

The cover of the Beijer Alma 1999 Annual Report features a photograph of a fountain with several water jets of varying heights. In the background, there is a large, multi-story brick building with a curved roofline. The sky is a clear, light blue. The text 'BEIJER ALMA' is positioned at the top center in a white, sans-serif font. At the bottom right, the words 'ANNUAL REPORT' are in a smaller white font, followed by the year '1999' in a very large, bold white font. A solid blue vertical bar runs along the right edge of the cover.

BEIJER ALMA

ANNUAL REPORT 1999

Annual General Meeting

The regularly scheduled Annual General Meeting will be held in Uppsala at 6:00 p.m., March 16, 2000 at Atrium Konferens, Dragarbrunnsgatan 46, Uppsala.

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PARTICIPATION

Shareholders who wish to participate in the proceedings of the Annual General Meeting must be recorded in their own name (not in the name of a nominee) in the share register maintained by the Securities Register Centre (VPC AB). Shareholders who wish to attend must also file notice of their desire to do so by submitting the enclosed form to:

Beijer Alma AB, P.O. Box 1747, SE-751 47 Uppsala, telephone +46-18-15 71 60, telefax +46-18-15 89 87, E-mail: info@beijer-alma.se, or at the Company's Web site www.beijer-alma.se.

Notice of participation must be received by the Company not later than 4:00 p.m., March 10, 2000.

NOMINEE-REGISTERED SHARES

In order to participate in the Annual General Meeting, shareholders whose shares are registered in the name of a nominee, must temporarily register their shares in their own name with VPC. Such registration must be completed not later than Monday, March 6, 2000.

PAYMENT OF DIVIDEND

The Board of Directors has proposed a dividend of SEK 7.00 per share. Tuesday, March 21, 2000 is proposed as record date for determining who is entitled to receive dividend. On the condition that the Annual General Meeting adopts this proposal, dividend payments are expected to be remitted by VPC beginning Friday, March 24, 2000.

AGENDA

The agenda and matters to be brought before the Annual General Meeting will be announced by notices in daily newspapers and at the Company's Web site. The agenda may also be obtained from the Company in connection with the notice of attendance at the Annual General Meeting.

SCHEDULE OF INFORMATION

Beijer Alma will be giving financial information for 2000 on the following occasions:

March 16	Annual General Meeting
April 27	Quarterly Report
August 8	Semi-Annual Report
October 25	Quarterly Report
February 14, 2001	Financial Report for 2000
March 2001	Annual Report for 2000



Cover: Uppsala Castle. Beijer Alma is domiciled in Uppsala. Photo: Hasse Schröder.

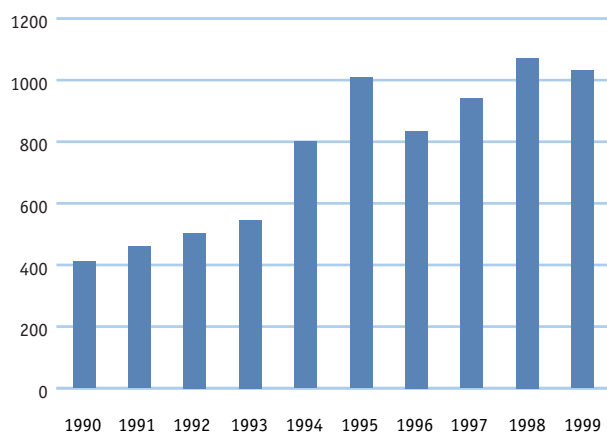
Business Concept

Beijer Alma will through acquisitions and development of smaller and medium-sized companies give its shareholders a good return on invested capital.

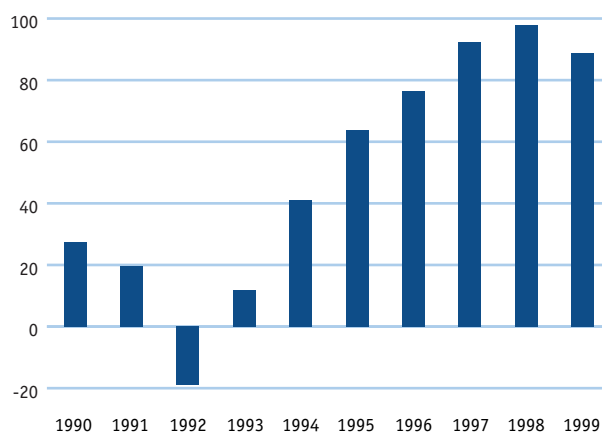
1999 in Brief

- Revenues were MSEK 1 031 (1 072).
- Profit after financial items was MSEK 88.7 (98.0).
- Earnings per share after standard taxes amounted to SEK 15.51 (17.54).
- A dividend increase to SEK 7.00 is proposed (6.50).
- Concentration on the industrial operations.
- Continued investments in the industrial companies.
- Lesjöfors strengthened its position in Europe through acquisition of the Dutch marketing company B & G Suspension BV.
- Lesjöfors sold the surface treatment companies that were a part of the acquisition of GS Industri AB to Bodycote and concluded a long-term cooperation agreement with the buyer.
- Lesjöfors carried out major structural changes in the flat strip components division to raise productivity.

REVENUES, MSEK



RESULT, MSEK



Focus on Industrial Operations



Anders Wall and Curt Lönnström

Beijer Alma is now a pure industrial company. During 1999 we have phased out the remaining trading companies and a few other businesses that were not considered part of the core business. Beijer Alma is therefore now an industrial group, currently with three internationally oriented niche companies.

The three subsidiaries increased their revenues during 1999 to MSEK 915, an increase of 16 percent. Consolidated revenues were MSEK 1 031 (1 072). Not including the effects of companies acquired and sold, the increase in consolidated revenues was 3.5 percent.

Profit in the three operating companies was MSEK 88.7 (92.3). Consolidated profit amounted to MSEK 88.7 (98.0).

The 1999 operating year was, somewhat unexpectedly, a year of good growth. In a short-term perspective, this did not translate to a major increase in demand for our companies.

It is generally expected that economic growth will continue and we believe this will result in increased demand for the products of our companies, both in Sweden and elsewhere in Europe.

We have continued investing in our companies. During 1999 capital expenditures amounted to MSEK 69.6 (66.1). Capital investment gives higher capacity, but also improved productivity, which provides the increase in competitiveness required to maintain and indeed increase the market shares of our companies.

The industrial structure in Sweden and Europe is now undergoing rapid change. The large companies are increasingly concentrating on development, design and marketing. Manufacturing, component and system development are increasingly being farmed out to external suppliers who work in close cooperation with the customer. This specialization is likely to accelerate.

We are therefore investing in facilities, competence and IT systems to develop and strengthen our subsidiaries.

The future expansion of Beijer Alma will be the result of investments in competent personnel, facilities, product development and marketing, and complementary corporate acquisitions.

We are continually evaluating candidates for acquisition and business opportunities outside the current areas of operation.

SUBSIDIARIES

Habia Cable

Habia Cable expanded its production facility in Söderfors during 1999, creating a new production flow, which only towards the end of the year began to generate planned productivity and capacity gains. During the first part of the year, order bookings were weaker than expected and this resulted in full-year 1999 growth at a modest rate of 5 percent. Capacity has been gradually expanded, and during the year's fourth quarter the business volume was MSEK 82.6 (77.5) and the profit was MSEK 14.9 (12.9).

Order bookings also grew during the fourth quarter by MSEK 5.3 to MSEK 70. The specialty cable industry in Europe has undergone consolidation in recent years, making for fewer but larger companies. Habia is now one of the larger companies in its market niche. The industry is dominated by two American companies, Raychem and Gore.

Lesjöfors

Lesjöfors increased its revenues during the past year to MSEK 556.3 (437.0). Not including the effects of acquisitions and sales of companies, growth was MSEK 17.3. Profit was MSEK 54.9 (57.5). Towards the end of 1998, Lesjöfors acquired new businesses in Denmark and Sweden. Danish DK Fjedre A/S was, in spite of a weak economy, able to make a positive contribution to the extent anticipated prior to the acquisition. The company acquired in Sweden, GS Industri AB in Värnamo, on the other hand has required major input in terms of capital expenditure, rationalization and general upgrading. In addition, volumes were sharply curtailed when the company's largest customer made product generation changes earlier than expected.

The industrial spring division continued to enjoy good profitability, as did the automotive division.

The surface treatment companies that were part of the acquisition of GS Industri were sold during the year. Operations in Årnäs were phased out and all production was concentrated to other units.

The major efforts expended in GS Industri, and rising order bookings in the area of flat strip components, make us believe in a return to profitability during 2000. This should allow the Lesjöfors Group to return to a mode of profitable growth.

Towards the end of 1999, the Dutch distribution company B & G Suspension BV, which focuses on sport and lowering springs for automobiles and motorcycles, was acquired. B & G is certified by TÜV and markets its products mostly in Europe.

Lesjöfors is a complete-line supplier of industrial springs and one of the larger companies in Europe in this segment.

The market is very large, as is the number of companies. We expect Lesjöfors to be able to continue expanding through continued organic growth and by making complementary acquisitions. Lesjöfors has acquired twelve companies during the last few years, and sold two.

Stafsjö Bruk

During 1998 and 1999, Staffsjö has adapted to a business volume which is 30 percent lower than in 1997 when deliveries to Asia were very large and the profitability good. Sales amounted to MSEK 81.3 (85.3) and profit was MSEK 1.6 (-0.2).

Order bookings amounted to MSEK 79.6 (76.2). During 1999 no major projects were completed, so shipments consisted mainly of spare parts and minor reconstructions.

Staffsjö strengthened its market position, in part by acquiring 50 percent of its German distributor, Kurt Trapp Ingenieurbüro GmbH, with an option to acquire the remaining shares at a later date.

Staffsjö has rationalized production and developed new purchasing sources. As a result, product costs have been lowered at the same time as a number of new products have been developed for gradual introduction in the market.

Staffsjö's market niche, knife gate valves, is small. Staffsjö is one of the three large players outside the United States in this market, with sales all over the world.

GROUP

Beijer Alma has a strong balance sheet. The equity ratio at year-end was 48.9 percent and the interest coverage ratio was 6.9.

It has been possible to accomplish the restructuring and the acquisitions in such a way that the balance sheet allows continued expansion.

In our judgement, our companies will expand during the year 2000 and this expansion is expected to generate improved earnings performance. The companies are well prepared for profitable growth.

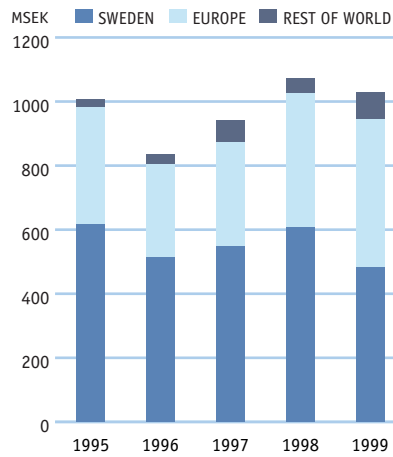
DIVIDEND

The Board of Directors proposes a dividend increase by 8 percent to SEK 7.00 per share.

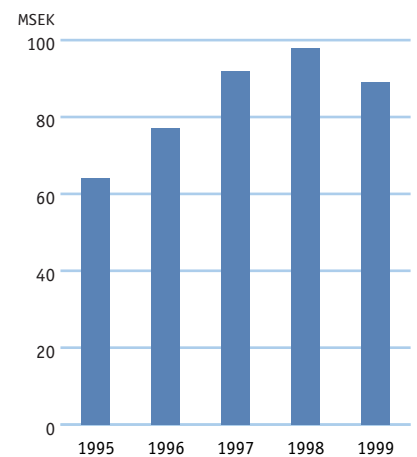
Anders Wall
Chairman of the Board

Curt Lönnström
President and CEO

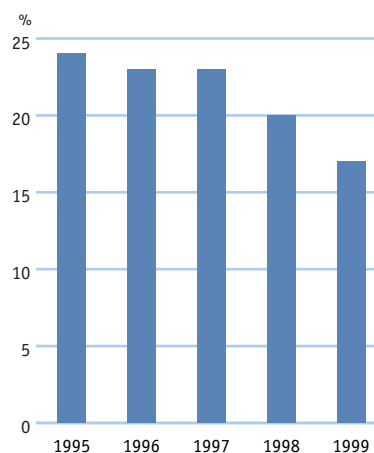
REVENUES



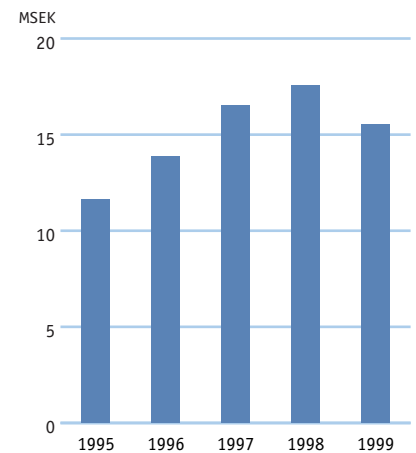
RESULT



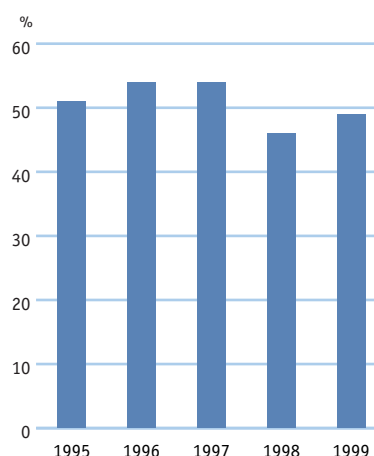
RETURN ON AVERAGE CAPITAL EMPLOYED



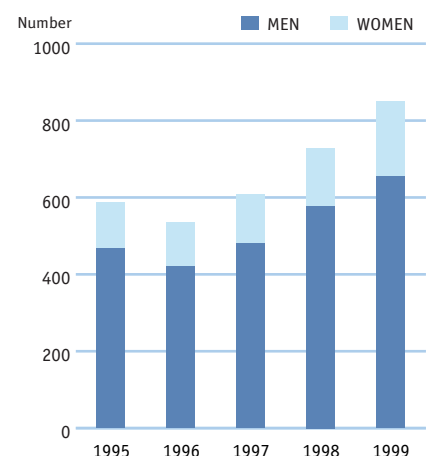
EARNINGS PER SHARE AFTER STANDARD TAXES



EQUITY RATIO




AVERAGE NUMBER OF EMPLOYEES



This is Beijer Alma


Beijer Alma is the parent company of an industrial group with three wholly owned subsidiaries. Common for the subsidiaries is that they are internationally oriented, they have high market shares in their respective market niches, they have efficient production units and well established marketing and sales organizations.



