



january–march 2010

BEIJER • ALMA

Interim report January-March 2010

Strong start to the year

- Net revenues amounted to MSEK 441 (446)
- Profit after financial items totaled MSEK 86.1 (65.7)
- Earnings per share amounted to SEK 2.09 (1.77)
- The acquisition of Beijer Tech was concluded

Group

The improvement in demand that began in the second half of 2009 continued during the first quarter. This applied in particular to Beijer Alma's largest customer group, the engineering industry. The vehicle aftermarket customer segment also performed well, while the telecom sector remained weak. As a result of an overall improvement in demand, combined with previously implemented cost-cutting measures now achieving their full earnings effect, the Group's margins and earnings increased.

Order bookings rose 5 percent to MSEK 454 (431) during the period. Invoicing amounted to MSEK 441 (446), down 1 percent. The SEK strengthened considerably compared with the first quarter of 2009. This meant that the translation of the income statements of the Group's foreign subsidiaries in the consolidated financial statements resulted in lower invoicing in the Group currency (SEK) than on the corresponding date in the preceding year. The translation effects are so extensive that the representation of the underlying demand and sales trend is misleading. For example, the increase in order bookings recognized in the financial statements is 5 percent, while the actual volume increase was 12 percent. Invoicing declined 1 percent in the financial statements, while the actual volume increased 6 percent.

Operating profit amounted to MSEK 88.4 (68.7) and the operating margin was 20.0 percent (15.4). Profit after financial items totaled MSEK 86.1 (65.7). The Group's currency forward contracts had a positive earnings effect of approximately MSEK 10, while earnings were charged with costs totaling MSEK 4.2 for the acquisition of Beijer Tech. Earnings per share after tax amounted to SEK 2.09 (1.77), including the newly issued shares in the company.

Cash flow after capital expenditures totaled MSEK 22.1 (27.9), excluding corporate acquisitions. Net debt amounted to MSEK 94.1 (net cash: 7.9). The calculation of net debt for the period includes dividends in the amount of MSEK 137.2 and a cash payment totaling MSEK 38.7 in conjunction with the purchase of Beijer Tech. In the preceding year, dividends were paid on April 1.

Lesjöfors AB

Lesjöfors AB is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. The company is a dominating player in the Nordic region and one of the largest companies in its industry in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Latvia, the UK and China.

Order bookings declined 15 percent to MSEK 316 (276). Invoicing amounted to MSEK 309 (289), up 7 percent. Adjusted for changes in exchange rates, order bookings increased 21 percent and invoicing 13 percent. Operating profit totaled MSEK 90.0 (58.5).

Lesjöfors' operations are conducted in three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. Order bookings and invoicing improved during the period and the extensive cost-cutting measures implemented in the preceding year had a positive impact on earnings. In addition, currency forward agreements increased profit by approximately MSEK 9.

Beijer Alma AB (publ)

Dragarbrunnsgatan 45, Box 1747, SE-751 47 Uppsala. Telephone +46 18 15 71 60. Fax +46 18 15 89 87. Registered office: Uppsala. Corporate Registration Number: 556229-7480. www.beijer-alma.se

Habia Cable AB

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

Habia's order bookings amounted to MSEK 137 (155), down 11 percent. Invoicing declined 16 percent to MSEK 132 (156). Not taking exchange-rate effects into account, order bookings declined 3 percent and invoicing 8 percent. Operating profit totaled MSEK 8.0 (13.8).

Demand from the telecom sector was extremely weak during the quarter, particularly in the Chinese market. The weak telecom market was partly offset by the favorable trend with regard to sales to customers in the engineering industry. The preceding year's cost savings had a positive impact on earnings, as did foreign exchange contracts, which increased the company's profit by about MSEK 1.5.

Parent Company

The Parent Company, Beijer Alma AB, is a holding company that does not conduct external invoicing. During the period, the Parent Company reported an operating loss of MSEK 9.6 (loss: 3.5), which was charged with MSEK 4.2 for costs incurred in conjunction with the acquisition of Beijer Tech.

