated companies	18	14,755	15,399	–	–
Participations in Group companies	19	–	–	190,678	192,444
Total fixed assets		**616,578**	**657,237**	**204,344**	**211,471**
Current assets					
Inventories	20	288,703	325,775	–	–
Receivables					
Accounts receivable	21	243,681	272,671	–	–
Receivables from Group companies		–	–	329,270	367,647
Other receivables	22	13,227	23,671	8	142
Tax asset		–	–	9,932	–
Prepaid expenses and accrued income	23	32,496	19,931	878	670
Cash and cash equivalents	24	195,513	161,495	51	53
Total current assets		**773,620**	**803,543**	**340,139**	**368,512**
Total assets		**1,390,198**	**1,460,780**	**544,483**	**579,983**

Balance sheet

Amounts in SEKs	Note	Group		Parent Company	
		2009	2008	2009	2008
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	25				
Share capital		114,296	114,296		
Other contributed capital		165,351	165,351		
Reserves		29,564	28,405		
Retained earnings, including net profit for the year		676,738	651,513		
Shareholders' equity attributable to Parent Company shareholders		**985,949**	**959,565**		
Minority interest		3,081	3,285		
Total shareholders' equity		**989,030**	**962,850**		
Share capital				114,296	114,296
Statutory reserve				165,351	165,351
Total restricted equity				279,647	279,647
Retained earnings				164,322	209,014
Net profit for the year				68,344	60,938
Total unrestricted equity				232,666	269,952
Total shareholders' equity				**512,313**	**549,599**
Long-term liabilities					
Deferred tax	26	32,755	26,941		
Pension obligations	27	357	362		
Liabilities to credit institutions	28	66,854	80,382		
Total long-term liabilities		**99,966**	**107,685**		
Current liabilities					
Committed credit facilities	28	52,701	72,958	17,320	12,061
Liabilities to Group companies		–	–	6,622	6,502
Accounts payable		78,881	83,516	291	671
Tax liabilities		11,947	16,326	–	2,063
Accrued expenses and deferred income	29	113,434	153,679	7,299	8,517
Liabilities to credit institutions	28	16,141	26,175	–	–
Other current liabilities	30	28,098	37,591	638	570
Total current liabilities		**301,202**	**390,245**	**32,170**	**30,384**
Total shareholders' equity and liabilities		**1,390,198**	**1,460,780**	**544,483**	**579,983**
Pledged assets	31	**304,948**	**371,377**	**12,260**	**12,260**
Contingent liabilities	32	**3,137**	**2,564**	**1,493**	**2,000**

Changes in shareholders' equity

Group	Share capital	Other contributed capital	Reserves	Retained earnings, including net profit for the year	Total	Minority interest	Total shareholders' equity
December 31, 2007	**114,296**	**165,351**	**–4,852**	**571,952**	**846,747**	**–**	**846,747**
Total comprehensive income	–	–	33,254	216,719	249,973	–	249,973
Dividend paid	–	–	–	–137,155	–137,155	–	–137,155
Minority interest	–	–	–	–	–	3,285	3,285
December 31, 2008	**114,296**	**165,351**	**28,402**	**651,516**	**959,565**	**3,285**	**962,850**
Total comprehensive income	–	–	1,162	162,377	163,539	–	163,539
Dividend paid	–	–	–	–137,155	–137,155	–	–137,155
Minority interest (translation difference)	–	–	–	–	–	–204	–204
December 31, 2009	**114,296**	**165,351**	**29,564**	**676,738**	**985,949**	**3,081**	**989,030**

Parent Company	Share capital	Statutory reserve	Retained earnings	Net,profit, for the year	Total shareholders' equity
December 31, 2007	**114,296**	**165,351**	**71,840**	**213,728**	**565,215**
Reclassification of net profit for the preceding year	–	–	213,728	–213,728	**–**
Dividend paid	–	–	–137,155	–	**–137,155**
Group contribution less tax	–	–	57,638	–	**57,638**
Result from mergers	–	–	2,963	–	**2,963**
Net profit for the year	–	–	–	60,938	**60,938**
December 31, 2008	**114,296**	**165,351**	**209,014**	**60,938**	**549,599**
Reclassification of net profit for the preceding year	–	–	60,938	–60,938	**–**
Dividend paid	–	–	–137,155	–	**–137,155**
Group contribution less tax	–	–	31,525	–	**31,525**
Net profit for the year	–	–	–	68,344	**68,344**
December 31, 2009	**114,296**	**165,351**	**164,322**	**68,344**	**512,313**

Proposed dividend of SEK 5.00 per share, total of 137,155.

Cash-flow statement

Amounts in SEK 000s	Note	Group		Parent Company	
		2009	**2008**	**2009**	**2008**
Operating activities					
Operating profit/loss		238,156	302,357	–17,087	–17,970
Net financial items	33	–6,602	–7,913	120,804	188,003
Income tax paid		–57,882	–95,130	–9,391	–19,797
Items not affecting cash flow	34	72,243	60,675	7,922	236
Cash flow from operating activities before change in working capital and capital expenditures		**245,915**	**259,989**	**102,248**	**150,472**
Change in inventories		29,072	–39,794	–	–
Change in receivables		37,698	–1,558	326	–39,726
Change in current liabilities		–35,325	14,965	–1,410	19,458
Cash flow from operating activities		**277,360**	**233,602**	**101,164**	**130,204**
Investing activities					
Investments in tangible assets		–60,290	–80,442	–	–819
Investments in intangible assets		–317	–	–	–
Investments in other shares		–857	20,659	–795	–1,231
Change in other financial assets		–60	–386	–	–
Acquisitions of companies	35	–	–23,311	–	–
Cash flow from investing activities		**–61,524**	**–83,480**	**–795**	**–2,050**
Cash flow after capital expenditures		**215,836**	**150,122**	**100,369**	**128,154**
Financing activities					
Borrowings		–	52,665	–	–
Change in long-term liabilities and credit facilities		–44,028	–72,023	5,259	–48,636
Group contributions received/paid and shareholders' contributions, excluding tax		–	–	31,525	57,638
Dividend paid		–137,155	–137,155	–137,155	–137,155
Cash flow from financing activities		**–181,183**	**–156,513**	**–100,371**	**–128,153**
Change in cash and cash equivalents		**34,653**	**–6,391**	**–2**	**1**
Cash and cash equivalents at beginning of year		**161,495**	**165,343**	**53**	**52**
Exchange-rate differences in cash and cash equivalents and acquired cash		**–635**	**2,543**	**–**	**–**
Cash and cash equivalents at year-end	24	**195,513**	**161,495**	**51**	**53**
Unutilized committed credit facilities		**418,474**	**338,580**	**157,680**	**162,939**
Available liquidity		**613,987**	**500,075**	**157,731**	**162,992**

Notes

All amounts in SEK 000s unless otherwise stated.

SUMMARY OF KEY ACCOUNTING POLICIES

The key accounting policies applied in the preparation of these consolidated accounts are stated below. Unless otherwise specified, these policies were applied for all of the years presented.

Basis for the preparation of the report

Beijer Alma's consolidated accounts were prepared in accordance with the Swedish Annual Accounts Act, RR 1.2 Supplementary Accounting Rules for Groups and the International Financial Reporting Standards (IFRS) and IFRIC interpretations adopted by the European Union. The consolidated accounts were prepared according to the cost method, except in the case of certain financial assets and liabilities (including derivative instruments) measured at fair value.

New and amended standards applied by the Group from January 1, 2009

Amendment to IFRS 7 Financial Instruments: Disclosures. This amendment requires enhanced disclosures regarding measurement at fair value and liquidity risk. In particular, the amendment requires that disclosures regarding measurement at fair value be conducted by level in a measurement hierarchy. This amendment has not impacted any area except disclosures.

IFRS 8 Operating Segments. IFRS 8 has replaced IAS 14 Segment Reporting. The new standard requires that segment information be disclosed from the perspective of management, which means that information is to be disclosed using the policies applied for internal reporting. For Beijer Alma, this has not involved any changes to the segments for which information is to be disclosed.

Revised IAS 1 Presentation of Financial Statements. This standard forbids the presentation of income and expense items (meaning changes in shareholders' equity that do not pertain to transactions with shareholders) in the statement of changes in shareholders' equity. Instead, changes in shareholders' equity that do not pertain to transactions with shareholders must be recognized in a statement of comprehensive income. Accordingly, the Group has presented all shareholder-related changes in the consolidated statement of changes in shareholders' equity, while all changes in shareholders' equity that do not pertain to transactions with shareholders are recognized in the consolidated statement of comprehensive income. Comparative information is presented in accordance with the revised standard. This revision has not impacted any area except the presentation of financial statements.

Amendment to IFRS 2 Share-based payment. This amended standard addresses vesting conditions and cancellations. The standard does not currently affect the Group's financial statements.

Amendment to IAS 23 Borrowing Costs. Previously, the Group's policy was to immediately expense all borrowing costs. This amendment will make it mandatory under certain circumstances to capitalize borrowing costs as part of the cost of an asset. This amendment has not impacted the Group's financial statements.

Standards, amendments and interpretations of existing standards that have not yet taken effect and were not applied in advance by the Group

At the time of the preparation of these consolidated accounts on December 31, 2009, several standards and interpretations had been published that will be mandatory for the Group's accounts when they come into effect on January 1, 2010 or later. During 2009, Beijer Alma did not apply any standards or interpretations in advance. Standards that may affect the financial statements when implemented include:

Revised IFRS 3 Business Combinations. This revised standard still stipulates that the purchase method be applied for business combinations, but with a few essential changes. Application of this amendment will involve changes to how acquisitions are recognized, including changes to reporting transaction costs, possible contingent purchase prices and successive acquisitions. This amendment will be applied from the 2010 financial year and will not affect earlier acquisitions.

Amendment to IAS 27 Consolidated and Separate Financial Statements. Among other changes, this amended standard requires that the effects of all transactions with owners without a controlling influence be recognized in shareholders' equity, provided that they do not result in any change to the controlling influence. These transactions no longer give rise to goodwill, gains or losses. The standard will be applied for transactions from January 1, 2010.

Amendment to IAS 38 Intangible Assets. Among other changes, this amendment provides clarification on the fair value measurement of intangible assets acquired in a business combination. The amendment will not have a material impact on the Group's financial statements.

According to a preliminary assessment, other standards and interpretations are not expected to affect the accounts or to result in a need for further disclosures.

Key estimates and assumptions for accounting purposes

Preparation of the accounts in accordance with IFRS requires the use of a number of key estimates for accounting purposes. Management is also required to make certain assumptions when applying the Group's accounting policies. The following are areas involving a high rate of assessment, complex areas or areas in which assumptions and estimates are of material importance:

Assumptions regarding impairment testing of goodwill

The Group tests goodwill for impairment annually in accordance with the accounting policies described in the section concerning intangible assets. Assumptions and estimates relating to expected cash flows and discount rates in the form of weighted average capital costs are described in Note 12. Forecasts concerning future cash flows are based on the best possible estimates of future revenues and operating expenses. The impairment tests performed, which did not indicate a need for impairment of goodwill, were based on a margin with a value in use that, according to management's assessment, will not exceed its carrying amount as a result of any reasonable changes in individual variables. It is the assessment of management that even a certain variation in key variables will not result in an impairment requirement.

Accounts receivable

Receivables are recognized in a net amount after provisions are made for doubtful accounts receivable, which are assessed on an individual basis. The net value reflects the anticipated collectable amounts based on the known circumstances on the balance-sheet date. Changes to these circumstances, such as an increase in the scope of non-payments or changes to a significant customer's financial position, may result in deviations in valuation. The general prevailing market trend has resulted in an increased focus on customer credit ratings and monitoring of accounts receivable (Note 21).

Disputes

Beijer Alma becomes involved in disputes in the course of its normal business activities. Such disputes may concern product liability, alleged faults in deliveries of goods and other issues in connection with Beijer Alma's operations. Disputes can be costly and time-consuming and can disrupt the company's normal business activities. At present, no disputes are considered to be materially significant.

Cash flow

The cash-flow statement was prepared in accordance with the indirect method. Recognized cash flow only includes transactions involving payments and disbursements. Cash and cash equivalents include cash and bank balances and short-term financial investments with a term of less than three months.

CONSOLIDATED ACCOUNTS

The consolidated accounts include subsidiaries in which the Parent Company directly or indirectly holds more than 50 percent of the votes and companies over which the Parent Company has a controlling influence, meaning the right to formulate the financial and operative strategy of the company in question for the purpose of obtaining financial benefits.