Habia Cable, manufacturer of specialty cable with a commanding position in the Nordic market, had 1999 sales of MSEK 278 and 218 employees.

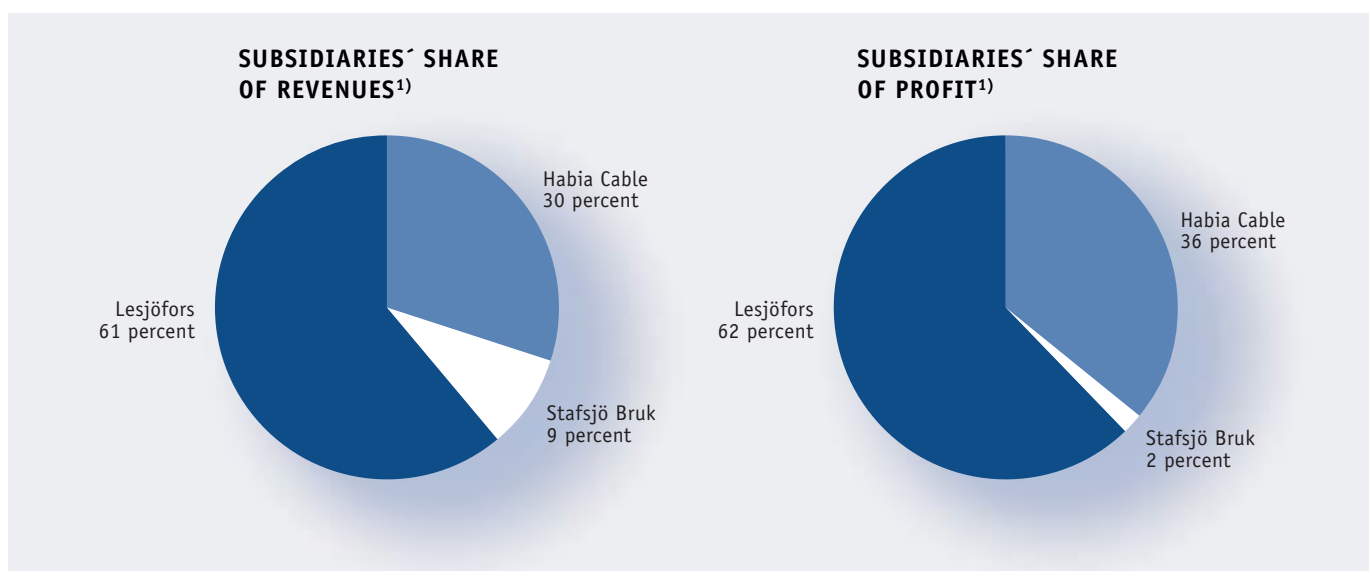


Lesjöfors, with 1999 sales of MSEK 556, is one of Europe's leading industrial spring companies and has 539 employees.



Stafsjö Bruk manufactures knife gate valves, especially for the paper and pulp industry. Stafsjö is one of the leading players in this market niche. Sales in 1999 were MSEK 81. The number of employees is 53.

	HABIA	LESJÖFORS	STAFSJÖ	TOTAL
Revenues, MSEK	277.8	556.3	81.3	915.4
Sales outside Sweden, MSEK	201.6	269.3	62.9	533.8
Proportion of sales outside Sweden, %	73	48	77	58
Profit after financial items, MSEK	32.2	54.9	1.6	88.7
Net margin, %	11.6	9.9	2.0	9.7
Number of employees	218	539	53	810
Return on capital employed, %	23.8	18.2	5.0	18.4



¹⁾ Refers to the requisite share of the sum total of revenues and profit, respectively, of the three industrial companies.

BUSINESS ENVIRONMENT

Within the framework of its business concept, Beijer Alma has been concentrated to three industrial companies. The companies are internationally oriented and since the market shares are high in the Nordic countries, the greatest growth potential exists outside the Nordic countries, primarily in Europe. The Group's sales have also gradually increased in Asia and North America.

The rapid transformation and the growth among the leading industrial companies in Europe create new business opportunities for Beijer Alma. Actual production is increasingly being placed with independent suppliers through outsourcing.

For long-term competitiveness in this expanding and demanding market, suppliers must command highly efficient production equipment, quality and environmental management systems, development resources, international organizations and strong financial resources.

Cooperation between customer and supplier is often of a very long-term nature.

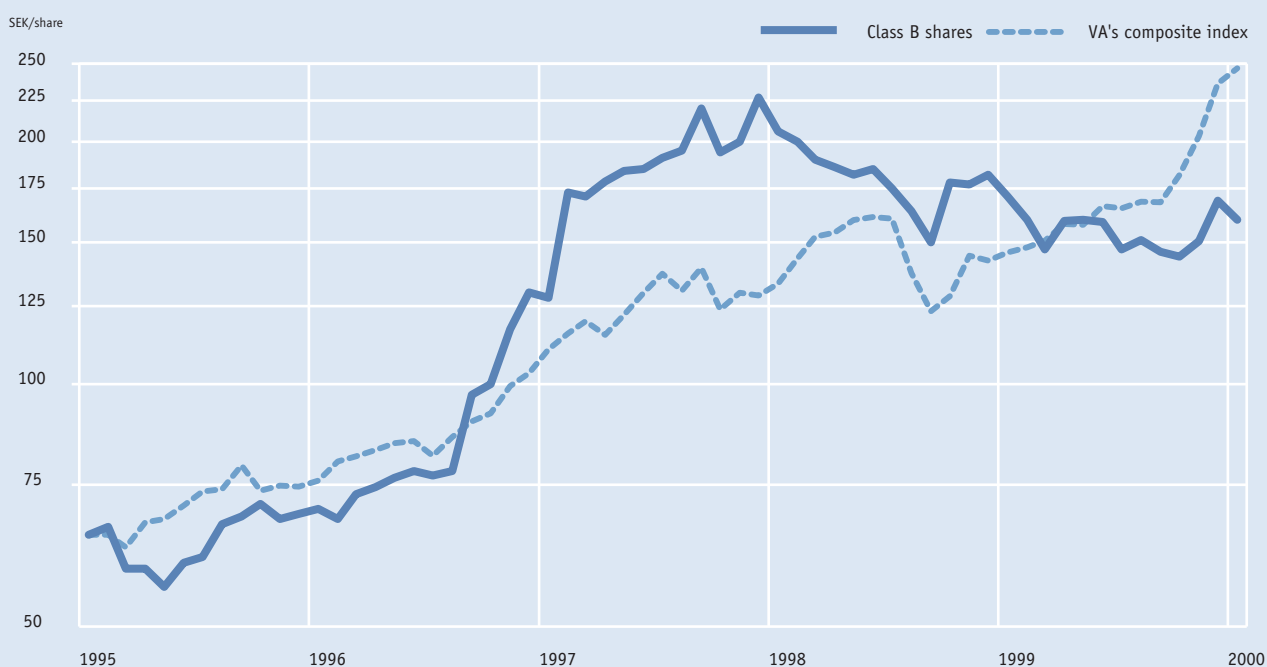
In parallel with cooperation with major customers, there is also business development where products and market concepts complement the customer-specific production.

KEY RATIOS

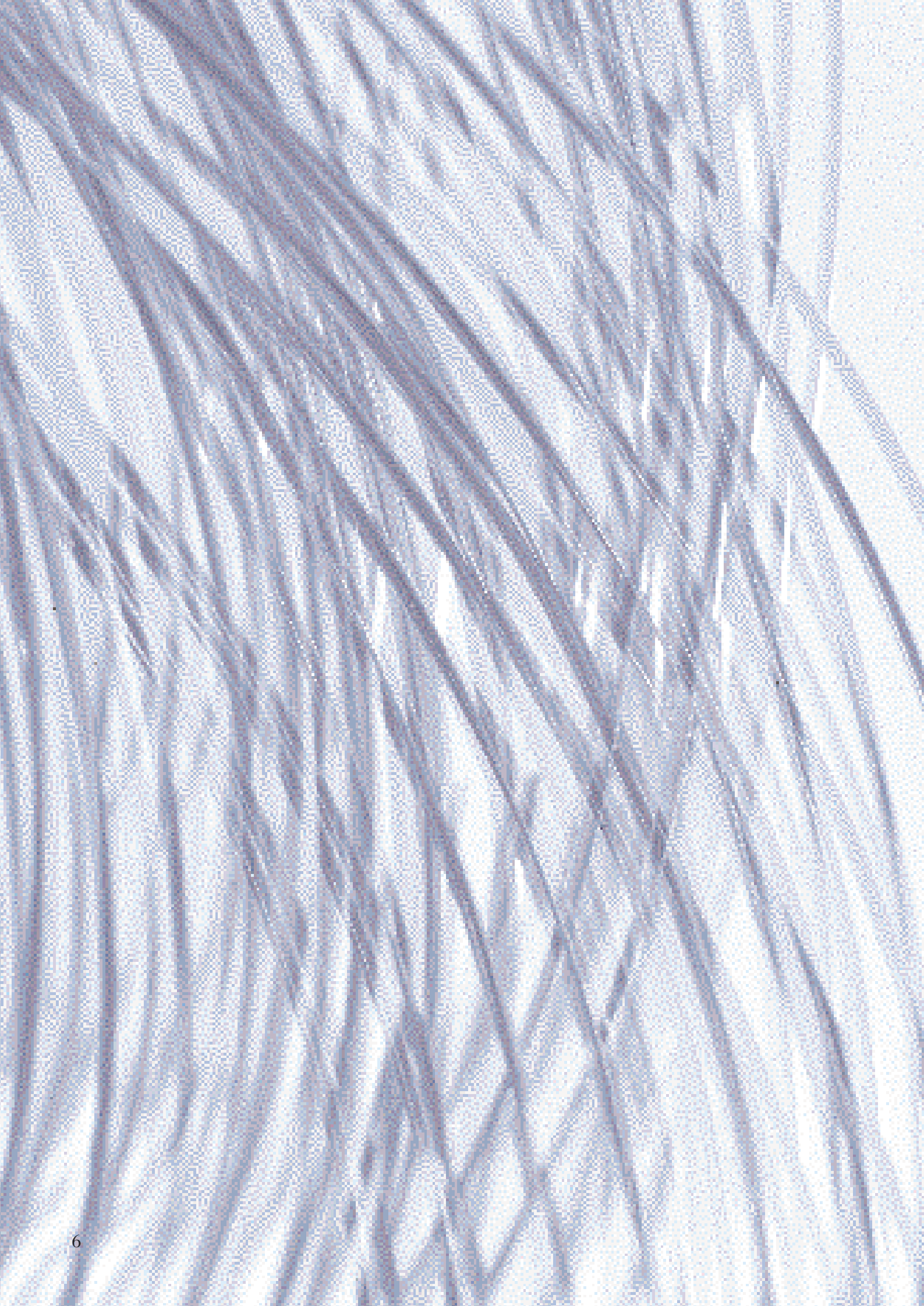
	1995	1996	1997	1998	1999
Earnings per share after standard taxes, SEK	11.64	13.88	16.51	17.54	15.51
Equity per share, SEK	65	80	87	98	106
Dividend per share, SEK	4.00	5.00	6.00	6.50	7.00 ¹⁾
Price earnings ratio as of December 31	5.9	9.4	13.7	9.6	10.9
Dividend yield, %	5.8	3.8	2.6	3.6	4.1

¹⁾ As proposed by the Board of Directors.

SHARE PRICE DEVELOPMENT



(c) SIX Findata



Habia Cable AB

Habia Cable is one of four global players in the market for specialty cable for demanding applications. The company's production facility is located in Söderfors in Northern Uppland. Customers in the telecommunications, defense, nuclear power, transportation and electronics industries account for more than 80 percent of the total business volume. A large number of new materials and products were introduced during 1999.

BUSINESS CONCEPT

Habia Cable's business concept is to develop, manufacture and market cable and cable systems for demanding industrial applications and to do that with a high degree of service.

THE COMPANY

Habia Cable is one of Europe's largest manufacturers of specialty cable for industrial applications. Production is concentrated to the facility in Söderfors in Northern Uppland. Habia Cable is represented by its own sales offices in nine countries in Europe, three countries in Asia and the United States. During the mid-1990's, the strategy for marketing was changed to focus on large, so-called blue-chip companies. The average order size has increased hereby, but also the requirements for efficiency, technical competence and global support. Major investments have been made in recent years in new and more efficient machinery, and a new form of organization has been introduced at the plant, to meet efficiency requirements. In part through cooperation with the Municipality of Tierp, the training and competence level has been raised significantly at the company. In addition, major investments have been made in material and product development over the past five-year period.

Today the company is able to provide local support to its customers in Europe, Asia and the United States.

Habia Cable has 218 employees.

PRODUCTS

During the last few years, sales as well as product development efforts have been concentrated to a small number of

application areas with great potential. The goal is to be the market leader in each respective area.

Following an extensive development program begun in 1995, a large number of new materials and products aimed at the following industries were introduced during the second half of 1999:

- ◆ Telecommunications
- ◆ Defense
- ◆ Nuclear power
- ◆ Transportation
- ◆ Electronics

These new materials and products have been very well received in the market and have strengthened the company's positions in the above mentioned market segments.

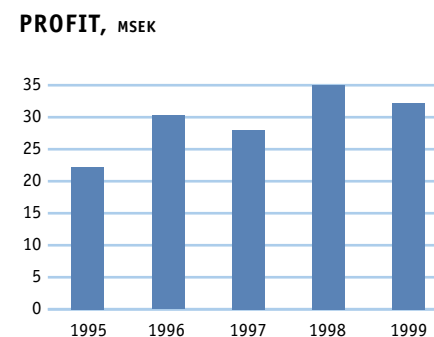
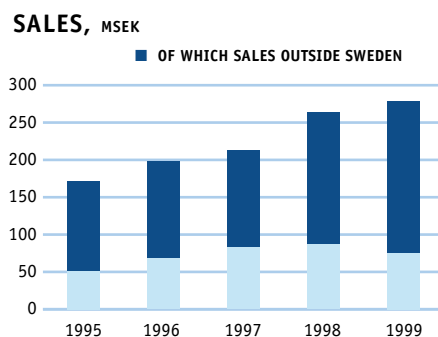
MARKET

The market for specialty cable for demanding applications grows with the rapid development in telecommunications, but also as a consequence of ever higher demands with respect to performance and environmental friendliness. Habia Cable's customers are found mainly in the telecommunications, defense, nuclear power, transportation and electronics industries. These areas account for over 80 percent of total sales.