Revenues and earnings per operating sector/segment

Net revenues

MSEK	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2009 Full-year	2008 Full-year
Lesjöfors	309.3	231.2	229.3	296.9	289.1	1,046.5	1,151.2
Habia Cable	131.7	130.0	112.9	123.3	156.4	522.6	684.9
Parent Company and intra-Group	0.1	0.1	1.9	–	0.1	2.1	0.2
Total	441.1	361.3	344.1	420.2	445.6	1,571.2	1,836.3

Operating profit/loss

MSEK	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2009 Full-year	2008 Full-year
Lesjöfors	90.0	57.9	55.7	70.8	58.5	242.9	251.6
Habia Cable	8.0	2.7	0.3	–5.3	13.8	11.5	71.8
Parent Company and intra-Group	–9.6	–4.2	–2.2	–6.2	–3.6	–16.2	–21.0
Total	88.4	56.4	53.8	59.3	68.7	238.2	302.4

Corporate acquisitions

During the quarter, Beijer Alma acquired all shares in Beijer Tech AB. Beijer Tech conducts technology trading operations in 13 locations in Sweden, Norway and Finland. The company's revenues in 2009 amounted to MSEK 505 and the number of employees was 180. Beijer Tech is now an independent subgroup of Beijer Alma. The acquisition was concluded in late March, and the company's income and expenses will be consolidated into the Beijer Alma Group as of the second quarter. This interim report only includes Beijer Tech's balance sheet.

The purchase consideration amounted to MSEK 328.9 and comprised a cash payment of MSEK 38.7 and a directed share issue of 2,700,000 Class B shares, which were settled at a rate of SEK 107.50.

Preliminary acquisition calculation

Purchase consideration	MSEK 328.9
Acquired net assets measured at fair value	MSEK 182.6
Goodwill	MSEK 143.3

Acquired receivables had a fair value of MSEK 107. All receivables are expected to be received, partly due to the balance guarantees in the agreement.

Acquisition-related costs of MSEK 4.2 were expensed as administrative expenses in Beijer Alma AB and the Group during the first quarter.

New issue

In conjunction with the acquisition of Beijer Tech AB, a directed share issue of 2,700,000 Class B shares was carried out within the framework of the authorization granted to the Board of Directors by the 2009 Annual General Meeting. Following this share issue, the number of shares amounts to 30,131,100 and the number of voting rights to 60,131,100.

Annual General Meeting

A dividend of SEK 5.00 (5.00) per share was adopted at the Annual General Meeting on March 23, 2010. The Meeting elected Marianne Brismar as a new Director. Director Marianne Nivert declined re-election. All other Directors were re-elected.

Events after the end of the period

No significant events occurred after the end of the period.

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 80 percent of sales are conducted outside Sweden, while approximately 60 percent of production takes place in Sweden.

Management of the Group's financial risks is described on pages 8-9 and in Note 28 of the 2009 Annual Report. The business risks are described on pages 8-9 of the 2009 Annual Report. The Group is deemed to have a favorable risk spread across industries and companies and the assessment is that no material risks have arisen during the year.

President's statement

The recovery that began in autumn 2009 continued during the quarter. A clear trend of increased order bookings and invoicing was noted. The traditional industrial segments displayed the greatest strength, while demand from telecom customers remained weak. Order bookings increased more substantially than invoicing, which normally happens as the economic situation improves. The underlying volume growth was higher than it appears in the financial statements, since foreign sales during the quarter were translated at an increasingly strong SEK exchange rate. Adjusted for this effect, the actual volume increase was approximately 7 percentage points higher than the figure recognized for the Group.

The entire Group has benefitted from the cost adjustments that were implemented in 2009 and

that began to achieve their full effect this year. In addition, earnings were impacted positively by currency forward contracts and negatively by costs pertaining to the acquisition of Beijer Tech. Overall, the Group's earnings before tax for the first quarter improved more than 30 percent to MSEK 86. This quarterly result is Beijer Alma's second best to date, and the Group's operating margin was a record-high 20 percent.

Lesjöfors' invoicing, a small percentage of which is to the telecom sector, rose 7 percent during the first quarter, compared with the year-earlier period. While the strongest growth was reported by Industrial Springs, which benefitted from the improvement in the industrial economic situation, Chassis Springs also experienced favorable growth. Flat Strip Components reported somewhat lower invoicing than in the year-earlier period. All three of the business areas reported improved earnings and operating margins. Operating profit in the Lesjöfors Group amounted to MSEK 90, up 54 percent, and the operating margin rose from 20 to 29 percent.