The Group's annual accounts were prepared in accordance with the purchase method. The cost of an acquired company comprises the fair value of the assets submitted as reimbursement, issued equity instruments and liabilities that arise or are assumed on or before the transfer date, plus expenses directly attributable to the acquisition. The acquired equity of subsidiaries is determined as the difference between the fair value of identifiable assets and the fair value of liabilities and contingent liabilities, based on a market valuation performed at the time of acquisition. The shareholders' equity of acquired subsidiaries is eliminated in its entirety, which means that consolidated shareholders' equity only includes the portion of the subsidiaries' shareholders' equity that is earned after the acquisition. If the consolidated cost of the shares exceeds the value of the company's identifiable net assets as indicated in the acquisition analysis, the difference is recognized as consolidated goodwill. Companies acquired during the year are included in the consolidated accounts from the date on which the Group secured a controlling influence over the company, including the amount for the period after the acquisition.

Subsidiaries disposed of by the Group are excluded from the consolidated accounts from the date on which the controlling influence ceases. Intra-Group transactions, balance-sheet items and profit are eliminated in their entirety, without taking any minority shares into consideration..

Translation of foreign currencies

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which each company conducts its primary operations (functional currency). In the consolidated financial statements, SEK is used, which is the Parent Company's functional currency and reporting currency. Balance sheets and income statements for the subsidiaries in the Group are translated at the balance-sheet date rate and the average rate for the year, respectively. Translation differences are carried directly to the Group's shareholders' equity.

Significant foreign exchange rates	Year-end rate		Average rate	
	Dec. 31, 2009	Dec. 31, 2008	2009	2008
USD	7.18	7.72	7.65	6.60
EUR	10.27	10.95	10.61	9.68
GBP	11.42	11.20	11.91	12.04

Receivables and liabilities in foreign currencies are valued at the balance-sheet date rate. Exchange gains and losses that arise in conjunction with the payment of such transactions and in the translation of monetary assets and liabilities in foreign currency are recognized in the income statement under net revenues or cost of goods sold. Hedging transactions in the form of currency forward agreements pertaining to future flows in foreign currency influence earnings when they expire.

Reporting of associated companies

Associated companies are defined as companies that are not subsidiaries, but over which the Parent Company has a significant but not controlling influence, which generally involves shareholdings of 20 to 50 percent. Participations in associated companies are recognized in the consolidated financial statements in accordance with the equity method and are initially measured at cost. The Group's share in the post-acquisition earnings of an associated company is recognized in profit or loss and its share of changes in reserves is recognized in shareholders' equity. Accumulated post-acquisition changes are recognized as changes in the carrying amount of the investment.

When the Group's share in the losses of an associated company amounts to, or exceeds, the Group's investment in the associated company, the Group does not recognize further losses. Unrealized internal gains are eliminated against the share of gains accruing to the Group. Unrealized losses are also eliminated. Profit shares in associated companies are recognized on separate lines in the consolidated income statement and the consolidated balance sheet. Profit shares in associated companies are recognized after tax.

Segment reporting

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the highest executive decision maker. The highest executive decision maker is the function responsible for allocating resources and assessing the earnings of the operating segments. In the Group, the President and CEO is responsible for making strategic decisions. Beijer Alma's segments are the Group's operating segments of Lesjöfors (industrial springs) and Habia Cable (custom-designed cable).

Revenue recognition

The Group's net revenues comprise the fair value of the sale of goods. Beijer Alma recognizes revenues when the risk associated with the goods has been transferred to the customer, pursuant to the terms and conditions of sale, and when receipt of payment for the related accounts receivable is deemed probable. Sales are recognized net after value-added tax, rebates, returns, translation differences resulting from sales in foreign currencies and the elimination of intra-Group sales.

Interest income

Interest income is recognized distributed over the maturity period using the effective interest method.

Borrowing costs

Borrowing costs are charged against the earnings for the period to which they are attributable, provided that they do not pertain to borrowing costs directly attributable to the purchase, design or production of an asset that takes a significant amount of time to prepare for use or sale. In such cases, any borrowing costs are capitalized as part of the cost of the asset.

Tax

Deferred tax is calculated according to the balance-sheet method for all temporary differences arising between the carrying amount and tax value of assets and liabilities. Loss carryforwards that can be utilized against anticipated future profit are capitalized as a deferred tax asset. This applies to accumulated tax loss carryforwards at the time of acquisition and to losses that arise thereafter. Valuation is performed using the tax rates in effect on the balance-sheet date. Deferred tax is recognized in the balance sheet as a financial asset or long-term liability. Tax expenses for the year comprise current tax and deferred tax. If the actual outcome differs from the amount that was initially reported, such differences will affect the provisions for current tax and deferred tax, as well as net profit for the year. Deferred tax is recognized on temporary differences arising from participations in subsidiaries and associated companies, except when the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the difference will not be reversed in the foreseeable future.

Intangible assets

The Group's intangible assets comprise goodwill. Goodwill is defined as the amount by which the consolidated cost of the shares in acquired subsidiaries exceeds the fair value of the company's net assets as indicated in the acquisition analysis at the time of acquisition. Goodwill from the acquisition of associated companies is included in the value of the holdings in the associated companies and is tested for impairment as a part of the value of the total holding. Goodwill that is recognized separately is tested annually for impairment. Impairment of goodwill is not reversed. Gains or losses arising from the sale of a unit include the remaining carrying amount of the goodwill relating to the sold unit. Goodwill is allocated at the time of acquisition to cash-flow generating units that are expected to profit from the acquired operation that generated the goodwill item. For a description of the methods and assumptions used for impairment testing, refer to Note 12.

Research and product development

When costs are incurred for product development, such costs are immediately expensed. According to a strict definition, no research and development is conducted within the Group. Since development work in the Beijer Alma Group is conducted on a continuous basis and is an integrated part of the daily operations, such expenses are difficult to define. Moreover, these expenses do not amount to significant amounts.

Tangible assets

Tangible assets, including office and industrial buildings and land, are recognized at cost after deductions for accumulated depreciation. The cost includes costs directly related to the acquisition of the asset. Expenses for improvements to the performance of an asset beyond its original level increase the carrying amount of the asset. Expenses for repair and maintenance are reported as costs. In the income statement, operating profit is charged with straight-line depreciation based on the difference between the costs of the assets and any residual value they may have over their estimated useful lives. Beijer Alma applies the following estimated useful lives:

Official buildings used in operations	25–40 years
Industrial buildings used in operations	20–40 years
Plant and machinery	2–10 years
Equipment, tools, fixtures and fittings	2–10 years

Land is not depreciated. The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when the carrying amount of an asset exceeds its estimated recoverable amount, the asset is depreciated to its recoverable amount. Capital gains and losses are determined by comparing the selling price and the carrying amount. Capital gains and losses are recognized in profit or loss.

Lease agreements

Leasing agreements pertaining to fixed assets in which the Group essentially bears the same risks and enjoys the same benefits as in the case of direct ownership are classified as financial leasing. Financial leasing is recognized at the beginning of the leasing period at the lower of the fair value of the leasing object and the present value of the minimum leasing fees. Financial leasing agreements are recognized in the balance sheet as fixed assets or financial liabilities. Future leasing payments are distributed between amortization of the liability and financial expenses so that each accounting period is charged with an interest amount that corresponds to a fixed interest rate for the liability recognized during each period. Leasing assets are depreciated according to the same principles as other assets of the same class. In the income statement, costs associated with the leasing agreement are allocated to depreciation and interest. Leasing of assets in which the lessor essentially remains the owner of the asset is classified as operational leasing. The leasing fee is expensed on a straight-line basis over the leasing period. Operational leasing agreements are recognized in the income statement as an operating expense. Leasing of automobiles and personal computers is normally defined as operational leasing. The value of these leasing agreements is not deemed to be significant.

Impairment

Assets with an indefinite useful life, such as land, are not depreciated or amortized; instead, such assets are tested annually for impairment. For depreciated assets, an assessment of the carrying amount of the assets is conducted whenever there is an indication that the carrying amount exceeds the recoverable amount. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. Impairment is performed per cash-flow generating unit. For assets other than financial assets and goodwill for which an impairment loss was previously recognized, impairment testing is carried out on each balance-sheet date to determine whether they should be recovered.

Inventories

Inventories comprise finished goods, semi-manufactured goods and raw materials. Inventories are valued, using the first-in, first-out method, at the lower of cost and fair value (net selling price) on the balance-sheet date. Finished goods and semi-manufactured goods are valued at manufacturing cost, including raw materials, direct labor, other direct overheads and production-related overheads based on normal production. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective valuation is applied for homogenous groups of goods. Interest expenses are not included in the valuation of inventories. A deduction is made for intra-Group profit arising when deliveries are made between the Group's companies. A requisite deduction for obsolescence has been made.

Accounts receivable

Accounts receivable are initially reported at fair value and thereafter at amortized cost using the effective interest method, less any provisions for depreciation. A provision for depreciation is recognized when there is objective evidence that indicates that the recognized amount will not be received.

Financial instruments

The Group classifies its financial assets according to the following categories: loan receivables, accounts receivable and available-for-sale financial assets. Classification depends on the purpose for which the financial asset was acquired. Management determines the classification when the financial asset is first recognized and reviews this decision at every reporting occasion.

Loan receivables and accounts receivable

Loan receivables and accounts receivable are financial assets that are not derivatives, that have fixed or fixable payments and that are not listed in an active market. They are included in current assets with the exception of items with maturity dates more than 12 months after the balance-sheet date, which are classified as fixed assets. Loan receivables and accounts receivable are classified as accounts receivable and other current or long-term receivables in the balance sheet. Loan receivables and accounts receivable are recognized at amortized cost using the effective interest method.

Available-for-sale financial assets

Available-for-sale financial assets are assets that are not derivatives and are either identified as saleable or cannot be classified in any of the other categories. These assets are included in fixed assets if management does not intend to dispose of them within 12 months of the balance-sheet date. These assets are measured at fair value and any changes in value are recognized directly in shareholders' equity. An impairment loss is recognized when objective evidence indicates that impairment is required. Upon disposal of the asset, accumulated gains/losses, which were previously recognized in shareholders' equity, are recognized in profit or loss. Investments in equity instruments that do not have a listed market price in an active market and whose fair value cannot be reliably measured are measured at cost. Purchases and sales of financial assets are recognized on the trade date, meaning the date on which the Group commits to purchasing or selling the asset. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has assumed essentially all risks and benefits connected with the right of ownership.

Hedge accounting

Beijer Alma utilizes derivative instruments to cover risks associated with foreign exchange-rate changes. Beijer Alma applies hedging for commercial exposure in the form of highly probable forecast transactions (cash-flow exposure) within the framework of the financial policy adopted by the Board of Directors. Beijer Alma applies hedge accounting for contracts that fulfill the criteria for hedging in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used are effective. Hedge accounting means that the unrealized gains and losses that arise when hedging instruments are valued at market value and that fulfill the conditions for hedge accounting are recognized in shareholders' equity. Refer also to Note 28.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank balances and short-term investments with a maturity period not exceeding three months from the date of acquisition. Cash and cash equivalents are initially recognized at fair value and thereafter at amortized cost.

Share capital

Ordinary shares are classified as shareholders' equity. Transaction expenses that are directly attributable to new share issues or options are recognized in shareholders' equity, in a net amount after tax, as a deduction from the proceeds of the new share issue.

Accounts payable

Accounts payable are initially recognized at fair value and thereafter at amortized cost using the effective interest method.

Borrowing

Borrowing is initially recognized at fair value in a net amount after transaction expenses. Borrowing is thereafter recognized at amortized cost and any difference between the amount received and the amount repaid is recognized in profit or loss distributed over the borrowing period using the effective interest method.

Provisions

Provisions are recognized in the balance sheet under current and long-term liabilities when the Group has a legal or informal obligation as a result of an event that has occurred and it is probable that a flow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Employee benefits

The Group utilizes defined-contribution and defined-benefit pension plans. The pension plans are financed through payments made by each Group company and the employees. The defined-benefit pension plans are ITP plans that are insured with Alecta. Such plans are recognized as defined-contribution plans in the event that Alecta is unable to provide the necessary information. Refer also to Note 1. The Group's payments relating to pension plans are recognized as costs during the period in which the employees performed the services to which the payment refers.

Incentive programs

Employee benefits are recognized in accordance with IFRS 2 Share-based Payment. There are currently no outstanding incentive programs.