The company commands strong market positions and customer relationships in the above mentioned areas, with leading manufacturers in most markets throughout Europe. The market in Asia is in a build-up phase.

The competitive situation is distin-

HIGHLIGHTS	1995	1996	1997	1998	1999
Revenue, MSEK	171	198	213	264	278
Profit, MSEK	22.2	30.3	28.0	35.0	32.2
Balance sheet total, MSEK	114.5	113.2	147.9	188.4	244.5
Number of employees	142	152	167	198	218
Book value in the Parent Company, MSEK	34.6	37.6	37.6	37.6	37.6
Equity ratio, %	38	49	45	43	40
Return on average capital employed, %	>30	>30	>30	>30	24



guished by the existence of three global and a large number of smaller, local competitors. Global competitors are the American companies Raychem in the defense and transportation segments, and W L Gore in the nuclear power, defense and space industries, and the Swiss company, Huber+Suhner, in the telecommunications and transportation industries. These three competitors have a presence in virtually all markets and are characterized by high levels of technical and commercial competence.

The local competitors, who are often specialized in one or two application areas, are primarily active in their respective home markets, and in one or a few geographically adjacent markets.

After forceful internationalization efforts during the past five years, Habia Cable is one of the global players.

Europe accounts for about 85 percent of Habia Cable's revenues. There has been strong development in Asia during the past few years and during 1999, this region accounted for more than 10 percent of total revenues.

The market in Europe with the greatest potential for Habia Cable is

Germany, followed by Great Britain, France, the Nordic region and the Benelux countries. The market shares are relatively small outside the Nordic Region. Sales growth was particularly strong in Germany and France.

The company's activities in Asia are concentrated to Hong Kong, Japan and Korea. The market potential in these countries is very large, and except in the case of Japan, there are few local competitors, which obviously facilitates Habia Cable establishing itself in these markets. In order to intensify the cultivation of these markets, the sales management for the region was moved from Sweden to Hong Kong in early 2000.

The industry has undergone restructuring in recent years, with companies in both the United States and Europe growing sharply by acquisition. Habia Cable has been following the development closely during the last several years in order to be prepared to act if and when an opportunity presents itself.

ENVIRONMENT

Habia Cable has been very active for a long time to reduce the environmental

impact of its activity. In recent years, the company has invested in a new type of purification equipment for volatile hydrocarbons, which has reduced emissions with more than 80 percent.

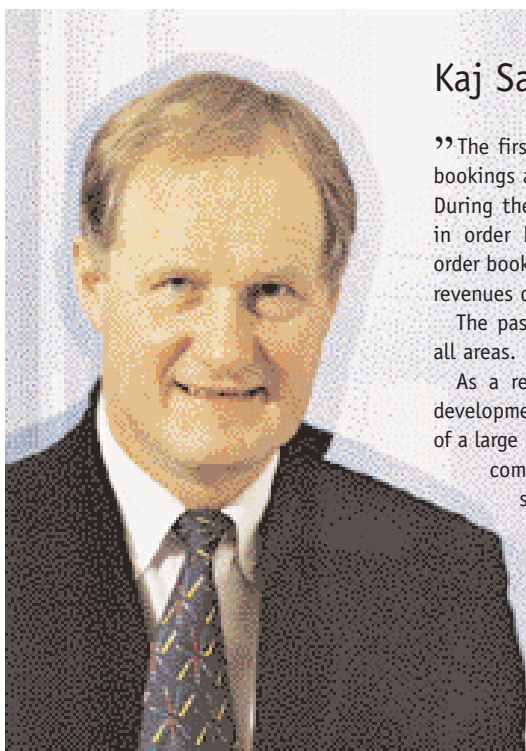
Water conservation is another area where action has been taken. By investing in a water reclamation installation, water consumption has been reduced by more than 80 percent.

IT

All computer systems were made Y2K compatible during the year and Habia Cable's IT system was adapted to the new organization and the new production flow.

Habia Cable was the very first company in Sweden with its own Web site. The home page has been further developed and today our large customers can gain entry to our systems to check shipment plans and to place orders.

The Web site currently has about 4 000 visits per month and 1 200 of these are new visitors.



Kaj Samlin, President, Habia Cable AB

”The first half of 1999 was weak, with order bookings and sales well below the year before. During the fourth quarter, we saw an increase in order bookings, however. The increase in order bookings also resulted in a higher level of revenues during the fall.

The past year was very eventful in virtually all areas.

As a result of our efforts in research and development over the last five years, marketing of a large number of new products and materials commenced during fall. We have already seen many positive effects in our order books from these new materials and products and we expect 20 to 30 percent of sales in 2000 to come from these products.

We completed the expansion of our production facility in Söder-

fors during the year. In connection herewith, the layout of our plant was changed from being functional to being “product oriented” in the interest of better utilizing available opportunities for improving efficiency. At the same time, our organization was changed from being traditionally functional to being flow-oriented. More than 200 machines were moved and most of our employees began working in a new form of organization with new fellow-workers.

A sales office was opened in Japan at the beginning of the year as an element of the strategy of establishing ourselves in the rapidly growing Asian market, which now accounts for ten percent of our sales.

We have great expectations on the product launches made last year, which combined with our new plant, should give us a strong year 2000.”

Lesjöfors AB

The Lesjöfors Group is a complete-line supplier of springs and flat strip components. Sales increased by 27 percent in 1999 and Lesjöfors started strategically important cooperation with Bodycote. Lesjöfors is a dominating player in its sector in the Nordic Region and one of the larger in Europe, with the aim of becoming a global complete-line supplier.

THE COMPANY

The Lesjöfors Group is a complete-line supplier of springs, and wire and flat strip components to customers in most sectors of industry.

The group is divided into three divisions: Industrial Springs, Flat Strip Components and Automotive, mainly with chassis springs for the aftermarket on its program.

The business concept is to be a customer-oriented service company, able to satisfy customers' total need for springs and flat strip components, both in terms of a standard line of products and products developed for the specific needs of the customer. Technical expertise and total quality constitute the most important factors for satisfied customers and continued profitable growth.

The company consists of ten manufacturing units in Sweden, Denmark and Finland. Sales companies are located in England, Finland, Germany, The Netherlands and Norway. There are distributors in a number of other markets. The number of employees is 539.

The companies are quality-certified according to ISO 9001 and 9002.

PRODUCTS

Lesjöfors manufactures springs, and wire and flat strip components in a whole range of dimensions, from very small parts for, among others, the electronics and telecommunications industries, to large hot-wound springs.

Continuous development work, combined with sophisticated machinery and a highly skilled staff, are necessary to fulfill customer requirements for quality, service and precision.

Lesjöfors' product and business areas include the following:

- ◆ Industrial springs
- ◆ Stocked standard springs
- ◆ Gas springs

- ◆ Suspension systems
- ◆ Replacement springs for passenger cars and heavier vehicles
- ◆ Lowering kits for new and used cars
- ◆ Stamped and bent flat strip components

The goal is to be the leader in each of the business and production areas.

Lesjöfors Automotive's business consists of automotive springs and gas springs for passenger cars and heavier vehicles. Product is distributed from central warehouses in Sweden, England, Germany and The Netherlands. Lesjöfors has the market's broadest line of chassis springs manufactured in-house and TÜV-approved lowering kits for European and Asian cars, and gas springs.

Lesjöfors Industrial Spring's business consists of manufacturing, stocking and distribution of standard springs and customer-specific products. Manufacturing covers wire dimensions from 0.1 mm to 70 mm and includes cold-wound as well as hot-wound springs. Lesjöfors

offers a wide range of stocked standard springs and gas springs, which are delivered to end customers within 24 hours. A large proportion of sales is handled via Lesjöfors' product catalogue, which is also available at the company's Web site.

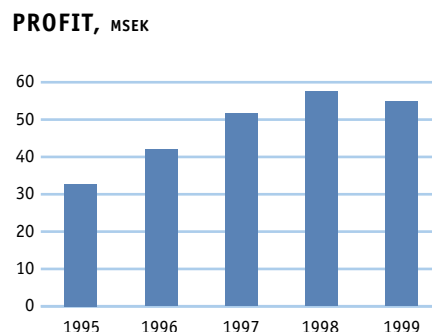
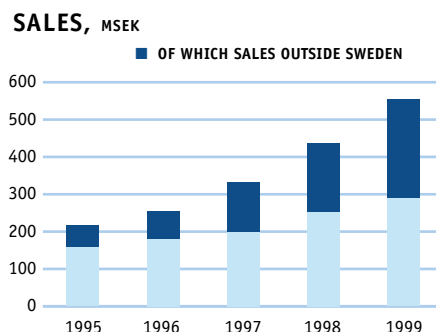
Lesjöfors Flat Strip Components' business consists of manufacturing of flat strip components and leaf springs in the dimensional range of 0.10 mm to 4 mm, and wire parts. Tool development and manufacturing takes place in Denmark and Sweden.

The proportion of products marketed under the group's own brand names has increased to 29 percent.

MARKET

Lesjöfors is one of Europe's leading spring companies with the Nordic Region as the dominating market area. Lesjöfors has advanced its positions in other European markets over the past several years and the goal is to increase its market shares further.

HIGHLIGHTS	1995	1996	1997	1998	1999
Revenue, MSEK	216	253	332	437	556
Profit, MSEK	32.7	42.0	51.6	57.5	54.9
Balance sheet total, MSEK	129.0	243.6	267.9	504.3	500.4
Number of employees	189	227	275	385	539
Book value in the Parent Company, MSEK	47.7	50	50	100	100
Equity ratio, %	52	43	47	40	44
Return on average capital employed, %	>30	>30	>30	24	18



Lesjöfors is an important supplier to many significant companies in, for instance, the electronics, telecommunications and vehicle industries. The relationships with customers are of a long-term nature and are in many cases based on joint development work with complex tool solutions and stringent requirements on the production equipment and for quality. Several of Lesjöfors customers operate in rapidly growing product areas.

Lesjöfors is also a leading supplier to companies who work with replacement parts and accessories for automobiles and heavier vehicles in Europe and the rest of the world.

The market for the company's products is very broad. Competitors are often local, smaller companies, serving a local circle of customers. In Germany there is believed to be close to two thousand players in the industry, most of which are smaller companies. The situation is similar in England and the rest of Europe. Customers are increasingly looking for suppliers who can assume greater responsibility for their total

product needs and technical solutions. These factors create excellent opportunities for continued growth for Lesjöfors, who is one of the few companies in the industry with an ambition to become a global complete-line supplier. On the industrial side, Lesjöfors is the leading company in Europe together with Switzerland's Baumann. For aftermarket products, Lesjöfors is the leading company.

The market development for Lesjöfors' products by and large follows the ups and downs of the general industrial economy. Strong growth among customers like Ericsson, Allgon, Bang Olufsen and others gives the company higher growth numbers, especially for flat strip components. With an increase in geographic market penetration and a broader product line, the goal is for the company to grow at a faster rate than the market as a whole.

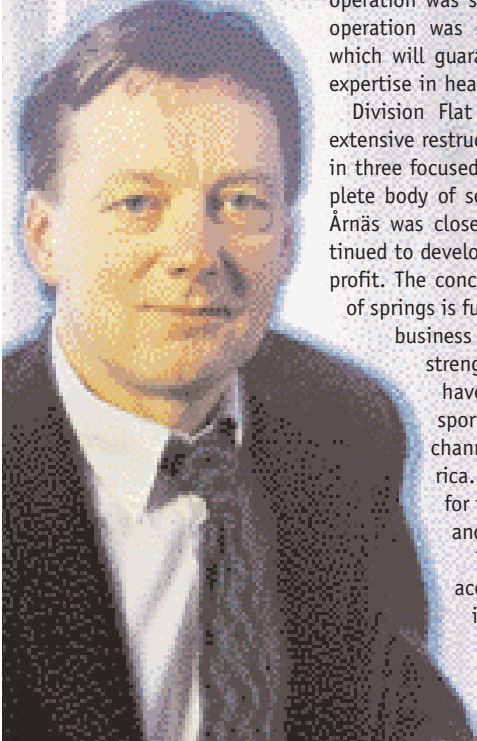
ENVIRONMENT

Lesjöfors has begun the task of introducing environmental management systems for the operation, with, for example,

training of personnel in environmental issues and the introduction of more and better routines for material recycling. The goal is for all units to have certified environmental management systems that meet the requirements of ISO 14001 no later than by 2001. Three of the units will be certified during spring 2000.

IT

Extensive efforts is under way to install a new enterprise system, primarily for the Swedish units. Installation was completed at three of the units during 1999. Internal communication, and increasingly also external communication, is handled by e-mail. Information management will be assured by the installation of a new system during the beginning of 2000. A project to introduce e-commerce has been started, primarily aimed at the standard product line and will be fully implemented during 2000. The products also become available to the customer in 3D-CAD via the Web site and on CD-ROM. Utilization of the opportunities created by IT is a strategically prioritized issue for Lesjöfors.



Kjell-Arne Lindbäck, President, Lesjöfors AB

”1999 was yet another eventful year for Lesjöfors. Sales increased by 27 percent. The surface treatment operation was sold and strategically important cooperation was started with the buyer, Bodycote, which will guarantee Lesjöfors access to advanced expertise in heat and surface treatment.

Division Flat Strip Components carried out an extensive restructuring of operations which resulted in three focused units, which together offer a complete body of services to the market. The plant in Årnäs was closed. Division Industrial Springs continued to develop well, both in terms of volume and profit. The concept of qualified complete deliveries of springs is functioning well. Via acquisitions, our business area for aftermarket products was strengthened, which means that we now have a TÜV-approved product line of sport springs and access to new sales channels in Europe, Asia and North America. A complete program of gas springs for the after market has been developed and was launched during the year.