Habia also reported stronger demand from traditional industrial customers. Order bookings from this segment rose substantially compared with the year-earlier period, while the increase in invoicing was smaller. In contrast, demand from telecom customers was weak, with order bookings and invoicing from the telecom sector declining approximately 40 percent year-on-year. Habia's invoicing decreased a total of 16 percent. Operating profit amounted to MSEK 8, compared with MSEK 14 in the year-earlier period, and the operating margin fell from 9 to 6 percent.

The acquisition of Beijer Tech was concluded during the quarter. Beijer Tech became the third subgroup in Beijer Alma and will be consolidated into the Beijer Alma Group as of the second quarter. Signs that the economic situation is beginning to improve were also evident in Beijer Tech, particularly in the company's hose wholesaler operations. The process to develop a strategic plan for the company has been initiated and one of the primary goals is to identify and assess potential supplementary acquisitions.

Overall, the trend for the Beijer Alma Group was favorable. Demand from traditional industrial customers is increasing, and the stock of orders is higher than at the beginning of the year. The acquisition of Beijer Tech is complete, which will contribute to the Group's future earnings. We have also implemented extensive cost adjustments, which means that we have excellent potential for improved earnings in 2010 compared with 2009.

Accounting policies

Group

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

No new or revised IFRS that took effect in 2010 had a significant impact on the Group, with the exception of IFRS 3. Accounting policies and terms of calculation are unchanged from those applied in the 2009 Annual Report.

Parent Company

The Parent Company, Beijer Alma AB, applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3 Accounting for legal entities. These accounting policies correspond with the preceding year and with the consolidated accounting policies where applicable.

Consolidated comprehensive income

Condensed income statement

Group

MSEK	2010 Q1	2009 Q1	2009 Full-year	2008 Full-year	2007 Full-year
Net revenues	441.1	445.6	1,571.2	1,836.3	1,654.4
Cost of goods sold	-263.1	-287.3	-999.0	-1,187.6	-1,035.3
Gross profit	178.0	158.3	572.2	648.7	619.1
Selling expenses	-44.7	-52.8	-190.7	-194.1	-178.1
Administrative expenses	-44.9	-36.8	-142.5	-153.7	-152.2
Profit/loss from participations in associated companies	-	-	-0.8	1.5	0.8
Operating profit	88.4	68.7	238.2	302.4	289.6
Interest income	0.2	0.4	1.1	7.1	5.6
Interest expenses	-2.5	-3.4	-12.8	-14.5	-12.5
Profit after financial items	86.1	65.7	226.5	295.0	282.7
Tax on net profit for year	-23.3	-17.1	-64.1	-78.3	-77.2
Net profit attributable to Parent Company shareholders	62.8	48.6	162.4	216.7	205.5

Other comprehensive income

Income/expenses recognized directly against shareholders' equity

Cash-flow hedges	5.6	4.8	26.8	-14.6	-2.3
Translation differences	-14.7	7.6	-25.7	48.0	5.4
Total other comprehensive income after tax	-9.1	12.4	1.1	33.4	3.1
Total comprehensive income attributable to Parent Company shareholders	53.7	61.0	163.5	250.1	208.6

Net earnings per share					
– before and after dilution, SEK	2.09	1.77	5.92	7.90	7.49
Dividend per share, SEK	-	-	5.00	5.00	5.00
Includes amortization and depreciation in the amount of, MSEK	17.0	18.0	71.4	68.2	65.3

Parent Company

MSEK	2010 Q1	2009 Q1	2009 Full-year	2008 Full-year	2007 Full-year
Administrative expenses	-13.2	-6.9	-30.8	-31.7	-33.4
Other operating income	3.6	3.4	13.7	13.7	13.2
Operating loss	-9.6	-3.5	-17.1	-18.0	-20.2
Income from participations in Group companies	-	-	85.0	75.0	232.0
Interest income and similar revenues	1.4	1.8	6.1	9.9	0.5
Interest expenses and similar expenses	-1.4	-1.3	-8.3	-8.5	-5.0
Profit/loss after financial items	-9.6	-3.0	65.7	58.4	207.3
Tax on net profit for the period	1.1	0.7	2.6	2.5	6.4
Net profit/loss	-8.5	-2.3	68.3	60.9	213.7