Dividends

Dividends are recognized as liabilities after they are approved by the Annual General Meeting.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board's recommendation RFR 2.2 Accounting for Legal Entities. RFR 2.2 stipulates that the Parent Company, in the annual accounts for the legal entity, shall apply all EU-approved IFRS and statements, to the extent that this is possible within the framework of the Swedish Annual Accounts Act and with consideration given to the relationship between accounting and taxation. The recommendation stipulates the permissible exceptions from and amendments to IFRS. The differences between the Group's and the Parent Company's accounting policies are described below.

Reporting of associated companies

In the Parent Company's annual accounts, participations in associated companies are recognized at cost with deductions for any impairment losses. Only dividends received as a result of profit earned after the acquisition date are reported as income from associated companies.

Dividends

Dividend income is recognized when the right to receive payment is assessed as secure.

Financial instruments

Financial assets are measured at cost less any impairment losses, and financial current assets at the lower of cost and market value.

Leased assets

In the Parent Company, all leasing agreements are recognized in accordance with the rules for operational leasing.

Group contributions and shareholders' contributions for legal entities

The Parent Company recognizes Group contributions and shareholders' contributions in accordance with statement UFR2 issued by the Swedish Financial Reporting Board.

note 1 PERSONNEL

Job location	Average number of employees 2009	2008
SWEDEN		
Parent Company		
Uppsala	2	2
Stockholm	3	3
Subsidiaries		
Filipstad	102	100
Herrljunga	46	54
Karlstad	10	11
Mönsterås	33	23
Stockholm	62	67
Tierp	168	193
Värnamo	45	52
Växjö	26	27
Total Sweden	**497**	**532**

Of whom 363 (384) are men and 134 (148) are women.

	Men	Women	Total 2009	Men	Women	Total 2008
OUSIDE SWEDEN						
Denmark	57	27	84	87	36	123
Finland	23	4	27	23	4	27
Norway	5	2	7	6	2	8
Latvia	30	28	58	29	40	69
France	3	2	5	4	2	6
Netherlands	3	2	5	4	2	6
UK	128	47	175	128	48	176
Germany	58	23	81	58	23	81
Hong Kong	3	5	8	5	5	10
China	130	49	179	113	69	182
Russia	1	0	1	0	0	0
Poland	8	11	19	0	0	0
Total outside Sweden	**449**	**200**	**649**	**457**	**231**	**688**
Total	**812**	**334**	**1,146**	**841**	**379**	**1,220**

Of the total number of employees, 812 (841) are men and 334 (379) are women. There are a total of 38 (36) directors in the Group's companies, of whom 37 (35) are men. All 22 (23) Group company presidents are men. Six (seven) of the Parent Company's seven (eight) Board members are men and the President of the Parent Company is a man.

Group

In the Group's Swedish units, remuneration was expensed as follows:

	2009	2008
Salaries/fees, President and Board of Directors	22,980	20,736
Of which bonuses, President and Board of Directors	4,940	4,907
Social security contributions, President and Board of Directors	11,646	10,778
Of which pension costs	4,799	4,554
Salaries, other	169,127	185,703
Social security contributions, other	66,565	78,041
Of which pension costs	13,731	13,770

Salaries and remuneration outside Sweden were expensed as follows:

	President/Board of Directors				Other		President/Boardof Directors				Other	
	Salaries	Of which bonuses	Social security contrib.	Of which pension pension	Salaries	Social security contrib.	Salaries	Of which bonuses	Social security contrib.	Of which pension pension	Salaries	Sociala security contrib.
						2009						2008
Denmark	2,314	–	201	195	40,373	3,195	1,339	–	116	113	56,331	4,165
Finland	1,957	255	547	255	8,957	2,159	1,756	211	445	233	9,900	1,952
Norway	1,128	101	352	49	3,760	1,004	1,041	115	309	42	4,142	1,066
Latvia	609	38	171	–	4,735	1,326	521	–	146	–	5,807	1,657
France	–	–	–	–	3,363	1,454	–	–	–	–	3,117	1,510
Netherlands	–	–	–	–	3,756	456	–	–	–	–	3,407	1,123
UK	4,475	357	968	502	50,007	5,478	6,415	566	1,199	803	56,231	4,964
Germany	3,735	276	339	11	29,782	5,804	3,514	136	319	19	27,743	5,091
Hong Kong	–	–	–	–	3,896	718	–	–	–	–	4,099	769
China	488	45	41	36	7,801	3,555	364	–	38	–	7,056	2,153
Russia	–	–	–	–	723	–	–	–	–	–	639	–
Poland	–	–	–	–	1,686	305	–	–	–	–	–	–
Total salaries and remuneration	**14,706**	**1,072**	**2,619**	**1,048**	**158,839**	**25,454**	**14,950**	**1,028**	**2,572**	**1,210**	**178,472**	**24,450**
Total salaries and remuneration in Sweden according to the above	**22,980**	**4,940**	**11,646**	**4,799**	**169,127**	**66,565**	**20,736**	**4,907**	**10,778**	**4,554**	**185,703**	**78,041**
Group total	**37,686**	**6,012**	**14,265**	**5,847**	**327,966**	**92,019**	**35,686**	**5,935**	**13,350**	**5,764**	**364,175**	**102,941**

Parent Company	2009	2008
Salaries/fees, President and Board of Directors	9,940	9,064
of which bonuses, President and Board of Directors	2,466	2,468
Social security contributions,		
President and Board of Directors	4,417	4,242
of which pension costs	1,708	2,901
Salaries, other	4,764	4,552
Social security contributions, other	2,319	2,399
of which pension costs	774	878

Retirement-pension and family-pension obligations for salaried employees in Sweden are secured through an insurance policy with Alecta. According to statement UFR 6 Multi-employer Pension Plans issued by the Swedish Financial Reporting Board, this is a defined-benefit pension plan. For the 2009 financial year, the company did not have access to sufficient information to enable it to report this plan as a defined-benefit plan. Accordingly, the pension plan, which is secured through insurance with Alecta, was reported as a defined-contribution pension plan in accordance with ITP. Alecta's surplus may be distributed to the policyholders and/or the insured. On September 30, 2009, Alecta's surplus, measured as the collective consolidation level, amounted to 136 percent (December 31, 2008: 112). The collective consolidation level is defined as the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial calculation assumptions, which do not correspond with IAS 19.

Employment conditions and remuneration to members of senior management

Principles

Fees are paid to the Chairman of the Board and the directors in accordance with the resolution adopted by the Annual General Meeting. These fees are paid retroactively on an annual basis. No special fees are paid for committee work. No fees are paid to Group employees for work as directors of subsidiaries. Remuneration for the President and for members of senior management comprises basic salary, including company car benefits, bonuses and pension costs. Members of senior management include the President, the presidents of the two subsidiaries, the Group's Chief Financial Officer and the Group's Controller. The distribution between basic salary and bonus shall be proportional to the individual's responsibilities and authority. For the President, the bonus ceiling is maximized at 100 percent of basic salary. For other members of senior management, the bonus ceiling is maximized at 50 to 100 percent of basic salary, excluding company car benefits. The bonus is based on actual performance in relation to individually established goals. Pension benefits and company car benefits for the President and other members of senior management are paid as part of the total remuneration. The Board of Directors intends to recommend to the Annual General Meeting that the principles remain unchanged for 2010.

Compensation and benefits in 2009

	Directors' fees/ basic salaries, including company car benefits	Bonus	Pension costs	Total
Directors (fees to seven directors in accordance with resolution adopted by 2009 Annual General Meeting)	2,200	–	–	2,200
Senior management (five people)	12,270	5,867	4,003	22,140
of which President	5,047	2,466	1,697	9,210
Total	**14,470**	**5,867**	**4,003**	**24,340**

Compensation and benefits in 2008

	Directors' fees/ basic salaries, including company car benefits	Bonus	Pension costs	Total
Directors (fees to eight directors in accordance with resolution adopted by 2008 Annual General Meeting)	2,425	–	–	2,425
Senior management (five people)	11,162	5,812	3,976	20,950
of which President	4,796	2,468	1,566	8,830
Total	**13,587**	**5,812**	**3,976**	**23,375**

The Chairman of the Board received a fee of SEK 850,000 (850,000) and the other six (seven) directors each received a fee of SEK 225,000 (225,000).

Comments on the table

Members of the Group's senior management only have defined-contribution pension plans. Pension costs refer to the costs charged against net profit for the year. The amounts listed above include a special payroll tax in the amount of 24.26 percent of the premium paid.

Employment conditions

President

The period of notice is 24 months if employment is terminated by the company and nine months if employment is terminated by the employee. Termination salary is not to be offset against other income. The retirement age is 65. Pension premiums are paid by the company in an amount corresponding to 30 percent of the basic salary, excluding company car benefits.

Other members of senior management

In cases when employment is terminated by the company, the period of notice varies between 18 and 24 months. In the event that employment is terminated by the employee, the period of notice is six months. Termination salary is offset against remuneration from other employers. The retirement age is 65 in all cases. Pension premiums, which are paid by the company, are equivalent to 25 to 30 percent of the basic salary, excluding company car benefits.

note 2 BOARD OF DIRECTORS

Anders Wall. Education: Studies at the Stockholm School of Economics. Med Dr h.c., Econ Dr h.c., Consul General. Director since: 1992. Chairman of: Beijerinvest AB, the Kjell and Märta Beijer Foundation, the Anders Wall Foundations, the Consul Th. C. Bergh Foundation, Ryda Bruk AB, Svenskt Tenn AB and Morgongåva Företagspark AB. Director of: Domarbo Skog AB, Hargs Bruk AB, the Anders Wall Professor of Entrepreneurship Foundation and others. Honorary Fellow at Uppsala University, Luxembourg's Consul General, Member of the Royal Academy of Engineering Sciences (IVA). Earlier positions: President and CEO of AB Kol&Koks/Beijerinvest from 1964 to 1981, Chairman of the Board from 1981 to 1983 (after merger with AB Volvo), President and CEO of Investment AB Beijer from 1983 to present. Earlier directorships: Handelsbanken, Skandia, Industrivärden, Uddeholm, Billerud, Group Bruxelles Lambert, Pargesa and others.

Anders G. Carlberg. Education: Master of Business Administration. Director since: 1997. Director of: Axel Johnson AB, Axel Johnson Inc., Sapa AB, SSAB, Säkl, Mekonomen, Höganäs AB (Chairman), Seveco and others. Earlier positions: President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International AB, Executive Vice President of SSAB.

Göran W Huldtgren. Education: Business studies at Uppsala University. President of Scandecor Marketing AB. Director since: 1983. Director of: LeanOn AB. Earlier positions: Self-employed since 1968.

Peter Nilsson. Education: Master of Engineering from the Institute of Technology at Linköping University. President and CEO of Trelleborg AB. Director since: 2008. Director of: Trelleborg AB, Trioplast Industrier AB, the Chamber of Commerce and Industry of Southern Sweden and others. Earlier positions: Business Area President and other assignments within the Trelleborg Group, Management Consultant at BSI.

Marianne Nivert. Education: Telecommunications Engineering Degree and Bachelor of Science. Director since: 2002. Director of: SSAB, Wallenstams Byggnads AB and the Swedish Corporate Governance Board. Earlier positions: President and CEO of Telia AB, Vice President and Head of Network Operations at Telia AB and Vice President and Head of HR at Telia AB.

Anders Ullberg. Education: Master of Business Administration from the Stockholm School of Economics. Director since: 2007. Chairman of: Boliden, Eneqvistbolagen, Tieto and Studsvik. Director of: Atlas Copco, Sapa Holding and Åkers. Earlier positions: President and CEO of SSAB Svenskt Stål, Vice President and CFO of SSAB, CFO of Svenska Varv.

Johan Wall. Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University in Palo Alto in the US. President of Bisnode AB. Deputy Director: 1997 to 2000. Director since: 2000. Director of: The Kjell and Märta Beijer Foundation, the Anders Wall Foundations and others. Earlier positions: President of Enea AB, President of Framfab AB and President of Netsolutions AB.
VD Enea AB, VD Framfab AB, VD Netsolutions AB.

Bertil Persson. Education: Master of Business Administration from the Stockholm School of Economics. President and CEO of Beijer Alma AB. Deputy Director: 2000 to 2001 and since 2002. Director: 2001 to 2002.