The business in Värnamo, which was acquired towards the end of 1998, was in need of substantial change and quality assurance. GS Industri was also hurt by a sharp drop in volume of shipments to its former largest customer. The drop in volume and the changes made, with restructuring costs as a consequence, caused the Värnamo unit to post a negative result for the year. Towards the end of the year, however, the level of sales rose substantially and the unit is now on its way to reaching an improved result.

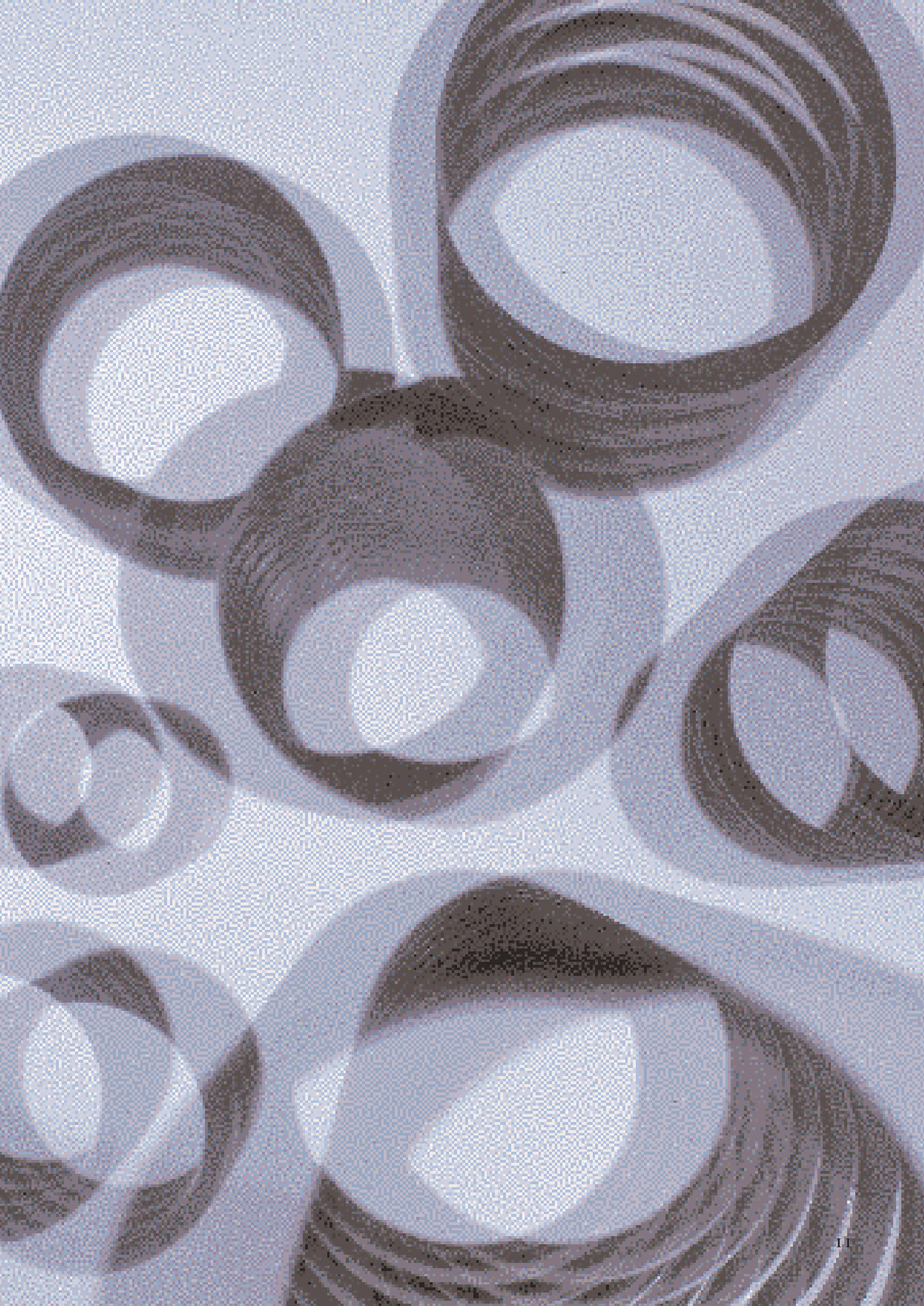
The other units acquired during 1998 showed a positive development.

Quality issues took center stage during the year. The objective is crystal clear: Lesjöfors shall be a quality supplier whose minimum performance shall be on a par with customer expectations.

Lesjöfors is now one of the leading spring companies in Europe, with a dominating position in the Nordic Region. Current business development will allow Lesjöfors to develop into a European service company in the spring industry, with the capability of delivering a complete line of products and services according to the special requirements of our customers.

Our profit performance is good and we see possibilities of further improvement in coming years, both through organic growth and through acquisitions.

Lesjöfors stands well prepared in all operating areas. The order situation is good and work is under way with several interesting business projects, which will mean higher sales and improved profit.”



AB Stafsjö Bruk

Stafsjö develops, manufactures and markets knife gate valves on a global basis. The company is narrowly niched and possesses cutting edge competence in knife gate valves for demanding applications, with a global sales organization in 40 countries on all continents. During 1999, Stafsjö acquired a 50-percent stake in its German distributor, Kurt Trapp Ingenieurbüro GmbH.

THE COMPANY

Stafsjö develops, manufactures and markets knife gate valves on a global basis to satisfy customer needs to close and regulate flows in the process industry. Stafsjö shall be perceived by its customers as the most available, reliable and cost-efficient supplier of knife gate valves.

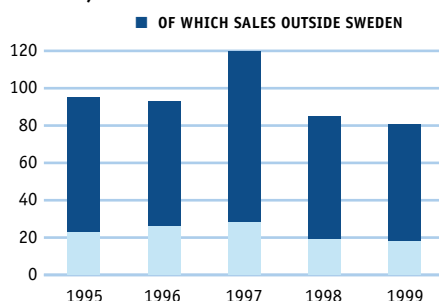
This business idea is the basis for activities on behalf of and services to customers. The company is narrowly product-niched, with cutting edge competence in the area of knife gate valves for demanding applications.

A limited number of customer segments have been selected to assure application expertise for these customers.

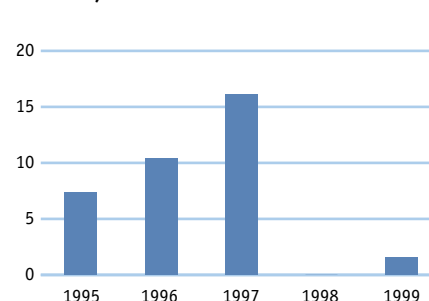
Stafsjö works with these customers on a global basis via its sales organization in Stavsjö and the sales offices in Beijing, Singapore and Germany, and via representatives in about 40 countries spread over all continents.

HIGHLIGHTS	1995	1996	1997	1998	1999
Revenue, MSEK	95	93	120	85	81
Profit, MSEK	7.4	10.4	16.1	-0,2	1.6
Balance sheet total, MSEK	62.1	59.6	81.8	71.1	69.7
Number of employees	57	53	60	58	53
Book value in the Parent Company, MSEK	21.4	21.4	21.4	21.4	21.4
Equity ratio, %	43	47	46	56	57
Return on average capital employed, %	21	26	>30	2	5

SALES, MSEK



PROFIT, MSEK



Magnus Westher, President, AB Stafsjö Bruk

”During 1999, our focus was on strengthening our position in Europe. This involved improvements in distribution, including changes of representatives with better coverage in our customer segments. We went in as part owner with a stake of fifty percent in the company representing Stafsjö in Germany, in order to become more effective in influencing the company’s development, and hence our sales, on this our largest market in Europe. In South East Asia, which before the Asian crisis was our largest market, no signs of increased demand are yet discernible, but the development in Japan and China has been positive.

Through product development and intense efforts with new suppliers, our competitiveness improved, especially among the largest customer segment, the paper and pulp industry, and water and sewage treatment.

New products were introduced for applications

in abrasive environments in recycled paper handling and products for handling sludge in water purification plants. Customer reactions to installations made thus far are highly positive and we are expecting good growth for these applications during year 2000. In cooperation with customers in the paper industry, and the water and sewage treatment sector, standard products have been further developed as customer processes have been changed, and for additional types of applications. We have also been able to coordinate this development successfully with more efficient production.

For year 2000, we have great expectations on the new and competitive products we are offering our customers. With increased sales and more cost-efficient operations, our earnings should improve.”



The company manufactures about 12 000 valves per year in dimensions from 50 to 1 000 mm. About 80 percent of the production is delivered to customers outside Sweden. Major export markets are Canada, China, Finland, Germany and Norway.

Machining, assembly and delivery to customers are performed from Stavsjö in order to maintain quality assurance.

Most suppliers are in Europe and Asia. The number of employees is 53.

THE INDUSTRY

The largest customer segment, the paper and pulp industry, has been distinguished in the past two years by smaller expansion projects, maintenance work and relatively few new capital expenditure projects. A change is now discernible and Stafsjö is expecting higher volumes for 2000 in this customer segment. Adaptation to new product requirements may also lead to an increase in market shares. The company now has a leading position in this segment and the largest geographical diversification compared to its competitors.

For the other large customer segment, the water treatment and sewage plant industry, the new distribution organization, combined with more competitive products, is expected to improve Stafsjö's position.

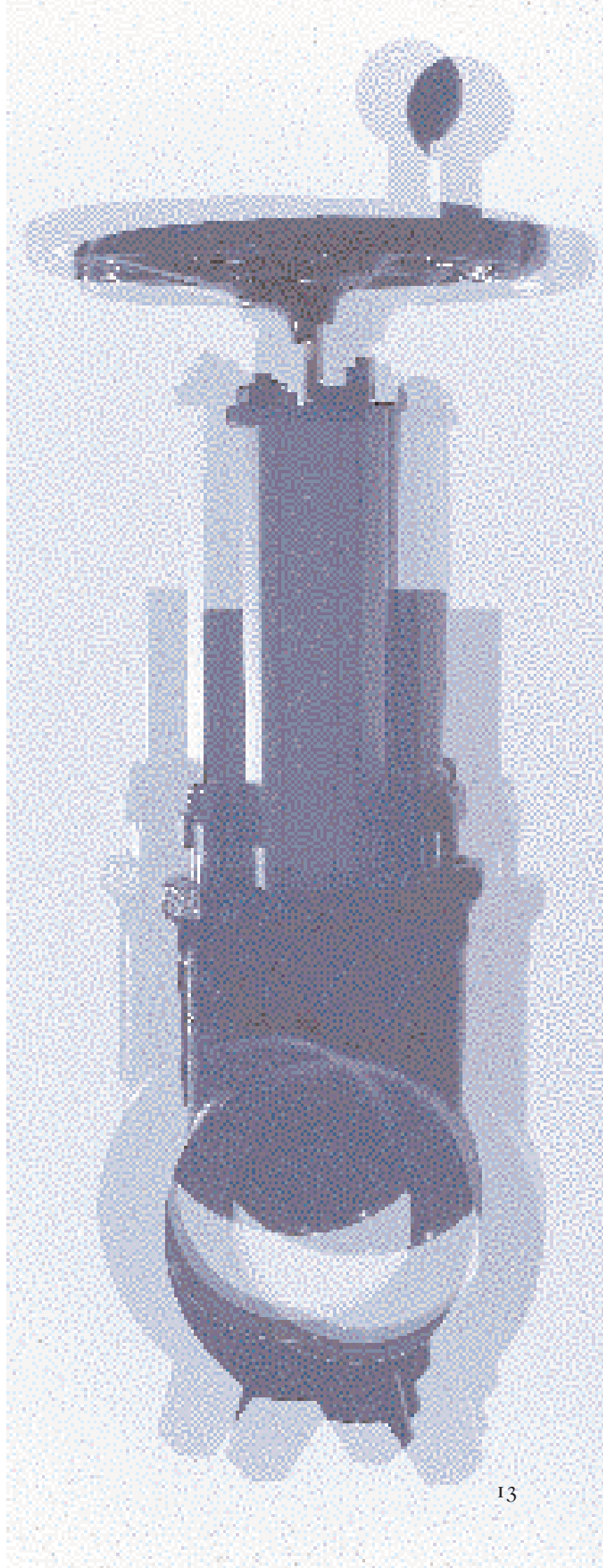
ENVIRONMENT

An investment was made in a new painting facility during the year, and in the beginning of 2000 new equipment, which will reduce the consumption of thinner down to only 10 percent of today's needs, will be procured.

By regrouping machinery, the work environment in production has been improved.

IT

Installation of a new integrated enterprise system was completed during 1999. The system will be upgraded in coming years and the first step is to make it available to the company's representatives via the present Web site and an extranet. Representatives and customers will then be able to place their orders directly through the system, thereby rendering order management more efficient. This also means a faster and more precise flow of information to the global sales organization and to the customers. Aside from information about current shipments, product, application and company information will also be provided. The same enterprise system will be installed at the German company during 2000. For use in product development, software to make in-house FEM calculations and a 3D-CAD system will also be installed during 2000.



The Beijer Alma Share

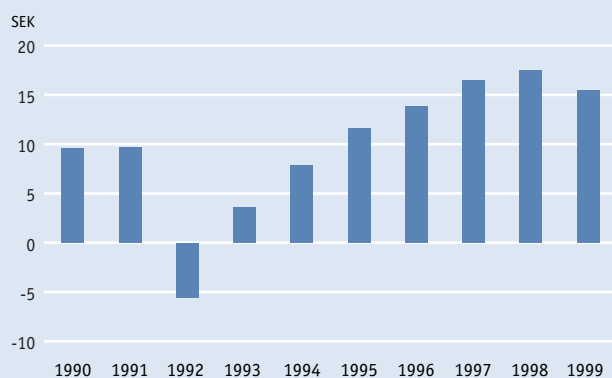
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Earnings per share based on average number of shares outstanding										
– after 28% standard taxes, SEK	9.57	9.67	-5.57	3.65	7.87	11.64	13.88	16.51	17.54	15.51
– after actual taxes, SEK	13.20	14.10	-7.50	4.00	9.32	13.43	18.89 ¹⁾	11.68	16.21	13.43
Shareholders equity per share, SEK	58	57	45	46	54	65	80	87	98	106
Dividend per share, SEK	2.25	3.00	–	2.00	3.00	4.00	5.00	6.00	6.50	7.00 ²⁾
Price earnings ratio as of Dec. 31	8.4	7.2	neg	17.8	8.0	5.9	9.4	13.7	9.6	10.9
Number of shares outstanding at year-end ³⁾	2,146,400	2,146,400	2,146,400	3,634,950	4,022,450	4,022,450	4,022,450	4,022,450	4,022,450	4,235,090
Average number of shares outstanding	2,146,400	2,146,400	2,146,400	2,367,081	3,826,617	4,022,450	4,022,450	4,022,450	4,022,450	4,164,210

1) Including property indemnity for fire damage at Lesjöfors.