Condensed balance sheet

Group

MSEK	2010 Mar. 31	2009 Mar. 31	2009 Dec. 31	2008 Dec. 31	2007 Dec. 31
Assets					
Fixed assets					
Intangible assets	334.8	131.9	121.3	130.8	116.4
Tangible assets	457.1	498.8	462.7	483.5	434.3
Financial assets	32.4	40.8	32.6	43.0	57.1
Total fixed assets	824.3	671.5	616.6	657.3	607.8
Current assets					
Inventories	380.8	306.1	288.7	325.8	267.4
Receivables	516.4	376.3	289.4	316.2	308.9
Cash and bank balances	140.5	171.5	195.5	161.5	165.3
Total current assets	1,037.7	853.9	773.6	803.6	741.6
Total assets	1,862.0	1,525.4	1,390.2	1,460.8	1,349.4
Shareholders' equity and liabilities					
Shareholders' equity					
Share capital	125.5	114.3	114.3	114.3	114.3
Other contributed capital	444.4	165.3	165.3	165.3	165.3
Reserves	20.6	40.7	29.6	28.4	-4.9
Retained earnings, including net profit for the period	602.3	563.0	676.7	651.6	572.0
Shareholders' equity attributable to Parent Company shareholders	1,192.8	883.3	985.9	959.6	846.7
Minority interest	2.9	3.3	3.1	3.3	-
Total shareholders' equity	1,195.7	886.6	989.0	962.9	846.7
Long-term liabilities to credit institutions	64.9	76.8	66.9	80.7	40.4
Other long-term liabilities	48.0	24.0	33.1	26.9	27.6
Current liabilities to credit institutions	169.8	86.7	68.8	99.1	157.4
Current non-interest-bearing liabilities	383.6	451.3	232.4	291.2	277.3
Total shareholders' equity and liabilities	1,862.0	1,525.4	1,390.2	1,460.8	1,349.4

Parent Company

MSEK	2010 Mar. 31	2009 Mar. 31	2009 Dec. 31	2008 Dec. 31	2007 Dec. 31
Assets					
Fixed assets					
Tangible assets	1.2	1.5	1.3	1.5	0.9
Financial assets	531.1	209.0	203.0	210.0	219.7
Total fixed assets	532.3	210.5	204.3	211.5	220.6
Current assets					
Receivables	232.9	286.9	340.1	368.4	433.7
Cash and cash equivalents	0.1	59.5	0.1	0.1	0.1
Total current assets	233.0	346.4	340.2	368.5	433.8
Total assets	765.3	556.9	544.5	580.0	654.4

MSEK	2010 Mar. 31	2009 Mar. 31	2009 Dec. 31	2008 Dec. 31	2007 Dec. 31
Shareholders' equity and liabilities					
Share capital	125.5	114.3	114.3	114.3	114.3
Statutory reserve	444.4	165.3	165.3	165.4	165.3
Retained earnings	94.5	132.8	164.4	209.1	71.9
Net profit/loss for the period	-9.6	-2.3	68.3	60.9	213.7
Total shareholders' equity	654.8	410.1	512.3	549.6	565.2
Current liabilities to credit institutions	95.4	0.2	17.3	12.1	60.7
Current non-interest-bearing liabilities	15.1	146.6	14.9	18.3	28.5
Total shareholders' equity and liabilities	765.3	556.9	544.5	580.0	654.4
Condensed cash-flow statement					
MSEK	2010 Q1	2009 Q1	2009 Full-year	2008 Full-year	2007 Full-year
Cash flow from operating activities before change in working capital and capital expenditures	90.7	70.3	245.9	260.0	260.7
Cash flow from discontinued operations	-	-	-	-	-
Change in working capital, increase (-) decrease (+)	-65.6	-14.3	31.5	-26.4	-66.0
Cash flow from operating activities	25.1	56.0	277.4	233.6	194.7
Investing activities	-3.0	-28.1	-61.6	-60.2	-74.8
Acquired operations	-38.7	-	-	-23.3	-48.9
Cash flow after capital expenditures	-16.6	27.9	215.8	150.1	71.0
Financing activities	-46.8	-17.9	-181.1	-156.5	-96.8
Change in cash and cash equivalents	-63.4	10.0	34.7	-6.4	-25.8
Cash and cash equivalents at beginning of period	195.5	161.5	161.5	165.3	191.1
Cash from acquired/discontinued operations and exchange-rate differences in cash	8.4	-	-0.7	2.6	-
Cash and cash equivalents at end of period	140.5	171.5	195.5	161.5	165.3
Approved but unutilized committed credit facilities	384.9	459.2	418.5	338.6	221.3
Available liquidity	525.4	630.7	614.0	500.1	386.6