Earlier positions: Head of Treasury at Investor AB, Director of Finance at Scania AB and Executive Vice President of LGP Telecom AB.

note 3 NET REVENUES

	2009	2008
Sweden	289,675	369,877
Other EU	961,531	1,090,080
Other Europe	90,477	116,323
Asia	182,781	208,965
Rest of the world	46,755	51,061
Total	**1,571 219**	**1,836 306**

Besides Sweden, the countries in which Beijer Alma has the largest net revenues are:

MSEK	2009	2008
UK	317	287
Germany	230	271
China	131	161
Denmark	83	107

note 4 SEGMENT REPORTING

The President determined the operating segments based on the information processed by Group management and used to make strategic decisions. The operating segments comprise Beijer Alma's sub-groups: Lesjöfors (industrial springs) and Habia Cable (custom-designed cable). Each sub-group has its own manufacturing, product development, administration and marketing functions and is led by a president, who is a member of Group management.

2009 MSEK	Lesjöfors	Habia	Other (Parent Company etc.)	Eliminations	Total
Segment income	1,046.5	522.6	2.1	–	1,571.2
Inter-segment sales	–	–	–	–	–
Income from external customers	**1,046.5**	**522.6**	**2.1**	**–**	**1,571.2**
Operating profit/loss	**242.9**	**11.5**	**–16.2**	**–**	**238.2**
Interest income	0.8	0.3	91.1	–91.1	1.1
Interest expenses	–8.1	–4.2	–6.6	6.1	–12.8
Profit after financial items	**235.6**	**7.6**	**68.3**	**–85.0**	**226.5**
Tax	–65.2	–1.2	2.3	–	–64.1
Net profit	**170.4**	**6.4**	**70.6**	**–85.0**	**162.4**
Operating profit/loss includes:					
Depreciation and amortization	–46.3	–24.5	–0.6	–	–71.4
Impairment of goodwill	–1.9	–	–	–	–1.9
Share of profit/loss in associated companies	–	–0.1	–0.8	–	–0.9
Assets	929.7	426.7	546.2	–512.4	1,390.2
Liabilities	445.7	182.2	33.8	–257.4	404.3
Of which interest-bearing	34.9	84.2	16.9	–	136.0
Cash funds (included in assets)	179.7	15.7	0.1	–	195.5
Net debt	–144.8	68.5	16.8	–	–59.5
Investments in tangible assets	34.9	25.6	–	–	60.5

2008 MSEK					
Segment income	1,151.2	684.9	0.2	–	1,836.3
Inter-segment sales	–	–	–	–	–
Income from external customers	**1,151.2**	**684.9**	**0.2**	**–**	**1,836.3**
Operating profit/loss	**251.6**	**71.8**	**–21.0**	**–**	**302.4**
Interest income	5.2	1.5	84.8	–84.4	7.1
Interest expenses	–13.2	–9.0	–8.5	16.2	–14.5
Profit after financial items	**243.6**	**64.3**	**55.3**	**–68.2**	**295.0**
Tax	–65.6	–15.2	2.5	–	–78.3
Net profit	**178.0**	**49.1**	**57.8**	**–68.2**	**216.7**
Operating profit/loss includes:					
Depreciation and amortization	–44.3	–23.4	–0.5	–	–68.2
Impairment of goodwill	–	–	–	–	–
Share of profit/loss in associated companies	2.1	–	–0.6	–	1.5
Assets	944.5	495.6	580.1	–559.4	1,460.8
Liabilities	495.6	258.4	30.5	–286.6	497.9
Of which interest-bearing	49.0	119.2	11.7	–	179.9
Cash funds (included in assets)	117.7	43.8	–	–	161.5
Net debt	–68.7	75.4	11.7	–	18.4
Investments in tangible assets	57.5	30.6	1.0	–	89.1

note 5 ADMINISTRATIVE EXPENSES

Administrative expenses include the following auditors' fees:

	Group		Parent Company	
	2009	2008	2009	2008
Öhrlings PricewaterhouseCoopers AB				
- audit assignments	2,858	2,660	565	530
Other auditors				
- audit assignments	985	1,117	–	–
- other assignments	50	294	–	–
Total	**3,893**	**4,071**	**565**	**530**

Costs for product development totaling 13,873 (15,405) are included in the Group's administrative expenses.

note 6 PROFIT/LOSS FROM PARTICIPATIONS IN ASSOCIATED COMPANIES

Group	2009	2008
Share of profit/loss from:		
- Hanil Precision Co Ltd	0	0
- Stece AB	–	2,064
- BCB Baltic AB	–781	–590
- Irradose AB	–75	–
Total	**–856**	**1,474**

note 7 OPERATING PROFIT

Operating profit has been charged with depreciation, amortization and impairment as follows:

Group	2009	2008
Plant and machinery	51,221	47,805
Equipment, tools, fixtures and fittings	9,376	10,292
Buildings	10,405	9,994
Land improvements	82	83
Licenses	364	38
Total	**71,448**	**68,212**

In the Parent Company, equipment, tools, fixtures and fittings were depreciated by 260 (236).

Operating profit was affected in an amount of MSEK 16.6 (neg: 3.5) due to changes in exchange rates between the years.

note 8 OPERATIONAL LEASING

Operating profit was charged with costs for operational leasing as follows:

	Group		Parent Company	
	2009	2008	2009	2008
Leasing costs for the year	**20,220**	**15,802**	**1,576**	**1,118**
Future minimum leasing payments fall due as follows:				
Within one year	13,444	14,917	1,950	1,555
After more than one year, but within five years	40,854	41,347	2,819	2,800
After more than five years	3,476	12,438	–	–
Total	**57,774**	**68,702**	**4,769**	**4,355**

The majority of costs pertain to lease agreements for operating premises.

note 9 INCOME FROM PARTICIPATIONS IN GROUP COMPANIES

Parent Company	2009	2008
Anticipated dividend from:		
Habia Cable AB	25,000	10,000
Lesjöfors AB	60,000	65,000
Total	**85,000**	**75,000**

note 10 TAX ON NET PROFIT FOR THE YEAR

	Group		Parent Company	
	2009	2008	2009	2008
Current tax for the period	–62,188	–80,683	–8,697	–20,150
Temporary differences pertaining to				
- untaxed reserves	–1,910	1,324	–	–
- provisions for structural costs	–37	372	–	–
Tax effect of Group contributions	–	–	11,250	22,415
Current tax attributable to earlier years	58	674	51	234
Total	**–64,077**	**–78,313**	**2,604**	**2,499**

Difference between tax expense and 26.3-percent (28) tax

	Group		Parent Company	
	2009	2008	2009	2008
Profit before tax	226,454	295,032	65,740	58,439
26.3-percent (28) tax	–59,557	–82,609	–17,290	–16,363
Tax for the period	–64,077	–78,313	2,604	2,499
Difference	**–4,520**	**4,296**	**19,894**	**18,864**

Specification of difference

	Group		Parent Company	
	2009	2008	2009	2008
Effect of:				
- tax attributable to earlier years	59	674	51	234
- foreign tax rates	94	1,584	–	–
- non-deductible items	–4,915	–4,091	–2,512	–2,373
- non-taxable income	2,571	5,714	22,355	21,003
Other	–2,329	415	–	–
Total	**–4,520**	**4,296**	**19,894**	**18,864**

The Group's weighted average tax rate was 28.3 percent (26.6).

note 11 EARNINGS PER SHARE

Group	2009	2008
Profit used for calculating earnings per share		
Net profit attributable to Parent Company shareholders	162,377	216,719
Number of shares	27,431,100	27,431,100

Since there are no outstanding programs regarding convertibles or options, the number of shares before and after dilution is the same.

note 12 GOODWILL

Group	2009	2008
Opening cost	134,653	120,223
Acquisitions[1]	–3,372	5,095
Translation differences	–4,157	9,335
Closing accumulated cost	**127,124**	**134,653**
Opening impairment	4,061	4,061
Impairment for the year	1,916	–
Closing accumulated impairment	**5,977**	**4,061**
Carrying amount	**121,147**	**130,592**

1. Acquired goodwill for 2009 comprises:

	2009
Derecognition of previously recognized purchase consideration for CST Technology	–2,500
Acquisition of Habia Cable Sp Zoo	93
Derecognition of previously recognized purchase consideration for Harris Springs Ltd	–965
Total	**–3,372**

The Group's total recognized goodwill is allocated to the operating segments as follows:

Group	2009	2008
Springs	63,901	67,765
Custom-designed cable	57,246	62,827
Total	**121,147**	**130,592**

An impairment loss of 1,916 was recognized in 2009. The amount pertains to the goodwill value in a cash-flow generating unit that was discontinued during the year.

The Group tests goodwill annually for impairment. Impairment testing is based on a calculation of the value in use. This value is based on cash-flow forecasts, with the forecast for the first year based on the plans of each individual company. For subsequent years, the growth rate is assumed to be in line with forecast GDP levels of 2 to 3 percent, meaning a level considered to be approximately the same as the level of long-term inflation. Assumptions and forecasts were determined by corporate management. The budgeted operating margin was determined based on previous earnings and expectations regarding future market trends.

The following discount rates before tax were used at the close of 2009:

Equity financing	9%
Debt financing	4%
Weighted financing cost	6%

It is the company's assessment that reasonable changes in the annual growth rate, operating margin, discount rate and other assumed values would not have an impact so significant that they would individually reduce the recoverable amount to a value less than the carrying amount.
No impairment losses were identified during the impairment testing conducted during the current year.

note 13 LAND AND LAND IMPROVEMENTS

Group	2009	2008
Opening cost	18,834	17,415
Purchases	16	264
Translation differences	–529	1,155
Closing accumulated cos	**18,321**	**18,834**
Opening depreciation	1,608	1,525
Depreciation for the year	82	83
Closing accumulated depreciation	**1,690**	**1,608**
Opening impairment	60	60
Closing accumulated impairment	60	60
Carrying amount	**16,571**	**17,166**
Carrying amount of land in Sweden	7,270	7,276
Tax assessment value of land in Sweden	9,279	10,455

note 14 BUILDINGS

Group	2009	2008
Opening cost	281,831	261,444
Purchases	1,664	4,271
Through acquisitions of subsidiaries	20	–
Translation differences	–7,028	16,116
Closing accumulated cost	**276,487**	**281,831**
Opening depreciation	105,218	89,371
Depreciation for the year	10,405	9,994
Carrying amount	–2,303	5,853
Translation differences	113,320	105,218
Closing accumulated depreciation	961	–
Opening impairment	–	961
Impairment for the year	**162,206**	**175,652**
Carrying amount of buildings in Sweden	99,244	103,408
Tax assessment value of buildings in Sweden	70,656	66,945

note 15 PLANT AND MACHINERY

Group	2009	2008
Opening cost	723,396	629,416
Purchases	57,895	90,722
Sales and disposals	–9,090	–22,844
Through acquisitions of subsidiaries	348	23
Reclassification	–601	–812
Translation differences	–16,689	26,891
Closing accumulated cost	**755,259**	**723,396**
Opening depreciation	459,612	408,941
Sales and disposals	–7,824	–8,143
Acquisitions of subsidiaries	–127	–
Reclassification	1,082	–249
Depreciation for the year	51,221	47,805
Translation differences	–10,358	11,258
Closing accumulated depreciation	**493,606**	**459,612**
Opening impairment	5,043	5,184
Sales of companies	–	–142
Impairment for the year	343	–
Translation differences	–	–
Closing accumulated impairment	**5,386**	**5,042**
Carrying amount	**256,267**	**258,742**

Financial leasing agreements

The Group's plant and machinery includes financial leasing agreements as follows:

Group	2009	2008
Cost	1,946	28,198
Remaining residual value	875	8,376

Future minimum leasing payments fall due as follows:

Group	2009	2008
Within one year	603	4,193
After more than one year, but within five years	350	1,003
Total	**953**	**5,196**

note 16 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

		Group	Parent Company	
	2009	2008	2009	2008
Opening cost	107,174	93,663	2,755	1,936
Purchases	4,924	10,834	–	819
Acquisitions of subsidiaries	49	816	–	–
Sales and disposals	–4,752	–1,922	–	–
Reclassification	–562	–96	–	–
Translation differences	–1,731	3,879	–	–
Closing accumulated cost	**105,102**	**107,174**	**2,755**	**2,755**
Opening depreciation	73,931	62,585	1,236	1,000
Acquisitions of subsidiaries	49	696	–	–
Sales and disposals	–4,418	–1,531	–	–
Reclassification	–1,082	–451	–	–
Depreciation for the year	9,376	10,292	260	236
Translation differences	–1,704	2,340	–	–
Closing accumulated depreciation	**76,152**	**73,931**	**1,496**	**1,236**
Opening impairment	1,329	–	–	–
Reclassification	–15	–	–	–
Impairment for the year	–	1,329	–	–
Closing accumulated impairment	**1,314**	**1,329**	**–**	**–**
Carrying amount	**27,636**	**31,914**	**1,259**	**1,519**

note 17 OTHER SECURITIES

	Corp. Reg. No.	Share of equity, %	Registrered office	Carrying amount
Parent Company				
Innoventus AB	556602–2728	11	Uppsala, Sweden	235
Innoventus Project AB	556616–8356	5	Uppsala, Sweden	2,000
Innoventus Life Science 1 KB*	969677–8530	8	Uppsala, Sweden	10,172
				12,407
Group				
Drug Safety Inc. (f d PharmaSoft Inc.)		<1	Delaware, USA	0
Industrial Development & Investment AB	556518–9973	<1	Stockholm, Sweden	0
Other		–		72
Total				**12,479**

*) A commitment has been made to invest an additional MSEK 1.5. Direct holdings are not listed on any stock exchange or any other trading place.