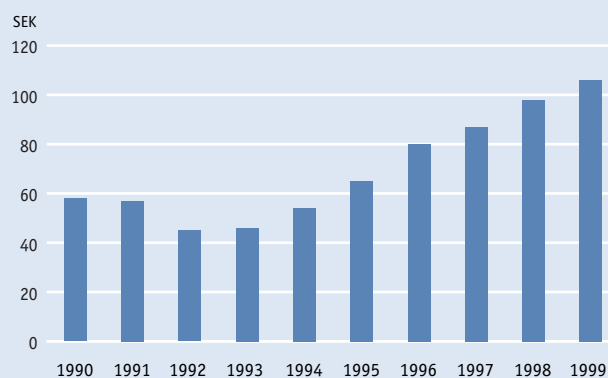
2) Dividend proposed by the Board of Directors.

3) Adjusted for stock dividend 1:1 and, from 1987, after actual effect of conversion. From 1994, including subordinated convertible debentures outstanding.

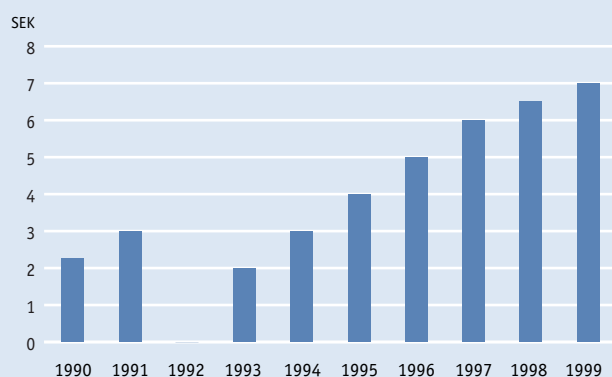
EARNINGS PER SHARE AFTER STANDARD TAXES



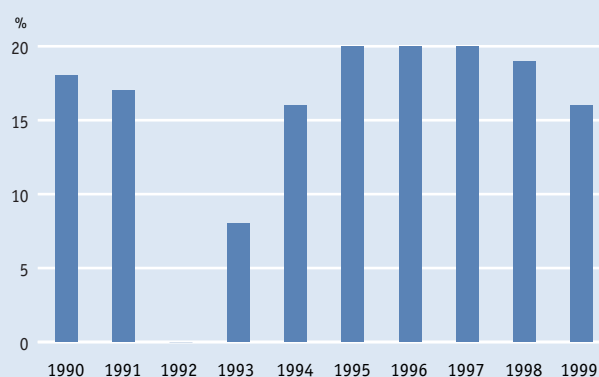
SHAREHOLDERS' EQUITY PER SHARE



DIVIDEND PER SHARE



RETURN ON EQUITY



Ownership Structure – the Largest Shareholders

(According to the shareholder register as of December 30, 1999)

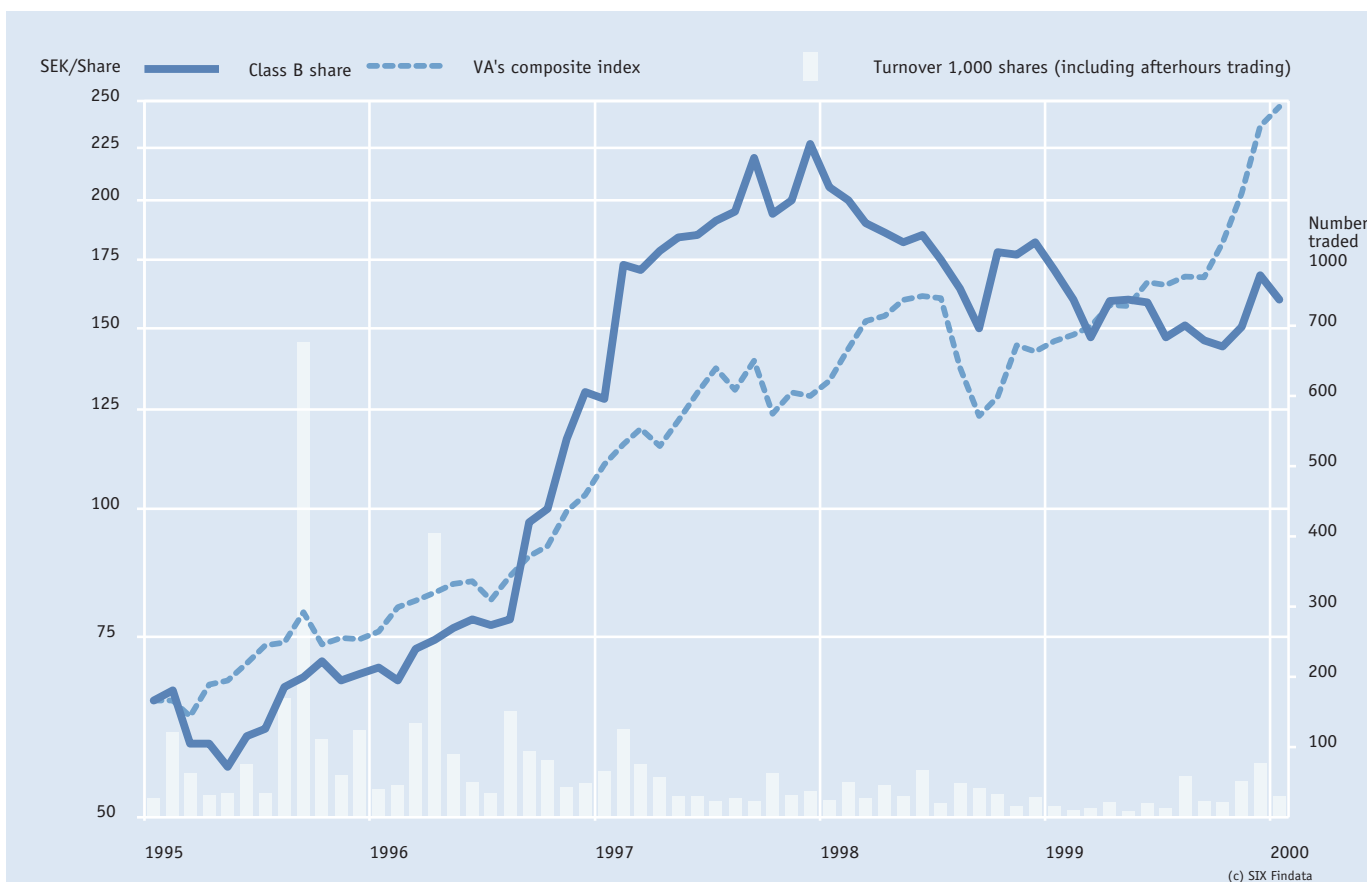
	NUMBER OF SHARES	OF WHICH CLASS A	OF WHICH CLASS B	NUMBER OF VOTES	SHARE CAPITAL, %	VOTES, %
Anders Wall with family and companies, including Beijerinvest AB	622,520	366,500	256,020	3,921,020	15.5	43.5
Anders Wall's Foundations	210,800	48,000	162,800	642,800	5.2	7.1
Göran W Huldtgren with family and companies	99,735	50,700	49,035	556,035	2.5	6.2
Skandia	365,470		365,470	365,470	9.1	4.1
Sven Boode with family	32,905	31,170	1,735	313,435	0.8	3.5
S-E Banken Fonder	288,000		288,000	288,000	7.2	3.2
Kjell & Märta Beijer's Foundation	241,375		241,375	241,375	6.0	2.7
Fourth AP Fund	236,500		236,500	236,500	5.9	2.6
Hagströmer & Qviberg Fonder	188,100		188,100	188,100	4.7	2.1
Per Olsson	153,000		153,000	153,000	3.8	1.7
Kjell Beijer's 80-year Foundation	140,600		140,600	140,600	3.5	1.6
Other	1,443,445	58,630	1,384,815	1,971,115	35.8	21.7
Total	4,022,450	555,000	3,467,450	9,017,450	100.0	100.0

The number of shareholders is about 2,000.
The proportion of institutional ownership is 44.6 percent of capital and 25.0 percent of the votes.

The number of shares issued is:

555,000	Class A 10 votes	= 5,550,000 votes
3,467,450	Class B 1 vote	= 3,467,450 votes
4,022,450		9,017,450 votes

Share Price Development



Ten-Year Summary

MSEK	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Revenues	410.6	459.1	504.3	545.6	801.3	1 008.5	834.7	939.9	1,072.2	1,031.0
Operating profit	37.4	37.6	3.8	27.7	49.0	71.2	81.9	98.3	107.3	101.3
Net financial items	-10.0	-9.8	-20.4	-15.7	-7.8	-7.4	-5.4	-6.1	-9.3	-12.6
Profit after financial items	27.4	27.8	-16.6	12.0	41.2	63.8	76.5	92.2	98.0	88.7
Items affecting comparability, net	-	-8.0	-2.5	-	-	-	20.5	-	-	-
Profit before year-end appropriations and taxes	27.4	19.8	-19.1	12.0	41.2	63.8	97.0	92.2	98.0	88.7
Year-end appropriations	-	-	-1.6	-	-	-	-	-	-	-
Taxes	-	1.5	0.6	-2.6	-6.0	-11.0	-21.8	-45.2	-32.8	-33.5
Net profit	27.4	21.3	-20.1	9.4	35.2	52.8	75.2	47.0	65.2	55.2
Fixed assets	127.4	131.5	147.6	137.3	167.3	177.2	258.5	290.0	440.8	444.6
Current assets	181.3	218.5	211.1	233.8	298.5	311.8	310.8	360.8	425.0	424.1
Shareholders' equity	115.6	113.9	97.0	167.5	207.9	247.8	307.9	350.3	397.8	424.7
Long-term liabilities	98.1	161.9	172.8	99.8	118.3	102.2	125.2	123.0	257.1	246.7
Short-term liabilities	90.7	71.6	91.3	103.9	139.6	139.0	136.2	177.5	211.0	197.3
Balance sheet total	309.3	350.3	361.1	371.2	465.8	489.0	569.3	650.8	865.8	868.7
Ratios (%)										
Return on average shareholders' equity	18	17	neg	8	16	20	20	20	19	16
Return on average capital employed	19	18	5	14	18	24	23	23	20	17
Equity ratio	37	33	27	45	45	51	54	54	46	49
Debt equity ratio	84	134	175	57	52	37	34	29	58	52
Interest coverage ratio, multiple	3.1	2.2	neg	1.5	4.3	5.4	8.2	11.4	8.9	6.9

Administration Report

Annual Report for Beijer Alma AB (publ) for the financial year January 1 – December 31, 1999.

REPORT OF THE BOARD OF DIRECTORS

In addition to its statutory Board of Directors Meeting, the Board of Directors has held three special and six regular meetings during the year and during which formal minutes have been taken.

Pursuant to the provisions of the Swedish Companies Act, rules of procedure for the work of the Board of Directors have been adopted. The following, among other things, is governed by this procedure:

- The type of matters to be brought before the Board of Directors;
- The number of regularly scheduled meetings to be held by the Board of Directors;
- The agenda for individual meetings of the Board of Directors;
- Reporting of the Auditors to the Board of Directors.

Beijer Alma's Board of Directors has no special committees or councils. All matters and issues are thus dealt with by the Board of Directors in its entirety.

CHANGES IN THE GROUP'S STRUCTURE

The Group has changed during 1999. Trading companies E. Bierregaard AB and G & L Beijer Import och Export AB i Stockholm have been sold.

Operations in the Lesjöfors Group were distinguished by major change-overs. The surface treatment companies that were part of the acquisition in 1998 of GS Industri AB have been sold to Bodycote and a long-term cooperation agreement has been concluded. Order bookings at GS Industri weakened significantly during the year. Restructuring measures have been taken, including a move of most of the operations from Årnäs to GS Industri, and an extensive investment program has been implemented. The remaining parts of the production at Årnäs have been moved to other Lesjöfors units. A Dutch distribution company, B & G Suspension BV, was acquired in December 1999. B & G, which is an international distributor of automotive sport and lowering springs, is a part of the chassis division of Lesjöfors.

Habia Cable has completed the expansion of its production facility in Söderfors and altered the production flows. Habia Cable has also started new sales units in Hong Kong and Japan.

In a first step, Stafsjö Bruk acquired 50 percent of its representative, Firma Kurt Trapp, in Germany, with an option to acquire the remaining 50 percent. The other part is owned by Thyssen-Krupp.

These extensive changes have been fully accounted for in this report. The net result thereof was MSEK 13.0 in items affecting comparability.

ISSUANCE OF SUBORDINATED CONVERTIBLE DEBENTURE LOAN

Following a resolution of the regularly scheduled Annual General Meeting, Beijer Alma issued a subordinated convertible debenture loan to its employees during the year. After full conversion and taking the time of issuance into account, the number of outstanding shares will be 4 164 210 (4 022 450).

REVENUES AND RESULT

Group

Consolidated revenues amounted to MSEK 1 031 (1 072). Revenues in continuing operations increased by 3.5 percent. The proportion of foreign sales rose from 43 percent to 53 percent, primarily due to the sale of the trading companies.

Profit before taxes was MSEK 88.7 (98.0). This result includes items affecting comparability in an amount of MSEK 13.0 (5.1). Earnings per share after taxes were SEK 15.51 (17.54) on a fully diluted basis.

Subsidiaries

Habia Cable, manufacturer of specialty cable, increased revenues by 5 percent to MSEK 277.8 (264.2). Profit was MSEK 32.2 (35.0). Expansion of the production plant took place during the first half of the year and production flows were also changed. Fourth quarter revenues were MSEK 82.6 for a profit of MSEK 14.9.

Lesjöfors, manufacturer of industrial springs, increased revenues from MSEK 437.0 to MSEK 556.3, an increase of 27 percent. The increase in continuing operations was 4.1 percent. Profit for the year was MSEK 54.9 (57.5). Several of Lesjöfors' units saw good earnings growth, while the performance of GS Industri was weak. The business situation has been improved by moving production from Årnäs to GS Industri, in combination with new orders.