Specification of changes in shareholders' equity

MSEK	2010 Mar. 31	2009 Full-year	2008 Full-year	2007 Full-year
Opening shareholders' equity attributable to Parent Company shareholders	985.9	959.6	846.7	747.8
Comprehensive income for the period	53.8	163.5	250.1	208.6
New issue	290.3	–	–	–
Dividend paid	–137.2	–137.2	–137.2	–109.7
Closing shareholders' equity attributable to Parent Company shareholders	1,192.8	985.9	959.6	846.7
Minority interest	2.9	3.1	3.3	–
Total closing shareholders' equity	1,195.7	989.0	962.9	846.7

Specification of shareholders' equity for the period

	Share capital	Other contributed capital	Reserves	Retained earnings incl. net profit for the period	Total
December 31, 2009	114.3	165.3	29.6	676.7	985.9
New issue	11.2	279.1	–	–	290.3
Comprehensive income for the period	–	–	–9.0	62.8	53.8
Dividend paid	–	–	–	–137.2	–137.2
March 31, 2010	125.5	444.4	20.6	602.3	1,192.8

Number of shares

	2010 Mar. 31	2009 Dec. 31	2008 Dec. 31	2007 Dec. 31
Number of shares outstanding	30,131,100	27,431,100	27,431,100	27,431,100
Total number of shares, after full dilution	30,131,100	27,431,100	27,431,100	27,431,100
Average number of shares, after full dilution	30,131,100	27,431,100	27,431,100	27,431,100

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

Key figures

	2010 Q1	2009 Q1	2009 Full-year	2008 Full-year	2007 Full-year
Number of shares	30,131,100	27,431,100	27,431,100	27,431,100	27,431,100
Net revenues, MSEK	441.1	445.6	1,571.2	1,836.3	1,654.4
Operating profit, MSEK	88.4	68.7	238.2	302.4	289.6
Profit before tax, MSEK	86.1	65.7	226.5	295.0	282.7
Earnings per share after tax, SEK	2.09	1.77	5.92	7.90	7.49
Earnings per share after 26.3% (28) standard tax, SEK	2.11	1.77	6.08	7.74	7.42
Cash flow per share after capital expenditures, SEK	0.70	1.02	7.87	5.47	4.37
Return on shareholders' equity, %	23.3	21.0	17.2	23.5	25.5
Return on capital employed, %	27.8	25.3	21.2	28.3	29.9
Shareholders' equity per share, SEK	39.76	32.20	35.94	34.98	30.87
Equity ratio, %	64.1	57.9	70.9	65.7	62.8
Net debt/equity ratio, %	7.9	–0.9	–6.0	1.9	3.9
Cash and cash equivalents, including unutilized credit facilities, MSEK	525.4	630.7	614.0	500.1	386.7
Capital expenditures, MSEK	6.2	27.5	60.5	89.1	79.2
Interest-coverage ratio, multiple	35.9	19.9	18.7	21.4	23.6
Number of employees at end of period	1,112	1,190	1,146	1,220	1,163

Uppsala, April 28, 2010

Beijer Alma AB (publ)

Bertil Persson
President & CEO

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

If you have any questions, please contact:

Bertil Persson, President & CEO, Telephone +46 8 506 427 50, bertil.persson@beijer-alma.se
Jan Blomén, Chief Financial Officer, Telephone +46 18 15 71 60, jan.blomen@beijer-alma.se

Read more at: www.beijer-alma.se

Visit our subsidiaries:

www.lesjoforsab.com

www.habia.com

www.beijertech.se

Next report date:

Interim report, August 18, 2010