		Group		Parent Company
	2009	2008	2009	2008
Opening cost	29,101	27,927	24,102	22,871
Purchases	–	–57	–	–
Sales	867	1,231	795	1,231
Closing accumulated cost	**29,968**	**29,101**	**24,897**	**24,102**
Opening impairment	11,593	4,999	6,594	–
Impairment for the year	5,896	6,594	5,896	6,594
Closing accumulated impairment	**17,489**	**11,593**	**12,490**	**6,594**
Carrying amount	**12,479**	**17,508**	**12,407**	**17,508**

note 18 PARTICIPATIONS IN ASSOCIATED COMPANIES

Group	Corp. Reg. No.	Share of equity, %	Registrered office	Carrying amount 2009	Carrying amount 2008
BCB Baltic AB	556649-7540	22	Uppsala, Sweden	856	1,425
Hanil Precision Co Ltd		20	Pusan, South Korea	13,846	13,846
Irradose AB	556721-1858	24	Tierp, Sweden	53	128
Total				**14,755**	**15,399**

Hanil Precision Co Ltd. is a South Korean gas-spring manufacturer with sales of approximately MSEK 65 and an operating margin of 1 percent. During the year, Lesjöfors purchased gas springs from Hanil for MSEK 15 (16). These purchases were conducted on commercial terms.

BCB Baltic AB invests in minority stakes in the Baltic countries.

Irradose AB performs electron treatment of cables. The first deliveries were made in September 2009.

Group	2009	2008
Opening value	15,399	29,876
Share in profit/loss after tax	–856	1,474
Acquisitions	212	–
Dividends	–	–528
Sales of companies	–	–15,423
Carrying amount	**14,755**	**15,399**

Group share as of December 31, 2009 (MSEK)	Assets	Liabilities	Income	Net profit/loss
BCB Baltic AB	0.9	0.0	–	–0.8
Hanil Precision Co Ltd	8.5	4.0	–	–
Irradose AB	3.1	3.0	–	–0.1

note 19 PARTICIPATIONS IN GROUP COMPANIES

Parent Company	Corp. Reg. No.	Number	Registered office	Carrying amount	Adjusted shareholders' equity
Lesjöfors AB	556001-3251	603,500	Karlstad	100,000	483,971 [1)]
Habia Cable AB	556050-3426	500,000	Täby	87,575	244,534 [2)]
AIHUK AB	556218-4126	9,000	Uppsala	289	289
AB Stafsjö Bruk	556551-9005	1,000	Uppsala	100	103
Shipping & Aviation Sweden AB	556500-0535	10,000	Uppsala	1,000	1,317
Beijer Alma Utvecklings AB	556230-9608	145,000	Uppsala	1,714	1,940
Total				**190,678**	

1) Including anticipated dividend to the Parent Company in the amount of 60,000.
2) Including anticipated dividend to the Parent Company in the amount of 25,000.

All companies are 100-percent-owned.

Parent Company	2009	2008
Cost	193,042	200,481
Mergers with Parent Company	–	–7,439
Closing accumulated cost	**193,042**	**193,042**
Opening impairment	598	3,707
Impairment for the year	1,766	–
Mergers with Parent Company	–	–3,109
Closing accumulated impairment	**2,364**	**598**
Carrying amount	**190,678**	**192,444**

Subsidiary shareholdings in Group companies	Corp. Reg. No.	Percentage stake	Registered office	Carrying amount
Lesjöfors Fjädrar AB	556063-5244	100	Filipstad, Sweden	9,532
Lesjöfors Automotive AB	556335-0882	100	Växjö, Sweden	24,000
Lesjöfors Stockholms Fjäder AB	556062-9890	100	Stockholm, Sweden	24,619
Lesjöfors Industrifjädrar AB	556593-7967	100	Herrljunga, Sweden	10,500
Lesjöfors Banddetaljer AB	556204-0773	100	Värnamo, Sweden	28,103
Stece Fjädrar AB	556753-6114	100	Mönsterås, Sweden	6,000
Lesjöfors A/S		100	Copenhagen, Denmark	56,603
Lesjöfors A/S		100	Oslo, Norway	53
Oy Lesjöfors AB		100	Åminnefors, Finland	1,000
Lesjöfors Springs Oy		100	Turku, Finland	1,492
Lesjöfors Springs Ltd.		100	Elland, UK	316
Lesjöfors Automotive Ltd.		100	Elland, UK	774
Lesjöfors Springs GmbH		100	Hagen, Germany	446
Lesjöfors Springs LV		100	Liepaja, Latvia	992
Lesjöfors Gas Springs LV		70	Liepaja, Latvia	6,764
Lesjöfors China Ltd		100	Changzhou, China	3,070
European Springs & Pressings Ltd		100	Beckenham, UK	56,353
Harris Springs Ltd		100	Reading, UK	2,455
Habia Cable CS Technology AB	556633-2473	100	Lidingö, Sweden	9,218
Habia Benelux BV		100	Breda, Netherlands	1,020
Habia Cable Asia Ltd		100	Hongkong, China	55
Habia Cable China Ltd		100	Changzhou, China	11,402
Habia Kabel GmbH		100	Düsseldorf, Germany	29,797
Habia Cable Inc.		100	New Jersey, US	0
Habia Kabel Produktions GmbH & Co. KG		100	Norderstedt, Germany	81,295
Habia Cable Ltd.		100	Bristol, UK	3,614
Habia Cable SA		100	Orleans, France	679
Habia Cable Latvia SIA		100	Liepaja, Latvia	0
Habia Cable Sp Zoo		100	Dulole, Poland	7,450
Alma Uppsala AB	556480-0133	100	Uppsala, Sweden	6,354
Daxpen Holding AB	556536-1457	100	Stockholm, Sweden	6,061

note 20 INVENTORIES

Group	2009	2008
Raw materials	113,369	137,675
Products in progress	36,257	49,639
Finished goods	139,077	138,461
Total	**288,703**	**325,775**

Value of the portion of inventories measured at net selling price

Group	2009	2008
Raw materials	4,256	3,537
Products in progress	–	2,895
Finished goods	1,393	1,495
Total	**5,649**	**7,927**

Difference between cost and net selling price

Group	2009	2008
Raw materials	3,685	2,267
Products in progress	–	2,895
Finished goods	960	76
Total	**4,645**	**5,238**

note 21 ACCOUNTS RECEIVABLE

Group	2009	2008
Total outstanding accounts receivable	250,216	277,043
Provisions for doubtful receivables	–6,535	–4 372
Carrying amount	**243,681**	**272,671**
Overdue amount	46,338	62,798
Of which overdue by more than 30 days	13,596	13,188
Provisions for doubtful receivables	6,535	4,372

On December 31, 2009, a total of 7,061 in accounts receivable, for which there existed no provision for doubtful receivables, was more than 30 days overdue. This amount pertains to customers with no previous record of non-payment.

Provisions for doubtful receivables	2009	2008
Opening balance	4,372	2,735
Provisions for the year	5,174	4,235
Reversal of earlier provisions	–1,265	–1,310
Write-offs of receivables	–1,746	–1,288
Closing balance	**6,535**	**4,372**

note 22 OTHER RECEIVABLES

	Group		Parent Company	
	2009	2008	2009	2008
VAT	4,973	7,853	–	–
Advance payments to suppliers	466	9,738	–	–
Other	7,788	6,080	8	142
Total	**13,227**	**23,671**	**8**	**142**

note 23 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	2009	2008	2009	2008
Leasing and rental fees	2,867	2,514	347	460
Prepaid expenses	6,270	9,269	531	210
Derivative instruments	17,827	–	–	–
Other	5,532	8,148	–	–
Total	**32,496**	**19,931**	**878**	**670**

note 24 CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2009	2008	2009	2008
Cash and bank balances	195,513	161,495	51	53
Total	**195,513**	**161,495**	**51**	**53**

note 25 SHAREHOLDERS' EQUITY

Group	Translation reserve	Hedging reserve	Total
December 31, 2007	**–5,795**	**943**	**–4,852**
Change in value of hedging reserve	–	–20,358	–20,358
Tax thereon	–	5,700	5,700
2007 translation difference	47,912	–	47,912
December 31, 2008	**42,117**	**–13,715**	**28,402**
Change in value of hedging reserve	–	36,877	36,877
Tax thereon	–	–10,094	–10,094
2008 translation difference	–25,621	–	–25,621
December 31, 2009	**16,496**	**13,068**	**29,564**

The company's shares are Class A and Class B shares and are issued as follows:

	Shares		Votes
Class A shares	3,330,000	with 10 votes	33,300,000
Class B shares	24,101,100	with 1 vote	24,101,100
Total	**27,431,100**		**57,401,100**

The quotient value is SEK 4.17 per share.

Share capital trend

Year		Increase in share capital, SEK 000s	Total share capital, SEK 000s	Increase in the number of shares	Total number of shares
1993	Opening balance	–	53,660	–	2,146,400
1993	Non-cash issue in connection with acquisition of G & L Beijer Import & Export AB in Stockholm	6,923	60,583	276,900	2,423,300
1993	New issue	30,291	90,874	1,211,650	3,634,950
1994	Non-cash issue in connection with acquisition of AB Stafsjö Bruk	5,000	95,874	200,000	3,834,950
1996	Conversion of subordinated debenture loan	47	95,921	1,875	3,836,825
1997	Conversion of subordinated debenture loan	2,815	98,736	112,625	3,949,450
1998	Conversion of subordinated debenture loan	1,825	100,561	73,000	4,022,450
2000	Conversion of subordinated debenture loan	30	100,591	1,200	4,023,650
2001	Non-cash issue in connection with acquisition of Elimag AB	11,750	112,341	470,000	4,493,650
2001	Split 2:1	–	112,341	4,493,650	8,987,300
2001	Conversion of subordinated debenture loan	388	112,729	31,000	9,018,300
2002	Conversion of subordinated debenture loan	62	112,791	5,000	9,023,300
2004	Conversion of subordinated debenture loan	1,505	114,296	120,400	9,143,700
2006	Split 3:1	–	114,296	18,287,400	27,431,100

The 2009 Annual General Meeting authorized the Board of Directors to issue a maximum of three million Class B shares in connection with corporate acquisitions. This authorization is valid until the next Annual General Meeting. The Meeting also authorized the Board to repurchase the company's own Class B shares.

note 26 DEFERRED TAX

Deferred tax asset	2009	2008	
Temporary differences pertaining to:			
- provisions for intra-Group profit	2,260	1,606	Recognized in profit or loss
- hedge accounting	–	5,334	Recognized in other comprehensive income
Total	**2,260**	**7,020**	

Opening value	7,020	1,614
Decreased provision	–5 334	–
Increased provision	574	5,406
Total	**2,260**	**7,020**

The are no tax loss carryforwards.

Deferred tax liability	2009	2008	
Temporary liability pertaining to:			
- untaxed reserves	21,987	20,535	Recognized in profit or loss
- excess depreciation	6,008	6,406	Recognized in profit or loss
- hedge accounting	4,760	–	Recognized in other comprehensive income
Total	**32,755**	**26,941**	

Opening value	26,941	27,297
Increased provision	6,212	872
Reversal	–398	–1 228
Closing value	**32,755**	**26,941**

note 27 PENSION OBLIGATIONS

Group	2009	2008
Opening value	362	358
Decreased provision	–5	–
Increased provision	–	4
Closing value	**357**	**362**

note 28 FINANCIAL INSTRUMENTS

Financial risk management

The Beijer Alma Group is exposed to various financial risks in its operations. Management of these risks at various levels in the Group is based on joint Group policies, adopted by the Board of Directors. The goal of these policies is to obtain an overall view of the risk situation, to minimize negative earnings effects and to clarify and define responsibilities and authority within the Group. To ensure compliance with the policies adopted, regular monitoring is carried out at the local and central level and findings are reported to the Board of Directors.