Stafsjö Bruk, manufacturer of knife gate valves for the process industry, had revenues of MSEK 81.3 (85.3). The result improved and profit was MSEK 1.6 (–0.2). The improvement in earnings was due to lower production costs as a result of product design changes and switching suppliers.

The trading companies were sold during 1999. Bierregaard's profit up to the time of sale was MSEK 1.6. G & L Beijer was sold as of August 31 and the profit up to and including that date was MSEK 1.5.

Alma Nova is the Group's entity for investment in young companies in fast-growing areas. The portfolio is unchanged.

Parent Company

The Parent Company, which does not conduct any business of its own, reports a result of MSEK –3.0 (6.8 including capital gains of 12.0). After dividends and group contributions from its subsidiaries, the profit after taxes was MSEK 35.3 (34.2).

ACQUISITIONS AND DIVESTITURES

Lesjöfors AB acquired B & G Suspension BV in the Netherlands in December. The surface treatment companies that were part of the acquisition of GS Industri were sold as of May 31 to Bodycote and a cooperation agreement for surface treatment and tempering was concluded.

The business in E. Bierregaard AB was sold in May to Atle Tjänste & Handel.

Following a resolution at an extra general meeting of the shareholders, G & L Beijer Import och Export i Stockholm AB was sold as of August 31.

CAPITAL EXPENDITURES

Investment in plant and equipment, not including acquisitions and divestitures, amounted to SEK 69.6 (66.1).

FINANCING AND LIQUIDITY

Liquid funds increased by MSEK 83 during the year as a result of corporate divestitures. MSEK 27 was added through issuance of a subordinated convertible debenture loan to the Group's employees. Long-term liabilities, not including the subordinated convertible debenture loan, were reduced by MSEK 38.

Liquid funds at the end of the year amounted to MSEK 40.0 (27.9). Available liquidity, defined as liquid funds plus committed but unutilized credit facilities, was MSEK 190.9 (152.1). The equity ratio was 49 percent (46). Shareholders' equity per share stood at SEK 106 (98) at the end of the financial year.

PROFITABILITY

The return on average capital employed was 17 percent (20). Average shareholders' equity yielded a return of 16 percent (19).

NEW PRESIDENT AND CEO

Bertil Persson, Bachelor of Science (Econ.), has been appointed as new President and Chief Executive Officer of Beijer Alma. He succeeds Curt Lönnström, who has been President and Chief Executive Officer since 1994, and who earlier had announced that he wished to leave his post.

PERSONNEL

The average number of employees during 1999 was 851 (728). Job locations and payroll data are provided in Note 1.

COMPOSITION OF THE BOARD OF DIRECTORS

All present Directors were re-elected by the regularly scheduled Annual General Meeting of 1999. Note 2 to the financial statements contains a presentation of the members of the Board of Directors.

OWNERSHIP SITUATION

The Company has a total of about 2 000 shareholders. The largest owner is Anders Wall with family and companies, with 43.5 percent of the votes. No significant changes in ownership have occurred during the year.

ENVIRONMENT

Habia Cable conducts business that requires a permit under the Swedish environmental code where operations impact the environment by discharge of volatile hydrocarbons. The purification equipment in which the company has invested in recent years has reduced emissions by 80 percent, compared to a 50-percent reduction called for by EU's directives by the year 2010.

No other of the Group's operations require permits under the environmental code. A majority of the Group's companies will be certified under ISO 14001 during the years 2000 and 2001.

IT

The transition to year 2000 was problem-free.

OUTLOOK FOR 2000

The companies in Beijer Alma saw increased order bookings during the latter part of 1999. This trend has continued into the current year. The outlook for the general economy is positive and this is expected to lead to continued increases in order bookings during the year.

PROPOSED ALLOCATION OF PROFIT

The Board of Directors and the President propose that the funds available for distribution by the Annual General Meeting be allocated as follows:

SEK thousand	
Retained earnings	16,327
Net profit for the year	37,642
Total	53,969

to be allocated as follows:

A dividend to the shareholders of SEK 7.00 per share	28,157
To be carried forward	25,812
Total	53,969

The Group's unrestricted shareholders' equity amounts to SEK 234 820 thousand. An allocation of SEK 222 thousand to statutory reserves is proposed.

Uppsala, February 9, 2000

Anders Wall
Chairman

Anders G. Carlberg

Torsten Ekström

Thomas Halvorsen

Göran W Hultgren

Jan-Erik Wikström

Curt Lönnström
*President and
Chief Executive Officer*

Statements of Income

AMOUNTS IN SEK THOUSAND	NOTE	GROUP		PARENT COMPANY	
		1999	1998	1999	1998
Invoiced sales	3	1,031,039	1,072,213	-	-
Cost of goods sold		-697,140	-730,124	-	-
Gross profit		333,899	342,089	-	-
Selling expenses		-144,019	-145,652	-	-
Administrative expenses	4	-102,270	-96,867	-13,852	-13,363
Other revenue		-	-	9,657	8,701
Shares in profit of associated companies		716	2,633	-	-
Items affecting comparability	5	12,982	5,087	3,642	12,042
Operating profit	6	101,308	107,290	-553	7,380
Interest income		2,571	3,082	1,950	2,755
Interest expense		-15,180	-12,392	-4,371	-3,292
Anticipated dividend	7	-	-	9,074	1,600
Profit after financial items	8	88,699	97,980	6,100	8,443
Group contributions		-	-	43,000	37,880
Year-end appropriations		-	-	-	203
Profit before taxes		88,699	97,980	49,100	46,526
Taxes	9	-33,501	-32,758	-11,458	-12,306
NET PROFIT FOR THE YEAR		55,198	65,222	37,642	34,220

Balance Sheets

AMOUNTS IN SEK THOUSAND	NOTE	GROUP		PARENT COMPANY	
		1999	1998	1999	1998
ASSETS					
Fixed assets					
Intangible fixed assets					
Goodwill	10	58,507	54,497	–	–
Tangible fixed assets					
Land and land improvements	11	6,485	7,086	–	–
Buildings	12	118,826	126,451	–	–
Plant and machinery	13	216,814	215,807	–	–
Equipment	14	30,363	24,695	317	383
Financial assets					
Long-term receivables		6,767	953	–	–
Shares in outside companies	15	6,862	11,271	1	1
Shares in subsidiaries	16	–	–	188,039	212,723
Total fixed assets		444,624	440,760	188,357	213,107
Current assets					
Inventories	17	153,841	178,025	–	–
Short-term receivables					
Prepaid expenses and accrued income		18,575	9,415	5,826	346
Accounts receivable		194,330	193,468	–	–
Due from subsidiaries		–	–	114,242	81,240
Other short-term receivables		17,376	16,235	2,147	2,724
Liquid funds		39,966	27,889	17,938	26
Total current assets		424,088	425,032	140,153	84,336
TOTAL ASSETS		868,712	865,792	328,510	297,443

AMOUNTS IN SEK THOUSAND

NOTE

GROUP

PARENT COMPANY

		1999	1998	1999	1998
LIABILITIES AND SHAREHOLDERS' EQUITY					
Equity	18				
Restricted equity					
Share capital		100,561	100,561	100,561	100,561
Other restricted equity		89,339	76,927	61,899	58,199
Total restricted equity		189,900	177,488	162,460	158,760
Unrestricted equity					
Retained earnings		179,622	153,127	16,327	10,550
Net profit for the year		55,198	65,222	37,642	34,220
Total unrestricted equity		234,820	218,349	53,969	44,770
Total shareholders' equity		424,720	395,837	216,429	203,530
Untaxed reserves	19	–	–	1,078	1,078
Provisions					
Deferred tax liability		37,166	35,212	–	–
Provision for pensions		8,097	8,069	–	–
Total provisions		45,263	43,281	–	–
Long-term liabilities					
Utilized portion of credit facility	20	42,591	33,236	29	2,706
Long-term liabilities		134,995	182,475	29,749	38,750
Convertible debenture loan	21	23,868	–	33,793	–
Total long-term liabilities		201,454	215,711	63,571	41,456
Current liabilities					
Due to subsidiaries		–	–	39,677	38,609
Accounts payable		64,161	67,987	582	440
Tax liability	22	27,779	32,525	4,089	9,901
Accrued expenses and prepaid income	23	63,271	59,326	2,289	1,919
Interest-bearing current liabilities		11,097	8,169	–	–
Other current liabilities		30,967	42,956	795	510
Total current liabilities		197,275	210,963	47,432	51,379
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		868,712	865,792	328,510	297,443
Pledged assets	24	509,414	521,163	131,302	159,442
Contingent liabilities	25	8,383	447	12,376	13,971

Statements of Cash Flow

AMOUNTS IN SEK THOUSAND

	GROUP		PARENT COMPANY	
	1999	1998	1999	1998
Operating result	101,308	107,290	-553	7,380
Depreciation and amortization charged to operating profit	54,667	41,984	66	125
Net financial items	-12,609	-9,310	6,653	1,063
Group contributions	-	-	43,000	37,880
Taxes	-33,501	-32,758	-11,458	-12,306
Cash flow before changes in working capital and capital expenditures (cash earnings)	109,865	107,206	37,708	34 142
Changes in components of working capital				
Short-term receivables increase (-) decrease (+)	-11,163	-31,444	-37,905	5,039
Inventories increase (-) decrease (+)	24,184	-39,413	-	-
Current liabilities decrease (-) increase (+)	-13,688	33,529	-3,947	-5,519
Cash flow before capital expenditures	109,198	69,878	-4,144	33,662
Net investments in assets				
Shares in subsidiaries increase (-) decrease (+)	-	-	24,684	-43,561
Other shares increase (-) decrease (+)	4,409	2,105	-	-
Machinery and equipment increase (-) decrease (+)	-48,989	-115,611	-	-61
Real estate increase (-) decrease (+)	3,505	-61,040	-	-
Long-term receivables increase (-) decrease (+)	-5,814	5,610	-	-
Goodwill increase (-) decrease (+)	-11,642	-23,842	-	-
Cash flow after capital expenditures	50,667	-122,900	20,540	-9,960
Financial payments				
Below-market interest on loan adding to equity	3,700	-	3,700	-
Dividends paid	-26,146	-24,135	-26,146	-24,135
Group contributions rendered not affecting profit	-	-	-2,297	-2,522
Provisions increase (+) decrease (-)	1,982	7,525	-	-
Long-term liabilities increase (+) decrease (-)	-14,257	128,423	22,115	28,206
Translation difference	-3,869	4,433	-	-
Change in liquid funds	12,077	-6,654	17,912	-8,411
Liquid funds at beginning of year	27,889	34,543	26	8,437
Liquid funds at year-end	39,966	27,889	17,938	26
Unutilized committed credit facilities	150,908	124,161	78,971	61,294
Available liquidity	190,874	152,050	96,909	61,320

Notes to the Financial Statements

(All amounts in SEK thousand unless otherwise specifically stated)

ACCOUNTING AND VALUATION PRINCIPLES

General

Starting in 1997, the Annual Report has been prepared in accordance with the provisions of the new Annual Accounts Act. The Company has elected to use the so-called Income Statement Classified According to Function. This means that operating costs are reported under the functions cost of goods sold, selling expenses and administrative expenses. Depreciation and amortization are included in the expenses for each respective function.

Consolidated accounting

The consolidated financial statements include the Parent Company and those companies in which Beijer Alma AB, directly or indirectly, owned more than 50 percent of the votes of the shares outstanding at year-end.

The so-called purchase method of accounting has been used in compiling the Group's balance sheet. Under the purchase method, the cost of shares in subsidiaries is eliminated against taxed equity capital at the time of acquisition, with 72 percent of untaxed reserves regarded as equity capital and 28 percent thereof regarded as deferred tax liability. This deferred tax liability is reported in the consolidated balance sheet as a long-term liability. Any difference remaining thereafter is allocated to each respective category of fixed assets based on available documentation. To the extent the difference cannot be allocated in this manner, the remainder is reported as goodwill.

Companies acquired during the year are included in the consolidated financial statements with amounts relating to the period after acquisition. The result of companies sold during the year have been included in the consolidated income statement for the period until the entity in question was sold.

The so-called current rate method has been used in recalculating the balance sheets of foreign subsidiary balance sheets. The method means that assets and liabilities are recalculated at the exchange rate prevailing at year-end. Translation differences are carried directly to shareholders' equity and thus do not affect the Group's profit. Income statements are recalculated using an average rate of exchange.

In accordance with the recommendations of the Swedish Financial Accounting Standards Council, no untaxed reserves are reported in the consolidated balance sheet. 72 percent of such reserves are instead reported as restricted equity capital and 28 percent as a deferred tax liability. A corresponding adjustment has been made for year-end appropriations in the consolidated statement of income.

Reporting of associated companies

Companies which are not subsidiaries, but in which the Parent Company, directly or indirectly, owns more than 20 percent of the votes of all outstanding shares are considered to be associated companies. Shares in associated companies are reported in accordance with the so-called equity method.

Application of the equity method means consolidation in essence occurs on two separate lines in the consolidated income statement and the consolidated balance sheet. Accumulated shares in profit not paid out as dividends attributable to associated companies are reported in the consolidated balance sheet as restricted reserves.

Liabilities and receivables in foreign currency

Liabilities and receivables in foreign currency are valued at the year-end rate of exchange.

Valuation of inventories

Inventories are valued at the lower of cost and market using the so-called FIFO method. A provision for obsolescence has been set aside in an appropriate amount.

Depreciation and amortization

Depreciation is based on the original cost of the assets and their estimated useful economic life. For machinery and equipment, the period of depreciation is 3–10 years, and for buildings 25–40 years. Goodwill is amortized by 10 percent annually.

Miscellaneous

Only a minor part of claims and liabilities within the Group are interest-bearing in accordance with internal rules for handling group contributions.

NOTE 1 PERSONNEL

JOB LOCATIONS	NUMBERS OF EMPLOYEES	
	1999	1998
SWEDEN		
Parent Company		
Uppsala	5	5
Subsidiaries		
Uppsala	12	8
Malmö	7	36
Karlstad	9	12
Stockholm	54	57
Norrköping	4	4
Göteborg	3	6
Filipstad	55	53
Götene	18	26
Herrljunga	68	58
Norrälje	22	23
Växjö	7	6
Strängnäs	15	26
Trosa	28	23
Nyköping	49	56
Tierp	165	155
Värnamo	102	34
Mullsjö	12	8
Gnosjö	5	5
Total Sweden	640	601

Of whom men 502 (481) and women 138 (120).

	1999			1998		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
OUTSIDE SWEDEN						
Norway	3	2	5	4	1	5
Denmark	91	39	130	39	13	52
Finland	19	4	23	19	3	22
Great Britain	17	6	23	14	7	21
The Netherlands	6	2	8	5	2	7
Belgium	1	1	2	2	1	3
France	3	2	5	3	1	4
Germany	8	1	9	7	1	8
Poland	1	1	2	2	1	3
Singapore	2	–	2	2	–	2
China	1	1	2	–	–	–
Total outside Sweden	152	59	211	97	30	127
TOTAL			851			728

Of the number of employees, 654 (578) are men and 197 (150) are women.

Payroll and compensation

Group

Compensation as follows has been paid by the Swedish units of the Group:

	1999	1998
Salaries, President and Board of Directors	12,716	12,739
Bonus, President and Board of Directors	724	919
Social benefits, President and Board of Directors	5,981	5,541
Of which pension costs	2,400	2,436
Salaries, others	155,201	146,061
Social benefits, others	62,012	59,258
Of which pension costs	8,920	7,236

Salaries and compensation has been paid outside Sweden as follows:

	1999			1998		
	PRESIDENT/BOARD SALARY OF WHICH BONUS	OTHERS		PRESIDENT/BOARD SALARY OF WHICH BONUS	OTHERS	
Norway	740	53	1 260	954	110	1,253
Denmark	1,685	–	39,557	1,636	119	17,289
Finland	850	–	5,078	976	61	4,899
Great Britain	2,026	94	6,385	1,905	–	5,660
The Netherlands	–	–	2,252	–	–	2,094
Belgium	–	–	669	–	–	1,147
France	–	–	1,271	–	–	1,435
Germany	1,438	99	2,685	1,408	91	2,325
Poland	–	–	434	–	–	367
Singapore	–	–	932	–	–	1,670
China	–	–	167	–	–	–
Total salaries and compensation	6,739	246	60,690	6,879	381	38,139
Total salaries and compensation in Sweden as above	12,716	724	155,201	12,739	919	146,061
Group total	19,455	970	215,891	19,618	1,300	184,200

Parent Company

	1999	1998
Salaries, President and Board of Directors	3,730	3,380
Bonus, President and Board of Directors	300	300
Social benefits, President and Board of Directors	1,768	1,568
Of which pension costs	387	601
Salaries others	1,793	1,532
Social benefits, others	929	1 196
Of which pension costs	326	443

Terms of employment and compensation of senior management

The following costs were charged to the Parent Company during 1999:

President and CEO:

Salary including benefit of automobile	1,557
Bonus	300
Social benefits	999
Of which pension costs	311

Chairman of the Board:

Director's fee	275
Fee pursuant to General Meeting resolution	875
Social benefits	67

Fees have been paid to other Directors in a total amount of 723.

The current President and Chief Executive Officer will be leaving his post in the beginning of 2000. An agreement has been concluded to the effect that he will remain in an advisory position in the Group. For the period 2000 – 2004 he will be receiving contractual pension and compensation, which for the Company entails a cost, including taxes and social benefits, of MSEK 1.2 per year.

NOTE 2 BOARD OF DIRECTORS

Anders Wall, Director since 1992 and Chairman of the Board. Other assignments: Chairman of: Beijerinvest AB, Kjell & Märta Beijer's Foundation, Centrum för Entreprenörskap och Företagsutveckling (CEF) at Uppsala University, Chemapol Scandinavia AB, G & L Beijer Import och Export AB i Stockholm, Consul Th C Berghs Foundation, Ryda Bruk AB, TradeARBED AB, Anders Wall's Foundations. Director of: Bukowski Auktioner AB (Vice Chairman), Anders Diös AB, Domarbo Skog AB, HDF AB, Hargs Bruk AB, AB Stafsjö Bruk, and other assignments. Uppsvenska Chamber of Commerce, Swedish Chambers of Commerce in London and New York, International Advisory Board Banque Générale du Luxembourg, Honorary Fellow of Uppsala University, Member of the Royal Academy of Engineering Science.

Anders G. Carlberg, President, Axel Johnson International AB. Director since 1997. Other assignments: Chairman of: Connecta AB, Munksjö AB. Director of: Axel Johnson AB, Axel Johnson Inc., Elkem ASA, SSAB and other assignments.

Torsten Ekström, Director, AB Bonnierföretagen. Director since 1983. Other assignments: Chairman of: Sun Chemical AB, Tierps Grafiska AB. Director of: Cirrus AB.

Thomas Halvorsen, President, Fourth Fund Board of the General Pension Fund. Director since 1992. Other assignments: Director of: AB Electrolux, Sydkraft AB and other assignments.

Göran W Huldtgren, President, Scandecor Marketing AB. Director since 1983.

Jan-Erik Wikström, Former County Governor. Director since 1997. Other assignments: Chairman of: Hotel Birger Jarl AB, Royal Dramatic Theatre, Sponsor Stiftelseförvaltning AB, Svensk-finska Kulturfonden, Sveriges Allmänna Konstförening, Verbum AB. Director of: Kjell and Märta Beijer's Foundation, Drottningholmsteatern, Förvaltningsstiftelsen för Sveriges Television och Sveriges Radio, Svenskt Tenn AB.

Johan Wall, Executive Vice President, Framtidsfabriken AB. Deputy Director since: 1997. Other assignments: Chairman of: AB Ljungskogens Strandbad. Director of: Anders Wall's Foundations and Deputy Director of: Kjell and Märta Beijer's Foundation.

Curt Lönnström, President and CEO, Beijer Alma AB. Director since 1992. Other assignments: Chairman of: Minvest AB. Director of: Beijerinvest AB, Domarbo Skog AB, Hagströmer & Qviberg Fondkommission AB, Olle Olsson Bolagen AB, Poolia AB.

NOTE 3 INVOICED SALES

	1999	1998
Sweden	482,038	607,167
Other Nordic countries	219,717	173,687
Other Europe	249,443	245,585
Asia	58,009	24,844
Rest of world	21,832	20,930
TOTAL	1,031,039	1,072,213

NOTE 4 ADMINISTRATIVE EXPENSES

Administrative expenses include, i.a., fees to the auditors as follows.

	GROUP		PARENT COMPANY	
	1999	1998	1999	1998
Audit fee	1,694	1,766	355	220
Other assignments	587	812	180	219
TOTAL	2,281	2,578	535	439

NOTE 5 ITEMS AFFECTING COMPARABILITY

	GROUP		PARENT COMPANY	
	1999	1998	1999	1998
Capital gains in Lesjöfors AB on sale of the surface treatment companies	11,850	-	-	-
Costs for closing Årnäs and moving its production to other Lesjöfors units	-7,326	-	-	-
Capital gain on sale of the business in E. Bierregaard AB	11,500	-	-	-
Result of sale of G & L Beijer Import & Export AB i Stockholm	-3,042	-	3,642	-
Capital gain on sale of shares in Sundquist Components AB	-	10,906	-	17,861
Capital loss on sales of shares	-	-5,819	-	-5,819
TOTAL	12,982	5,087	3,642	12,042

NOTE 6 OPERATING PROFIT

Depreciation and amortization has been charged to operating profit as follows:

	GROUP		PARENT COMPANY	
	1999	1998	1999	1998
Plant and machinery	34,921	24,172		
Equipment	7,393	7,416		
Buildings	4,682	4,415		
Land improvements	39	45		
Goodwill	7,632	5,936		
TOTAL	54,667	41,984		

Depreciation of equipment has been charged in the Parent Company by 66 (125).

NOTE 7 ANTICIPATED DIVIDENDS

PARENT COMPANY	1999	1998
Dividend from Beijer Alma Industri AB (formerly E. Bierregaard AB)	8,400	-
Write-down of shares in Beijer Alma Industri AB	-6,326	-
Dividend from AB Stafsjö Bruk	7,000	-
Dividend from G & L Beijer Import och Export AB i Stockholm	-	1,600
TOTAL	9,074	1,600

NOTE 8 PROFIT AFTER FINANCIAL ITEMS

	INVOICED SALES		PROFIT AFTER FINANCIAL ITEMS	
	1999	1998	1999	1998
Habia	277,840	264,167	32,205	35,013
Lesjöfors	556,255	436,986	54,855	57,499
Stafsjö Bruk	81,267	85,323	1,617	-190
Sundquist Components	-	27,536	-	2,054
G & L Beijer	60,992	145,283	1,491	223
Bierregaard	47,412	102,110	1,694	3,760
Parent Company, etc. and Consolidation eliminations	7,273	10,808	-3,163	-379
TOTAL	1,031,039	1,072,213	88,699	97,980

NOTE 9 TAXES

	GROUP		PARENT COMPANY	
	1999	1998	1999	1998
Share in taxes of associated companies	256	-	-	-
Corporate taxes	27,356	27,820	10,565	11,325
Deferred taxes	5,889	4,938	-	-
Tax effect of group contributions	-	-	893	981
TOTAL	33,501	32,758	11,458	12,306

NOTE 10 GOODWILL

GROUP	1999	1998
Opening cost	108,852	82,870
Purchases	11,844	22,122
By acquisition of subsidiary	-	3,870
Translation differences	-448	-10
Closing accumulated cost	120,248	108,852
Opening amortization	26,166	19,076
Reclassification	-	1,174
Year's amortization	7,632	5,936
Translation differences	-246	-20
Closing amortization	33,552	26,166
Opening write-down	28,189	28,189
Closing accumulated write-down	28,189	28,189
Closing residual value according to plan	58,507	54,497

NOTE 11 LAND AND LAND IMPROVEMENTS

GROUP	1999	1998
Opening cost	7,421	5,835
Purchases	298	1,572
Sales and disposals	-854	-
Translation differences	-15	14
Closing accumulated cost	6,850	7,421
Opening depreciation	335	290
Sales and disposals	-9	-
Year's depreciation	39	45
Closing accumulated depreciation	365	335
Closing residual value according to plan	6,485	7,086
Book value of land in Sweden	6,341	6,427
Tax assessment value of land in Sweden	6,390	7,709

NOTE 12 BUILDINGS

GROUP	1999	1998
Opening cost	152,713	90,182
Purchases	21,685	73,864
Sales and disposals	-6,392	-11,333
Through acquisitions and sales of subsidiaries	-14,768	-
Translation difference	-3,736	-
Closing accumulated cost	149,502	152,713
Opening depreciation	27,623	18,447
Sales and disposals	-535	-891
Reclassification	-	5,090
Year's depreciation	4,596	4,329
Translation difference	-373	8
Closing accumulated depreciation	31,311	26,983
Opening write-up	721	807
Year's depreciation of write-up	-86	-86
Closing accumulated write-up, net	635	721
Closing residual value according to plan	118,826	126,451
Book value of buildings in Sweden	79,855	83,172
Tax assessment value of buildings in Sweden	35,535	39,626

NOTE 13 PLANT AND EQUIPMENT

GROUP	1999	1998
Opening cost	373,737	238,735
Purchases	65,695	135,053
Sales and disposals	-26,984	-1,296
Through acquisitions and sales of subsidiaries	-12,360	-
Reclassification	-315	520
Translation differences	-4,365	725
Closing accumulated cost	395,408	373,737
Opening depreciation	157,930	102,239
Sales and disposals	-11,705	-677
Reclassification	-97	31,661
Year's depreciation	34,921	24,172
Translation differences	-2,455	535
Closing accumulated depreciation	178,594	157,930
Closing residual value according to plan	216,814	215,807

NOTE 14 EQUIPMENT

GROUP	1999	1998
Opening cost	73,288	57,707
Purchases	17,403	16,763
Sales and disposals	-7,668	-1,231
Through acquisitions and sales of subsidiaries	-1,497	-
Reclassification	160	-
Translation difference	-1,005	49
Closing accumulated cost	80,681	73,288
Opening depreciation	48,637	37,573
Sales and disposals	-5,831	-986
Reclassification	814	4,363
Year's depreciation	7,393	7,416
Translation differences	-695	227
Closing accumulated depreciation	50,318	48,593
Closing residual value according to plan	30,363	24,695

NOTE 15 SHARES IN OUTSIDE COMPANIES

	PERCENTAGE HOLDING	BOOK VALUE
Parent Company		
TV Uppland AB	19	1
Group		
<i>Associated companies</i>		
B & G Suspension BV	50	76
Kurt Trapp Ingenieurbüro GmbH	50	2,428
C & W Hooks Ltd.	50	357
Pendax Holding AB	35	1,279
<i>Other companies</i>		
PharmaSoft Inc.	3	1,305
Industrial Development & Investment AB	<1	1,162
Miscellaneous	-	254
TOTAL		6,862

NOTE 16 SHARES IN SUBSIDIARIES

	ORGANIZATION NUMBER	NUMBER OF SHARES	REGISTERED OFFICE	BOOK VALUE	EQUITY
Habia Cable AB	556050-3426	100,000	Tierp	37,576	98,093
Lesjöfors AB	556001-3251	603,500	Karlstad	100,000	217,837
AB Stafsjö Bruk	556093-2112	45,000	Nyköping	21,354	39,837 ¹⁾
AB Stockholms Rörsmide	556222-0482	10,000	Stockholm	3,161	2,476
Alma Nova Industri AB	556077-6022	60,000	Uppsala	14,780	14,929
Beijer Alma Industri AB	556210-3274	60,000	Uppsala	7,439	15,736 ²⁾
Aihuk AB	556218-4126	9,000	Uppsala	2,056	2,355
Shipping & Aviation Sweden AB	556500-0535	10,000	Uppsala	1,000	1,374
Bierrepac AB	556067-1793	4,000	Malmö	473	942
Beijer & Alma Industri & Handel AB	556551-9005	1,000	Uppsala	100	100
O-Pack AB	556201-8639	1,000	Stockholm	100	102
TOTAL				188,039	

¹⁾ Including anticipated dividend to the Parent Company in the amount of 7,000.

²⁾ Including anticipated dividend to the Parent Company in the amount of 8,400.

All companies are 100-percent owned.