MARKET RISK

Currency risk

Transaction exposure

Slightly less than 82 percent of Beijer Alma's sales are conducted outside Sweden. Approximately 60 percent of production takes place in Sweden. This means that a large portion of the Group's income is in foreign currencies, while the majority of the production costs, particularly personnel costs, are in SEK. To a certain extent, part of this currency risk is handled through such measures as purchasing input materials and machinery in other currencies. However, the Group's income in certain foreign currencies still exceeds its costs. Due to this lack of balance, the Group is exposed to currency risks. Accordingly, changes in currency rates have a direct effect on the Group's earnings, balance sheet, cash flow and, in the long term, its competitive strength. A strengthening of the SEK has a negative impact on competitiveness and earnings over time.

Net exposure in currencies translated to MSEK
(net exposure is defined as income less costs)

2009	USD	EUR	DKK	NOK	GBP	RMB	LVL	JPY	HKD	KRW	PLN	Total
Lesjöfors	4.8	114.4	–2.2	26.4	115.4	–	–	–	–	–	–	**258.8**
Habia Cable	20.2	64.9	–	0.9	25.2	8.7	0.5	2.9	–2.9	18.2	–7.2	**131.4**
Total	**25.0**	**179.3**	**–2.2**	**27.3**	**140.6**	**8.7**	**0.5**	**2.9**	**–2.9**	**18.2**	**–7.2**	**390.2**

2008	USD	EUR	DKK	NOK	GBP	RMB	LVL	JPY	HKD	KRW	PLN	Total
Lesjöfors	7.1	94.4	2.0	25.2	82.6	–	–	–	–	–	–	**211.3**
Habia Cable	23.5	80.6	–	1.4	51.9	7.1	–3.1	3.0	–5.8	15.6	–	**174.2**
Total	**30.6**	**175.0**	**2.0**	**26.6**	**134.5**	**7.1**	**–3.1**	**3.0**	**–5.8**	**15.6**	**–**	**385.5**

The goal of currency risk management is to minimize the negative effects on earnings and financial position that arise due to exchange-rate differences. Transaction risks are managed centrally for each subsidiary. Between 50 and 100 percent of the forecast net flow for the next six months, meaning the difference between income and costs in a single currency, is hedged. For months seven to 12, between 35 and 100 percent is hedged. In most cases, the level of hedging lies in the middle of the range. The most commonly used hedging instrument is forward contracts. Following a decision by Group management, currency options may be used in exceptional cases. In 2009, the Board of Directors of Beijer Alma decided to extend the hedging horizon in EUR to 24 months. The table below shows the company's foreign exchange contracts on the balance-sheet date, translated to MSEK. Of the contracts in EUR, MSEK 91 falls due in 2011. All other amounts fall due within 12 months.

Group	Dec. 31, 2009	Dec. 31, 2008
USD	29.8	40.5
EUR	237.5	135.6
GBP	94.7	49.0
NOK	18.6	15.9
Total	**380.6**	**241.0**

IAS 39 has been applied since January 1, 2005. In Beijer Alma's opinion, all derivative instruments meet the requirements for hedge accounting. Accordingly, changes in the fair value of the derivative instruments are recognized in other comprehensive income. At year-end 2009, there was a surplus in the value of derivative instruments in the amount of MSEK 18, which reduced shareholders' equity, after deduction for deferred tax. On December 31, 2008, there was a deficit in the value of the contracts amounting to MSEK 19. Financial derivative instruments, such as currency forward contracts, are used when necessary. The Group has no other financial assets and liabilities measured at fair value. The fair value of financial instruments traded on an active market is based on the quoted market price on the balance-sheet date and these instruments are thus included in level one of the "fair value hierarchy" in accordance with IFRS 7.

Sensitivity analysis

The Group's net exposure is primarily in EUR and GBP. A 1-percent change in EUR in relation to SEK has an impact of MSEK 1.8 (1.75) on the Group's earnings. A 1-percent change in GBP in relation to SEK has an impact of MSEK 1.4 (1.35) on the Group's earnings. Entering into forward contracts delays the earnings effect since a predominant proportion of the forecast flows for the following twelve-month period are covered by signed contracts. During this time, measures may be taken to mitigate the effects

Translation exposure

Beijer Alma's income statements and balance sheets are reported in SEK. Several of the Group's companies maintain their accounts in a different currency. This means that the Group's earnings and shareholders' equity are exposed when accounts are consolidated and foreign currencies are translated to SEK. This exposure primarily affects the Group's shareholders' equity and is designated as translation exposure. Such exposure is not hedged.

Price risks

Beijer Alma is exposed to price risks related to the purchase of raw materials. Habia uses copper and some plastics in its production, while Lesjöfors' input materials are steel and certain other metals. To date, derivative instruments have been used to a very limited degree to hedge purchases of raw materials. Purchases of direct material amounted to approximately MSEK 500 and comprised a large number of various input materials with price trends that varied over time. Although the companies are able in most cases to offset permanent changes in the price of materials, clauses pertaining to such compensation are exceptions.

Interest risk

Since Beijer Alma does not hold any significant interest-bearing assets, the Group's revenues and cash flows from operating activities are essentially independent of changes in market rates. Beijer Alma's net financial items and earnings are affected by fluctuations in interest rates pertaining to borrowing. The Group is also indirectly affected by the impact of interest-rate levels on the economy as a whole. In terms of risk, Beijer Alma believes that fixed interest on a short-term basis is consistent with the industrial operations conducted by the Group. Accordingly, the period of fixed interest on loans is usually up to 12 months. During the past ten years, the short-term interest rate has also been lower than the long-term rate, which has had a positive effect on the Group's earnings.

Outstanding loans and committed credit facilities are listed below.

	Group		Parent Company	
	2009	**2008**	**2009**	**2008**
Long-term liabilities				
Liabilities to credit institutions	66,854	80,382	–	–
Current liabilities				
Liabilities to credit institutions	16,141	26,175	–	–
Committed credit facilities	52,701	72,958	17,320	12,061
Total interest-bearing liabilities	**135,696**	**179,515**	**17,320**	**12,061**

Liabilities to credit institutions comprise some ten credits in various currencies and with different terms and conditions. The interest levels vary between 1.5 percent and 5.8 percent. The average interest rate is approximately 3 percent. The average interest rate on the committed credit facilities is about 3 percent. A fee on the granted amount averaging 0.2 percent is also payable. No derivative instruments are used. All loans are subject to a variable interest rate with a fixed-interest term of up to one year.

Sensitivity analysis

At year-end 2009, net cash amounted to approximately MSEK 59 (net debt: 18). With regard to full-year 2009, the level of cash and indebtedness varied. The level of indebtedness was highest after the dividend was paid and then declined until year-end. A change in the interest rate of 1 percentage point would have had a marginal impact on earnings.

CREDIT RISK

Credit risk refers to cases in which companies do not receive payment for their receivables from customers. The size of each customer's credit is assessed on an individual basis. A credit rating is performed for all new customers to ensure that the credit limit reflects the customer's capacity to pay. In terms of sales, the Group's risk spread across industries and companies is favorable. The current weak economic trend has resulted in a general deterioration of companies' financial situations and an increased risk of losses on accounts receivable. Historically, the level of losses on accounts receivable has been low.

LIQUIDITY RISK

Cash and cash equivalents only include cash and bank balances. Of the total amount of MSEK 195.5 (161.5), the majority is invested with Nordea and Handelsbanken. Beijer Alma has loans that fall due at different points in time. A large portion of its liabilities are in the form of committed credit facilities that are formally approved for a period of one year. Refinancing risk refers to the risk of Beijer Alma being unable to fulfill its obligations due to cancelled loans and the risk that difficulties will arise in raising new loans. Beijer Alma manages this risk by maintaining a strong liquidity position. The Group's policy is that available liquidity, defined as cash funds plus approved but unutilized committed credit facilities, shall amount to not less than two months of invoicing. The Group's liquidity position at recent year-ends is shown in the table below.

Available liquidity

	Group		Parent Company	
	2009	2008	2009	2008
Cash funds	195,513	161,495	51	53
Approved credit facilities	471,175	411,538	175,000	175,000
Unutilized portion of credit facilities	–52,701	–72,958	–17,320	–12,061
Available liquidity	**613,987**	**500,075**	**157,731**	**162,992**

Maturity analysis of liabilities, including interest to be paid for each period according to loan agreement.

	Less than 1 year	1–5 years	More than 5 years
December 31, 2009			
Borrowing	72,913	69,600	5,550
Liabilities for financial leasing	603	350	–
Accounts payable and other liabilities	78,881	–	–
Total	**152,397**	**69,950**	**5,550**

	Less than 1 year	1–5 years	More than 5 years
December 31, 2008			
Borrowing	108,109	51,499	43,292
Liabilities for financial leasing	4,193	1,003	–
Accounts payable and other liabilities	83,516	–	–
Total	**195,818**	**52,502**	**43,292**

Of the Group's foreign exchange contracts at year-end 2009, which totaled MSEK 380.6, MSEK 91 have a maturity period of between one and two years, while contracts totaling MSEK 289.6 have a maturity period of less than one year. All of the Group's currency forward contracts, which amounted to MSEK 241.0 at year-end 2008, have a maturity period of less than one year.

Capital risk management

The Group's goal in terms of its capital structure is to guarantee its ability to continue conducting and expanding its operations to ensure that a return is generated for the shareholders, while keeping the costs of capital at a reasonable level. The capital structure can be changed by increasing or decreasing dividends, issuing new shares, repurchasing shares and selling assets. The Group's capital risk is measured as the net debt/equity ratio, including interest-bearing liabilities, less cash and cash equivalents in relation to shareholders' equity. The aim is to enable freedom of action by maintaining a low debt/equity ratio. The table below shows the Group's net debt/equity ratio at recent year-ends:

Group	2009	2008
Interest-bearing liabilities	136,053	179,515
Cash and cash equivalents	–195,513	–161,495
Net debt	**–59,840**	**18,020**
Shareholders' equity	985,757	959,565
Net debt/equity ratio	–6.0%	1.9%

Financial instruments by category in the Group

The accounting policies for financial instruments were applied as follows:

December 31, 2009	Loan receivables and accounts receivable	Derivatives used for hedging purpose	Available for sale	Total
Assets in balance sheet				
Other long-term receivables	3,117			3,117
Other securities			12,479	12,479
Derivative instruments (included in prepaid expenses)		17,827		17,827
Accounts receivable and other and other	243,681			243,681
Cash and cash equivalents	195,513			195,513
Total	**442,311**	**17,827**	**12,479**	**472,617**

December 31, 2009	Derivatives used for hedging purpose	Other financial liabilities	Total
Liabilities in balance sheet			
Liabilities to credit institutions		82,995	82,995
Committed credit facilities		52,701	52,701
Accounts payable		78,881	78,881
Total		**214,577**	**214,577**

December 31, 2008	Loan receivables and accounts receivable	Derivatives used for hedging purpose	Available for sale	Total
Assets in balance sheet				
Other long-term receivables	3,057			3,057
Other securities			17,508	17,508
Accounts receivable and other receivables	272,671			272,671
Cash and cash equivalents	161,495			161,495
Total	**437,223**		**17,508**	**454,731**

December 31, 2008	Derivatives used for hedging purpose	Other financial liabilities	Total
Liabilities in balance sheet			
Liabilities to credit institutions		106,557	106,557
Committed credit facilities		72,958	72,958
Accounts payable		83,516	83,516
Derivative instruments (included in accrued liabilities)	19,048		19,048
Total	**19,048**	**263,031**	**282,079**

The Parent Company includes cash and cash equivalents amounting to 51 (53) in the category Loan receivables and accounts receivable, other securities totaling 12,407 (17,508) in the category Available for sale, and credit facilities amounting to 17,320 (12,061) and accounts payable totaling 291 (671) in the category Other financial liabilities.

note 29 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	2009	2008	2009	2008
Accrued personnel costs	63,638	75,208	6,758	8,182
Accrued interest	10	11	–	–
Deferred income	219	1,465	–	4
Provision for hedge accounting	–	19,048	–	–
Other	49,567	57,947	541	331
Total	**113,434**	**153,679**	**7,299**	**8,517**

note 30 OTHER CURRENT LIABILITIES

	Group		Parent Company	
	2009	2008	2009	2008
Personnel tax	11,724	10,053	378	365
VAT	11,436	15,111	260	205
Advance payments from customers	1,014	2,719	–	–
Other	3,924	9,708	–	–
Total	**28,098**	**37,591**	**638**	**570**

note 31 PLEDGED ASSETS

	Group		Parent Company	
	2009	2008	2009	2008
Floating charges	180,854	228,797	–	–
Real-estate mortgages	83,993	95,673	–	–
Shares	34,235	33,204	12,260	12,260
Machinery used in accordance with financial leasing agreements	875	8,376	–	–
Assets with retention of title	4,991	5,327	–	–
Total	**304,948**	**371,377**	**12,260**	**12,260**

note 32 CONTINGENT LIABILITES AND COMMITMENTS

The Group has contingent liabilities in the form of guarantees and undertakings that arise in the normal course of doing business. No significant liabilities are expected to arise due to these contingent liabilities. In the normal course of business, the Group and the Parent Company have entered into the following commitments/contingent liabilities.