Subsidiary holdings of shares in Group companies

	ORGANIZATION NUMBER	REGISTERED OFFICE	BOOK VALUE
Alma Industri & Handel Fastigheter AB	556030-3686	Malmö, Sweden	4,501
Habia Benelux BV		Breda, The Netherlands	1,020
Habia Cable GmbH		Düsseldorf, Germany	180
Habia Cable Ltd.		Bristol, Great Britain	3,614
Habia Cable NV/SA		Leuven, Belgium	439
Habia Cable Production AB	556095-2012	Söderfors, Sweden	33,468
Habia Cable SA		Orleans, France	679
Habia Cable SP.Z O.O		Warszawa, Poland	310
Habia Cable Svenska AB	556240-7485	Täby, Sweden	205
Beijer Alma Utvecklings AB	556230-9608	Uppsala, Sweden	2,200
PGL Professional Genetics Laboratory AB	556038-6715	Uppsala, Sweden	1,900
Lesjöfors Fjädrar AB	556063-5244	Filipstad, Sweden	9,532
Lesjöfors Rånäs AB	556207-6520	Norrälje, Sweden	1,724
Lesjöfors Automotive AB	556335-0882	Strängnäs, Sweden	24,000
Lesjöfors Stockholms Fjädrer AB	556062-9890	Stockholm, Sweden	24,619
Lesjöfors Band AB	556385-2143	Götene, Sweden	2,000
Lesjöfors GS Industri AB	556204-0773	Värnamo, Sweden	28,103
Lesjöfors Holding A/S		Copenhagen, Denmark	577
Lesjöfors DK Fjedre A/S		Copenhagen, Denmark	37,080
Lesjöfors A/S Oslo		Oslo, Norway	53
Oy Lesjöfors AB		Åminnefors, Finland	1,000
Lesjöfors Springs Oy		Åbo, Finland	1,492
Lesjöfors Springs Ltd.		Elland, Great Britain	316
Lesjöfors Automotive Ltd.		Elland, Great Britain	774
Lesjöfors Springs GmbH		Hagen, Germany	446
B & G Suspension B.V.		Almelo, The Netherlands	14,000

All companies are 100-percent owned except PGL Professional Genetics Laboratory AB which is owned to 95 percent.

NOTE 17 INVENTORIES

	1999	1998
Raw materials	64,140	63,040
Work in progress	29,216	26,154
Finished goods	60,485	88,831
TOTAL	153,841	178,025

NOTE 18 SHAREHOLDERS' EQUITY

	SHARE CAPITAL	RESTRICTED RESERVES	UNRESTRICTED EQUITY
Group			
Dec. 31, 1997	98,736	72,838	178,743
Registration of new issue	1,825	-1,825	-
Dividend paid	-	-	-24,135
Translation difference	-	-	4,433
Offset between restricted and unrestricted equity	-	5,914	-5,914
Net profit for the year	-	-	65,222
Dec. 31, 1998	100,561	76,927	218,349
Dividend paid	-	-	-26,146
Below-market interest on subordinated convertible debenture loan carried to restricted equity	-	3,700	-
Offset between restricted and unrestricted equity	-	8,712	-8,712
Translation difference	-	-	-3,869
Net profit for the year	-	-	55,198
Dec. 31, 1999	100,561	89,339	234,820
Parent Company			
Dec. 31, 1997	98,736	60,024	37,207
Registration of new issue	1,825	-1,825	-
Dividend paid	-	-	-24,135
Group contribution rendered less taxes	-	-	-2,522
Net profit for the year	-	-	34,220
Dec. 31, 1998	100,561	58,199	44,770
Dividend paid	-	-	-26,146
Below-market interest on subordinated convertible debenture loan carried to restricted equity	-	3,700	-
Group contribution rendered less taxes	-	-	-2,297
Net profit for the year	-	-	37,642
Dec. 31, 1999	100,561	61,899	53,969

Shares outstanding are of Class A and Class B, as follows:

	SHARES		VOTES
Class A shares	555,000	à 10 röster	5,550,000
Class B shares	3,467,450	à 1 röst	3,467,450
TOTAL	4,022,450		9,017,450

YEAR	INCREASE IN SHARE CAPITAL SEK THOUSAND	TOTAL SHARE CAPITAL SEK THOUSAND	INCREASE IN NUMBER OF SHARES	TOTAL NUMBER OF SHARES
1993	Opening balance	-	53,660	- 2,146,400
1993	Shares issued to acquire G & L Beijer Import och 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	Shares issued to acquire AB Stafsjö Bruk	5,000	95,874	200,000 3,834,950
1996	Conversion of subordinated convertible debentures	47	95,921	1,875 3,836,825
1997	Conversion of subordinated convertible debentures	2,815	98,736	112,625 3,949,450
1998	Conversion of subordinated convertible debentures	1,825	100,561	73,000 4,022,450

NOTE 19 UNTAXED RESERVES

PARENT COMPANY	1999		1998	
Tax allocation reserve		1,078		1,078
TOTAL		1,078		1,078

NOTE 20 COMMITTED CREDIT FACILITIES

The Group's limit 190,874 (157,396). The Parent Company's limit 79,000 (64,000).

NOTE 21 SUBORDINATED CONVERTIBLE DEBENTURE LOAN

A five-year subordinated convertible debenture loan in the amount of 36 999 was issued to the Group's employees May 6, 1999. The conversion price is SEK 174 and full conversion will increase the number of Class B shares outstanding by 212 640. The loan matures May 6, 2004 and conversion may take place from May 6, 1999 until April 22, 2004. Interest payable on the loan is 360 day STIBOR less 1 percent. In accordance with recommendation RR3 of the Swedish Financial Accounting Standards Council, the lower interest payable on the subordinated convertible debenture loan compared to the market rate of interest, which has been estimated to be 2 percent per year, has been carried to restricted equity. The reported loan liability is raised by two percent in interest such that the reported liability amount will correspond to the nominal loan amount at the time of maturity. As of December 31, 1999 the subordinated convertible debentures held by wholly owned subsidiary AIHUK AB in the amount of 9,925 have been eliminated in consolidation.

NOTE 22 TAX LIABILITY

An audit of a subsidiary's tax return for the 1996 fiscal year has resulted in an increase in assessed taxable income. The issue at hand is the length of the financial year and hence the right to deduct depreciation in foreign, partially owned companies. The assessment has been appealed.

For the 1992 fiscal year, the Parent Company is litigating an issue relating to conversion of foreign currencies to Swedish kronor at year-end.

Provisions according to conservative principles have been set aside for additional tax in the accounts for 1997. If the ruling authority consents to the Company's action in both matters, the tax liability is reported MSEK 21 too high.

NOTE 23 ACCRUED EXPENSES AND PREPAID INCOME

	GROUP		PARENT COMPANY	
	1999	1998	1999	1998
Accrued personnel costs	38,022	44,683	1,126	1,769
Accrued interest	2,440	157	507	-
Prepaid expenses	2,026	308	-	-
Miscellaneous	20,783	14,178	656	150
TOTAL	63,271	59,326	2,289	1,919

NOTE 24 PLEDGED ASSETS

	GROUP		PARENT COMPANY	
	1999	1998	1999	1998
Corporate mortgages	147,300	178,800	-	-
Real estate mortgages	58,775	59,850	-	-
Shares ¹⁾	298,339	282,513	126,302	159,442
Receivables	5,000	-	5,000	-
TOTAL	509,414	521,163	131,302	159,442

¹⁾ Pledged to secure loans in the amount of 29,750 (38,750) and committed credit facility in the amount of 79,000 (64,000), of which 29 (2,706) has been utilized.

NOTE 25 CONTINGENT LIABILITIES

	GROUP		PARENT COMPANY ¹⁾	
	1999	1998	1999	1998
Sureties	-	159	-	-
Guaranties	2,940	-	7,376	13,971
Pension commitments	5,443	288	5,000	-
TOTAL	8,383	447	12,376	13,971

¹⁾ Refers to the Parent Company's guaranties for subsidiaries.

NOTE 26 DEFINITIONS

Profit, result

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

Capital employed

Balance sheet total less non-interest-bearing liabilities.

Return on equity

Profit after financial items, less 28 percent taxes, relative to average equity.

Return on capital employed

Profit after financial items, plus interest expense, relative to average capital employed.

Equity ratio

Shareholders' equity relative to balance sheet total.

Earnings per share after standard taxes

Profit after financial items, less 28 percent taxes, relative to average number of shares outstanding.

Earnings per share after current taxes

Profit after financial items, less current taxes, relative to average number of shares outstanding.

Debt equity ratio

Interest-bearing liabilities relative to shareholders' equity.

Interest coverage ratio

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

Audit Report

To the Annual General Meeting of Beijer Alma (publ). Company Registration Number 556229-7480

We have examined the Annual Accounts, the consolidated financial statements, the accounting records and the management by the Board of Directors and the President of Beijer Alma AB for 1999. Responsibility for the accounting records and management rests with the Board of Directors and the President. Our responsibility is to render our opinion on the Annual Accounts, the consolidated financial statements and the management based on our audit.

The audit has been performed in accordance with generally accepted auditing standards in Sweden. This means that we have planned and performed the audit in such a way as to get reasonable assurance that the Annual Accounts and the consolidated financial statements contain no material errors.

The audit procedure includes examination of a sample of supporting documentation for amounts and other information in the accounting records. An audit also includes a test of the accounting principles, and the Board of Director's and management's application thereof, and forming an opinion of the aggregate information contained in the Annual Accounts and the consolidated financial statements. We have examined significant decisions, actions and circumstances in the company to allow us to form an opinion as to whether any Director or the President is liable for damages to the company, or in any other way has acted contrary to the Companies Act, the Annual Accounts Act or the Articles of Association. We are of the opinion that our audit gives us a reasonable ground

for our statements below.

The Annual Report and the consolidated financial statements are prepared in accordance with the Annual Accounts Act and therefore provides a fair representation of the Company's and the Group's results and financial position in accordance with generally accepted accounting standards in Sweden.

We therefore recommend that the Annual General Meeting adopts the statement of income and the balance sheet for the Parent Company and the Group be adopted, that the profit in the Parent Company be allocated in accordance with the recommendation contained in the Administration Report and that the members of the Board of Directors and the President be granted discharge from liability for the financial year.

Uppsala, February 11, 2000

Öhrlings PricewaterhouseCoopers AB

Hans Lindén
Authorized Public Accountant

Board of Directors, Management and Auditor

Anders Wall, Chairman, *b. 1931*
Med. Dr. h.c., Consul General

Director since: 1992

Share ownership through companies and family: 622,520, whereof 366,500 Class A shares

Chairman of: Beijerinvest AB, Kjell & Märta Beijer's Foundation, Centrum för Entreprenörskap och Företagsutveckling (CEF) at Uppsala University, Chemapol Scandinavia AB, G & L Beijer Import och Export AB i Stockholm, Consul Th C Bergh's Foundation, Ryda Bruk AB, Trade-ARBED AB and Anders Wall's Foundations.

Director of: Bukowski Auktioner AB (Vice Chairman), Anders Diös AB, Domarbo Skog AB, HDF AB, Hargs Bruk AB, AB Stafsjö Bruk and other assignments. Uppsvenska Chamber of Commerce, Swedish Chambers of Commerce in London and New York, International Advisory Board Banque Générale du Luxembourg, Honorary Fellow of Uppsala University, Member of the Royal Academy of Engineering Science.

Anders G. Carlberg, *b. 1943*

President, Axel Johnson International AB

Director since: 1997

Share ownership: 0

Chairman of: Connecta AB, Munksjö AB

Director of: Axel Johnson AB, Axel Johnson Inc., Elkem ASA, SSAB and other assignments.

Torsten Ekström, *b. 1931*

Director, AB Bonnierföretagen

Director since: 1983

Share ownership through companies and family: 22,800

Chairman of: Sun Chemical AB, Tierps Grafiska AB.

Director of: Cirrus AB.

Thomas Halvorsen, *b. 1949*

President, Fourth Fund Board of the General Pension Fund

Director since: 1992

Share ownership: 0

Director of: AB Electrolux, Sydkraft AB and other assignments.

Göran W Hultgren, *b. 1941*

President, Scandecor Marketing AB

Director since: 1983

Share ownership through family and companies: 99,735

Jan-Erik Wikström, *b. 1932*

Former County Governor

Director since: 1997

Share ownership: 500

Chairman of: Hotel Birger Jarl AB, Royal Dramatic Theater, Sponsor Stiftelse-förvaltning AB, Verbum AB, Svensk-finska Kulturfonden, Sveriges Allmänna Konstförening, Verbum AB.

Director of: Kjell & Märta Beijer's Foundation, Drottningholmsteatern, Förvaltningsstiftelsen för Sveriges Television och Sveriges Radio, Svenskt Tenn AB.

Johan Wall, *b. 1964*

Executive Vice President, Framtidsfabriken AB

Director since: 1997

Share ownership: 500

Chairman of: AB Ljungskogens Strandbad.

Director of: Anders Wall's Foundations

Deputy Director of: Kjell & Märta Beijer's Foundation

Curt Lönnström, *b. 1943*

President and CEO, Beijer Alma AB

Director since: 1992

Share ownership with family: 20,750

Subordinated convertible debentures: SEK 435,000

Options: 25,000

Chairman of: Minvest AB

Director of: Beijerinvest AB, Domarbo Skog AB, Hagströmer & Qviberg Fondkommission AB, Olle Olsson-bolagen AB and Poolia AB.



Bertil Persson, *b 1961*

Appointed President and CEO



Beijer Alma's Board of Directors, from left to right, Jan-Erik Wikström, Torsten Ekström, Göran W Hultgren, Thomas Halvorsen, Curt Lönnström, Anders Wall, Anders G. Carlberg and Johan Wall

MANAGEMENT

Curt Lönnström, b. 1943
President and CEO

Employed since: 1994

Subordinated convertible debentures:
SEK 435,000

Jan Blomén, b. 1955
Chief Financial Officer

Employed since: 1986

Share ownership with family: 20,000

Subordinated convertible debentures:
SEK 435,000

Jan Olsson, b. 1956
Group Controller

Employed since: 1993

Share ownership with family: 7,000

Subordinated convertible debentures:
SEK 435,000

AUDITOR

Auditing firm of
Öhrlings PriceWaterhouseCoopers AB

Chief Auditor

Hans Lindén, b. 1948
Auditor
Authorized Public Accountant

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