	Group		Parent Company	
	2009	2008	2009	2008
Investment commitments	1,493	2,000	1,493	2,000
Guarantees	1,644	564	–	–
Total	**3,137**	**2,564**	**1,493**	**2,000**

The Group has not identified any material commitments that are not reported in the financial statements.

note 33 NET FINANCIAL ITEMS

	Group		Parent Company	
	2009	2008	2009	2008
Dividends received	–	–	115,000	180,000
Interest received	1,104	7,133	7,179	9,902
Interest paid	–7,706	–15,046	–1,375	–1,899
Total	**–6,602**	**–7,913**	**120,804**	**188,003**

note 34 ITEMS NOT AFFECTING CASH FLOW

	Group		Parent Company	
	2009	2008	2009	2008
Depreciation and amortization	71,448	62,149	260	236
Profit/loss from associated companies	795	–1,474	–	–
Impairment of shares	–	–	7,662	–
Total	**72,243**	**60,675**	**7,922**	**236**

note 35 CORPORATE ACQUISITIONS

2009

No corporate acquisitions were carried out in 2009, with the exception of Habia Cable's acquisition of shares in the dormant company Habia Cable Sp Zoo for the purpose of commencing operations in Poland. The acquisition was performed to expedite the process of forming a company.

Purchase consideration (cash payment)	SEK 151,000
Acquired net assets measured at fair value	SEK 58,000
Goodwill	SEK 93,000

2008

Lesjöfors acquired the spring manufacturer Stece Fjädrar AB in Mönsterås, Sweden, with takeover occurring on June 30, 2008. Stece has full-year sales of approximately MSEK 60 and an operating margin of 10 percent. The acquisition was performed as an asset-transfer acquisition.

Purchase consideration (cash payment)	MSEK 18.2
Acquired net assets	MSEK 18.2

Acquired assets and liabilities (MSEK)

	Fair value	Carrying amount of acquired company
Inventories	13.5	13.5
Receivables	0.1	0.1
Tangible assets	8.1	8.1
Current liabilities	–3.5	–3.5
Acquired net assets	**18.2**	**18.2**

Since the acquisition, profit before tax amounted to MSEK 1.0. Profit before tax for the past 12 months totaled MSEK 5.6.

On July 1, 2008, Habia Cable acquired the cabling company CS Technology AB (CST), with its registered office in Lidingö, Sweden. The company, which manufactures cabling systems, has sales of MSEK 25 and, in recent years, an average operating margin of about 10 percent.

Purchase consideration (cash payment)	MSEK 7.7
Acquired net assets	MSEK 2.5
Goodwill	MSEK 5.1

No other intangible assets were identified in the acquisition calculation. The goodwill reported above was attributable to the company's profitability and expertise in cabling technology, which will benefit Habia's other operations.

Acquired assets and liabilities (MSEK)

	Fair value	Carrying amount of acquired company
Inventories	2.1	2.6
Receivables	1.8	1.8
Cash and cash equivalents	2.5	2.5
Current liabilities	–3.9	–3.6
Acquired net assets	**2.5**	**3.3**

Since the acquisition, a loss before tax totaling MSEK 0.6 was reported. Profit before tax for the past 12 months amounted to MSEK 1.3.

Together with Hanil Precision Co Ltd., Lesjöfors started the gas-spring manufacturing company Lesjöfors Gas Springs LV. Operations commenced in 2009. The share capital totals MEUR 1, of which Lesjöfors owns 70 percent.

note 36 TRANSACTIONS WITH RELATED PARTIES

Besides the transactions specified in Note 1, no transactions were carried out with related parties in 2008 or 2009.

note 37 DEFINITIONS

Proportion of risk-bearing capital

The sum of shareholders' equity, deferred tax and minority interests, divided by total assets.

Shareholders' equity

Shareholders' equity attributable to Parent Company shareholders

Return on shareholders' equity

Profit after financial items less 26.3-percent (28) tax, in relation to average shareholders' equity.

Return on capital employed

Profit after financial items plus interest expenses, in relation to the average capital employed.

Net debt

Interest-bearing liabilities less interest-bearing assets.

Earnings per share

Earnings per share after tax.

Earnings, profit

The terms earnings and profit refer to profit after financial items unless otherwise expressly noted.

Interest-coverage ratio

Profit after financial items plus financial expenses, divided by financial expenses.

Debt/equity ratio

Total interest-bearing liabilities in relation to shareholders' equity.

Equity ratio

Shareholders' equity in relation to total assets.

Capital employed

Total assets less non-interest-bearing liabilities.

Earnings per share after standard tax

Profit after financial items less 26.3-percent (28) tax, in relation to the average number of shares outstanding.

Earnings per share after tax

Net profit less tax, in relation to the average number of shares outstanding.

Earnings per share after tax, after dilution

Net profit less tax, in relation to the average number of shares outstanding.

note 38 COMPANY INFORMATION

General information

Beijer Alma AB and its subsidiaries constitute an internationally active industrial group focused on the production of components for customers in industries with an emphasis on high technology. The company is a public limited liability company with its registered office in Uppsala, Sweden. The address of company's head office is Box 1747, SE-751 47 Uppsala, Sweden. The company is listed on the OMX Nordic Exchange Stockholm.

These consolidated financial statements were approved by the company's Board of Directors on February 15, 2010. The balance sheets and income statements will be presented to the Annual General Meeting on March 23, 2010.

Corporate Governance Report

Beijer Alma AB is a Swedish public limited liability company listed on NASDAQ OMX Stockholm AB (Stockholm Stock Exchange). Accordingly, Beijer Alma's corporate governance is based on Swedish legislation, rules and regulations, including the Swedish Companies Act, the listing agreement, the company's Articles of Association and the Swedish Code of Corporate Governance.

GROUP CONTROL

Deviations from code regulations

Beijer Alma deviates from provision 2.4 of the Swedish Code of Corporate Governance, which stipulates that the company's directors may not serve as the Chairman of the Nomination Committee. In deviation from this provision, the Nomination Committee has appointed the Chairman of the Board, Anders Wall, as Chairman of the Nomination Committee since he is the company's principal owner and the Nomination Committee believes that Anders Wall's expertise, Board experience and extensive network of contacts will best serve the company in the role of Chairman of the Nomination Committee. Beijer Alma also deviates from provision 4.2 of the Code, which stipulates that deputy directors may not be elected as directors by the Annual General Meeting. President Bertil Persson has been elected Deputy Director.

Shareholders

According to Euroclear Sweden AB's (formerly VPC AB) shareholder register, Beijer Alma had 3,686 shareholders at year-end 2009. The number of shares was 27,431,100, of which 3,330,000 were Class A shares and 24,101,100 were Class B shares. Each Class A share entitles the holder to ten votes and each Class B share entitles the holder to one vote. The Class A share carries an obligation to offer shares to existing shareholders. The Class B share is listed on the Mid Cap list of the OMX Nordic Exchange Stockholm. All shares carry the same right to the company's assets and profit and entitle the holder to the same dividend.

Annual General Meeting

The Annual General Meeting shall be held not more than six months after the end of the financial year. All shareholders who are registered in Euroclear Sweden's shareholder register and provide timely notification of their intention to attend the Meeting are entitled to participate in the Annual General Meeting and take part in voting in accordance with their total shareholdings. A total of 202 shareholders participated, either personally or by proxy, in the Annual General Meeting held on March 31, 2009. These shareholders represented 59.3 percent of the total number of shares and 75.3 percent of the votes. The minutes from the Annual General Meeting are available on Beijer Alma's website.

The resolutions passed by the Annual General Meeting included the following:

- To issue a dividend of SEK 5.00 per share.
- To re-elect Directors Anders G. Carlberg, Göran W Huldtgren, Peter Nilsson, Marianne Nivert, Anders Ullberg, Anders Wall and Johan Wall, as well as Deputy Director Bertil Persson.
- To re-elect Anders Wall as Chairman of the Board and Johan Wall as Deputy Chairman.
- To pay each director a fee of SEK 225,000. To pay the Chairman of the Board a fee of SEK 500,000, plus an assignment fee of SEK 350,000 for duties other than those involving normal Board work.
- Principles for remuneration and employment terms for senior executives.
- Procedures for the work and appointment of the Nomination Committee.
- To authorize the Board to make decisions concerning share issues totaling not more than 3,000,000 Class B shares or of convertible debentures corresponding to the same number of Class B shares.

Nomination Committee

The 2009 Annual General Meeting appointed a Nomination Committee to submit proposals concerning the Board of Directors, the Chairman of the Board of Directors, directors' fees and the Chairman of the 2010 Annual General Meeting. The individuals appointed were Anders Wall, in his capacity as principal owner and Chairman of the Board, Director Johan Wall and three representatives of the next largest shareholders. These representatives were Caroline af Ugglas (Livförsäkrings AB Skandia), Ulf Hedlundh (Svolder AB) and Jan Andersson (Swedbank Robur Fonder AB). The members of the Nomination Committee represented approximately 65 percent of the company's votes. The Chairman of the Board, Anders Wall, held individual discussions with each director to assess the work and competence requirements of the Board. This assessment was presented to the Nomination Committee. The Nomination Committee's proposals will be presented in the notice of the 2010 Annual General Meeting.

Board of Directors

In accordance with its Articles of Association, Beijer Alma's Board of Directors shall comprise not fewer than seven and not more than ten regular members and not more than two deputy members elected by the Annual General Meeting. The Board of Directors currently comprises seven regular members and one deputy member. The company's President and Chief Executive Officer is the deputy member. Other salaried employees in the Group also participate in the meetings of the Board of Directors as reporters. The minutes of the Board meetings are taken by independent legal counsel. Seven directors were elected at the 2009 Annual General Meeting. The composition of the Board of Directors is presented in Note 2. Directors Anders Wall and Johan Wall represent shareholders controlling more than 10 percent of votes and capital. In 2009, the Board of Directors held eight meetings during which minutes were taken. The attendance of the members of the Board at these meetings is presented in the table below. One of these meetings was held at Habia's unit in Söderfors and another at Lesjöfors' unit in Lesjöfors. At these meetings, local management presented the companies' operations. One of the Board meetings dealt exclusively with strategy issues. Beijer Alma's auditors reported their findings from the audit and their assessment of the Group's internal control procedures at two Board meetings. The auditors also provided information concerning accounting changes and how these changes affect Beijer Alma. The work of the Board during the year focused on the financial crisis and how the Group companies were handling this situation. Much of the Board's work was devoted to addressing cost savings and their impact on the company's short-term delivery capacity and future growth potential. Other issues addressed by the Board during the year included economic and exchange-rate trends, corporate acquisitions and investments.

The Board of Directors has adopted a written work plan that regulates such considerations as:

- The minimum number of Board meetings (seven) in addition to statutory meetings and when they are to be held
- The date and content of notices of Board meetings
- The items that shall normally be included in the agenda for each Board meeting
- Minute-taking at Board meetings
- Delegation of decisions to the President
- The President's authority to sign interim reports

This work plan is reviewed and updated annually. In addition, the division of duties between the Board and the President, as well as their responsibilities and authorities, are regulated by a directive. The Board also has formal requirements pertaining to information about the performance of the Group and its companies. This information is used to generate a monthly report that contains key events and trends concerning order bookings, invoicing, earnings, cash flow, financial position and the number of employees in the Group and its subsidiaries. The report also includes trend diagrams for order bookings, invoicing and contribution margins. These trend diagrams respond quickly to changes, thereby providing early warning signals. In addition to leading the work of the Board of Directors, the Chairman of the Board shall maintain continuous contact with the CEO to discuss the company's operating activities and to ensure that the decisions of the Board are being executed. Together with the CEO, the Chairman of the Board handles strategic issues and participates in the recruitment of key personnel in

Directors

	Elected in	Dependent on owners	Dependent on company	Remuneration Committee	Audit Committee	Participion in Board meetings	Holding of Class A shares	Holding of Class B shares
					X			
Anders Wall, Chairman	1992	X		X	X	8(8)	1,974,000	1,536,120
Johan Wall, Deputy Director	1997	X			X	7(8)		3,000
Anders G. Carlberg, Director	1997			X	X	6(8)		3,000
Göran W Huldtgren, Director	1983				X	7(8)	304,800	234,210
Peter Nilsson, Director	2008				X	7(8)		0
Marianne Nivert, Director	2002				X	8(8)		6,000
Anders Ullberg, Director	2007			X	X	8(8)		15,000

accordance with the “grandfather principle.” When necessary, the Chairman of the Board participates in important external business contacts for such purposes as supporting the export sales of the subsidiaries. When necessary, the Chairman also participates in business negotiations, including negotiations concerning purchases or sales of subsidiaries. The Chairman of the Board represents the company in matters pertaining to ownership.

Remuneration Committee

Directors Anders Wall, Anders G. Carlberg and Anders Ullberg were appointed to prepare proposals regarding the President’s salary, bonus, pension benefits and other remuneration. The Committee also prepares proposals concerning remuneration to Group management and subsidiary managers and approves proposals by the President regarding remuneration to Group management and subsidiary managers within the framework of the guidelines adopted by the Annual General Meeting. The company’s remuneration principles and guidelines are described in Note 1, and the Board of Directors’ recommendation to the Annual General Meeting is that these remain unchanged for 2010. The Remuneration Committee held one meeting in 2009, which was attended by all members.

Audit Committee

The Audit Committee comprises the entire Board of Directors.

Operational control

The President of Beijer Alma, Bertil Persson, is also the company’s CEO and is responsible for the operational control of the Group. The other members of Group management, namely the presidents of the subsidiaries Lesjöfors and Habia Cable and the Group’s Chief Financial Officer and Controller, assist him in this task. Beijer Alma’s business operations are conducted through its subsidiaries Lesjöfors and Habia Cable. Lesjöfors’ operations are organized into three business areas and Habia’s operations into three business areas. The total number of profit centers in Beijer Alma is approximately 40. The Group’s business organization is based on decentralized responsibility and authority, combined with fast and effective reporting and control systems.

The Boards of Directors of Lesjöfors and Habia Cable comprise individuals from Group management. Habia’s Board also includes external members. Work plans corresponding to the Parent Company’s work plan have been prepared for the subsidiaries’ Boards of Directors and written instructions are in place for the presidents of the subsidiaries. The subsidiaries are also governed by a number of policies and instructions that regulate the companies’ operations in such areas as IT, the environment, quality, equality and authorization routines. Instructions to the presidents of the subsidiaries stipulate that the UN’s and the OECD’s “The Ten Principles” shall be followed. “The Ten Principles” address such issues as human rights, child labor, forced labor, the environment and corruption.

The subsidiaries report their order bookings, invoicing and stock of orders for each profit center on a weekly basis. Monthly financial statements are prepared for each profit center. These financial statements are analyzed at different levels in the Group and consolidated at the subsidiary and Group levels. Reports are presented to Group management for each profit center, business area and subsidiary. This reporting is carried out within the system used for the consolidated financial statements and presented to the market on a quarterly basis. In addition to income statements and balance sheets, the monthly financial statements include key figures and other relevant information. Analyses are conducted in such areas as inventory levels, inventory turnover, accounts receivable and customer credit periods. To enable trends to be monitored over time, a number of graphs and diagrams are used. In connection with the monthly financial statements, an informal meeting is held between subsidiary and Group management.

The basic idea behind the Group’s reporting and monitoring systems is that the systems should be characterized by transparency and decentralization. In each subsidiary, considerable significance is given to improving and streamlining the company’s processes. A key to succeeding in such endeavors is having access to relevant and accurate information that can be measured and monitored. Extensive efforts have been devoted to implementing and developing business systems to enable measurement of the profitability of individual businesses, customers, industries and geographic markets. The Group monitors and measures the costs for the various components of its production, administration and sales operations, and compares these with earlier results and targets. The information gathered in this manner is used for internal benchmarking, which allows the company to be motivated by and learn from positive examples.

Much of the operational work performed in 2009 pertained to cost-saving measures. Group and subsidiary management jointly conducted ongoing analyses of the Group's demand situation and capacity requirements and thereafter adapted the organization to cope with declining demand.

Internal control

The Board of Directors' internal control responsibilities are governed by the Swedish Companies Act and the Swedish Code of Corporate Governance. The Code also contains requirements for external disclosure of information, which stipulate the manner in which the Group's internal control of financial reporting is to be organized.

The aim of Beijer Alma's internal control of financial reporting is to establish reasonable security and reliability in the Group's external financial reporting, which comprises annual and interim reports. Internal control is also intended to provide reasonable assurance that these financial reports are prepared in accordance with any prevailing legislation, applicable accounting standards and other rules for listed companies.

The Board of Directors has overall responsibility for the Group's internal control of financial reporting. The division of duties is regulated by the Board through a work plan. The Audit Committee, which comprises the entire Board of Directors, is responsible for ensuring compliance with the principles for financial reporting and internal control, and that the required contact is maintained with the company's auditor.

Responsibility for the daily operational work involved in internal control of financial reporting is delegated to the President. Along with the Group's Chief Financial Officer and Controller, the President works in cooperation with the subsidiary management groups to develop and strengthen the Group's internal control through such measures as establishing regulations and policies.

For the Group's internal control to function, it is important to identify the most significant risks to which the operations are exposed. This is accomplished through various controls implemented at the profit center, business area or Group level. The risks are quantified and then either accepted, reduced or minimized. The Group's operational work to ensure internal control of financial reporting includes extensive deviation analysis. Deviations from historical data, forecasts and plans are analyzed.

Follow-ups are carried out at all levels to ensure internal control. The Board is responsible for this follow-up work.

Taking into consideration the size, organization and financial reporting structure of the Group, the Board deems that no special internal audit function is warranted at present.

This Corporate Governance Report is unaudited.

It is our opinion that the consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and earnings. The annual accounts were prepared in accordance with generally accepted accounting principles in Sweden and give a fair and true view of the Parent Company's financial position and earnings.

The Administration Report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operations, financial position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Uppsala, February 15, 2010

Beijer Alma AB (publ)

Anders Wall *Chairman*	Anders G. Carlberg *Director*	Göran W Huldtgren *Director*	Peter Nilsson *Director*
Marianne Nivert *Director*	Anders Ullberg *Director*	Johan Wall *Director*	Bertil Persson *President & CEO*

Our Audit Report was submitted on February 18, 2010.

Öhrlings PricewaterhouseCoopers AB

Bodil Björk
Authorized Public Accountant

Audit Report

To the Annual General Meeting of
Beijer Alma AB (publ)
Corp. Reg. No. 556229-7480

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Beijer Alma AB (publ) for the year 2009. The company's annual accounts and consolidated accounts are included in the printed version of this document on pages 29–51 and page 56. The Board of Directors and the President are responsible for these accounts and the administration of the company, as well as for the application of the Swedish Annual Accounts Act when preparing the annual accounts and the application of the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain high but not absolute assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting policies used and their application by the Board of Directors and the President and the significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and the circumstances of the company to be able to determine the liability, if any, to the company of any Board member or the President. We also examined whether any Board member or the President has, in any other way, acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view of the company's results of operations and financial position in accordance with generally accepted accounting standards in Sweden. The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act and give a true and fair view of the Group's results of operations and financial position. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts. We recommend to the Annual General Meeting that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be appropriated in accordance with the proposal in the administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, February 18, 2010

Öhrlings PricewaterhouseCoopers AB

Bodil Björk
Authorized Public Accountant

Board of Directors and Management

Anders Wall | Anders G. Carlberg | Göran W Huldtgren | Peter Nilsson

BOARD OF DIRECTORS

Anders Wall, Chairman, born 1931
Education: Studies at the Stockholm School of Economics, Med Dr h.c., Econ Dr h.c., Consul General
Director since: 1992
Holding through companies and family: 3,513,120 of which 1,974,000 Class A shares
Additional holdings in affiliated foundations: 693,000 Class A shares and 3,383,410 Class B shares
Chairman of: Beijerinvest AB, the Kjell and Märta Beijer Foundation, the Anders Wall Foundations, the Consul Th. C. Bergh Foundation, Ryda Bruk AB, Svenskt Tenn AB, Morgongåva Företagspark AB.
Director of: Domarbo Skog AB, Hargs Bruk AB, the Anders Wall Professor of Entrepreneurship Foundation and others. Honorary Fellow at Uppsala University, Luxembourg's Consul General, member of the Royal Academy of Engineering Sciences (IVA), honorary member of the Royal Swedish Academy of Agriculture and Forestry (KSLA).
Earlier positions: President and CEO of AB Kol&Koks/Beijerinvest from 1964 to 1981, Chairman of the Board from 1981 to 1983 (after merger with AB Volvo), President and CEO of Investment AB Beijer from 1983 to present.
Earlier directorships: Handelsbanken, Skandia, Industrivärden, Uddeholm, Billerud, Group Bruxelles Lambert, Pargesa and others.

Anders G. Carlberg, born 1943
Education: Master of Business Administration
Director since: 1997
Holding: 3,000
Director of: Axel Johnson AB, Axel Johnson Inc., Sapa AB, SSAB, Säkl, Mekonomen, Höganäs AB (Chairman), Sweco and others.
Earlier positions: President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International AB, Executive Vice President of SSAB.

Göran W Huldtgren, born 1941
Education: Business studies at Uppsala University
President of Scandecor Marketing AB
Director since: 1983
Holding through companies and family: 541,210 of which 304,800 Class A shares
Director of: LeanOn AB.
Earlier positions: Self-employed since 1968.

Peter Nilsson, born 1966
Education: Master of Engineering from the Institute of Technology at Linköping University.
President and CEO of Trelleborg AB
Director since: 2008
Holding through companies and family: 0
Director of: Trelleborg AB, Trioplast Industrier AB, Sydsvenska Handelskammaren and others.
Earlier positions: Business Area President and other assignments within the Trelleborg Group, management consultant at BSI.

Marianne Nivert, born 1940
Education: Telecommunications Engineering Degree and Bachelor of Science
Director since: 2002
Holding: 6,000
Director of: SSAB, Wallenstams Byggnads AB, the Swedish Corporate Governance Board.
Earlier positions: President and CEO of Telia AB, Vice President and Head of Network Operations at Telia AB, Vice President and Head of HR at Telia AB.

Anders Ullberg, born 1946
Education: Master of Business

Marianne Nivert **Anders Ullberg** **Johan Wall** **Bertil Persson**

Administration from the Stockholm School of Economics
Director since: 2007
Holding through companies and family: 15,000
Chairman of: Boliden, Eneqvistbolagen, Tieto and Studsvik.
Director of: Atlas Copco, Sapa Holding and Åkers.
Earlier positions: President and CEO of SSAB Svenskt Stål, Vice President and CFO of SSAB, CFO of Svenska Varv.

Johan Wall, born 1964
Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University in Palo Alto in the US
President of Bisnode AB
Deputy Director: 1997 to 2000
Director since: 2000
Holding: 3,000
Director of: The Kjell and Märta Beijer Foundation, the Anders Wall Foundations and others.
Earlier positions: President of Enea AB, President of Framfab AB and President of Netsolutions AB.

Bertil Persson, born 1961
Education: Master of Business Administration from the Stockholm School of Economics
President and CEO of Beijer Alma AB
Deputy Director: 2000 to 2001 and since 2002
Director: 2001 to 2002
Holding: 53,000
Call options: 50,000
Earlier positions: Head of Treasury at Investor AB, Director of Finance at Scania AB and Executive Vice President of LGP Telecom AB.

SENIOR MANAGEMENT

Bertil Persson, born 1961
Master of Business Administration
President and CEO
Employee since: 2000
Holding: 53,000
Call options: 50,000

Jan Blomén, born 1955
Master of Business Administration
Chief Financial Officer
Employee since: 1986
Holding with family: 47,600

Jan Olsson, born 1956
Master of Business Administration
Group Controller
Employee since: 1993
Holding: 2,000

AUDITORS

Auditing firm
Öhrlings PricewaterhouseCoopers AB

Chief Auditor
Bodil Björk, born 1959
Authorized Public Accountant
Auditor for Beijer Alma AB since 2006

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"The Beijer Alma Group is financially strong, has built an international organization with a solid presence in growth regions and reduced its costs – a combination that should ensure a favorable earnings effect from increased sales."

Bertil Persson
President and CEO

BEIJER • ALMA

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