



annual report 07

BEIJER • ALMA

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

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BEIJER ALMA

Proactive, long-term strategic and development work, combined with investments and complementary corporate acquisitions, results in competitive companies in selected market segments. In each segment, the Group's companies focus on developing strong relationships with customers offering growth and profitability. Important criteria for long-range and profitable growth of the companies are:

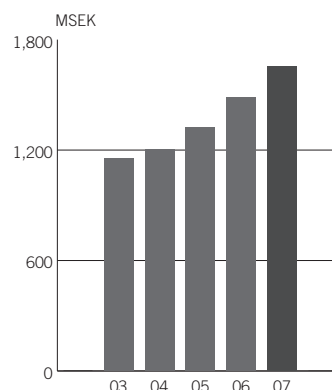
- **Products and concepts with a high customer value**
- **International market coverage**
- **High market share within current segments**
- **Diversified customer base**

Beijer Alma works on the basis of active and long-term ownership. The companies are not developed with the aim of a future exit. Instead, the goal is to own and develop successful companies with high growth and profitability. Beijer Alma is listed on the Mid Cap list of the OMX Nordic Exchange (ticker: BEIAb).

Subsidiaries' share of total invoicing



Invoicing

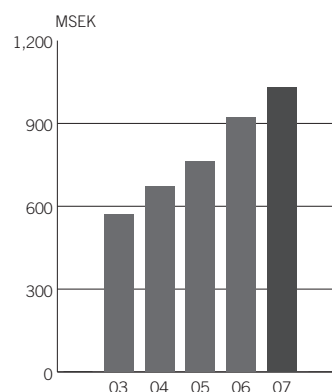


LESJÖFORS

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

- **Industrial springs – standard industrial springs and customized products**
- **Flat strip components – flat strip components and leaf springs**
- **Chassis springs – after-market for passenger cars and light vehicles**

Invoicing

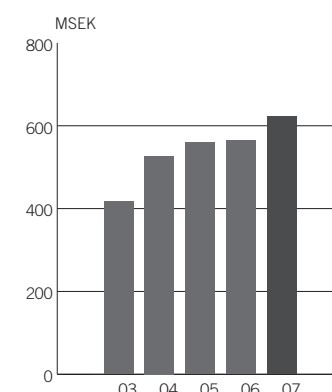


HABIA CABLE

Habia Cable develops, manufactures and sells cables and cable systems for demanding applications. The company is one of Europe's largest manufacturers of specialty cable. Habia's operations are divided into the following business areas:

- **Radio Frequency & Communication – mobile telecommunications**
- **High Specification Products – defense, nuclear power, infrastructure**
- **Engineered Cable Solutions – power generation, hand tools, offshore**
- **Distribution Products – standard cable for such applications as measuring, vehicles, lighting equipment, white goods**

Invoicing



reports

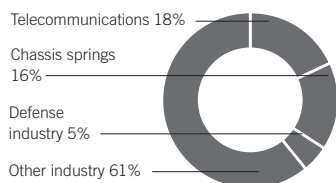
All reports can be requested from:
Beijer Alma AB
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Telephone +46 18-15 71 60
Telefax +46 18-15 89 87
or download from www.beijer-alma.se

contact persons

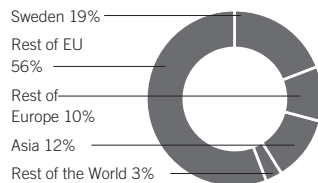
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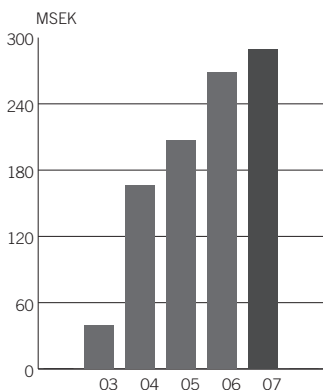
Invoicing by customer segment



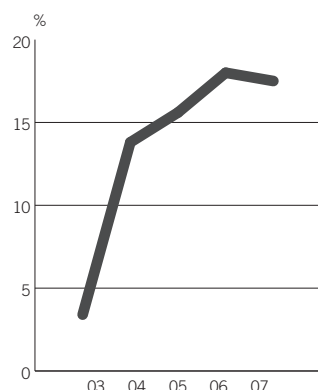
Invoicing by geographic market



Operating profit



Operating margin



1,654 MSEK invoicing

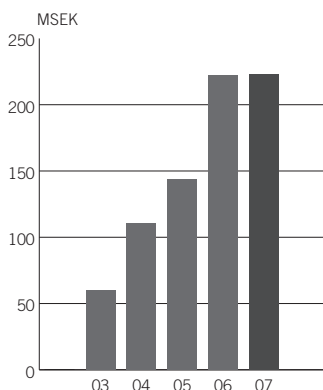
282.7 MSEK profit after financial items

17.5% operating margin

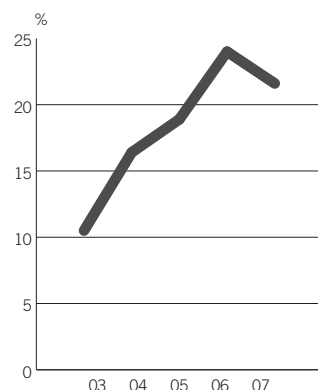
7.49 SEK earnings per share

63% equity ratio

Operating profit



Operating margin

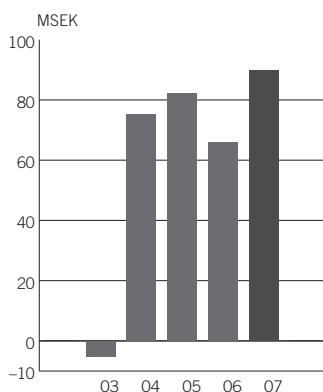


1,032 MSEK invoicing

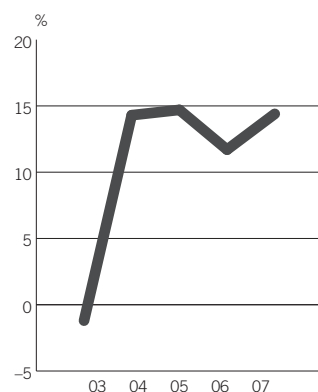
222.7 MSEK operating profit

21.6% operating margin

Operating profit



Operating margin



622 MSEK invoicing

89.7 MSEK operating profit

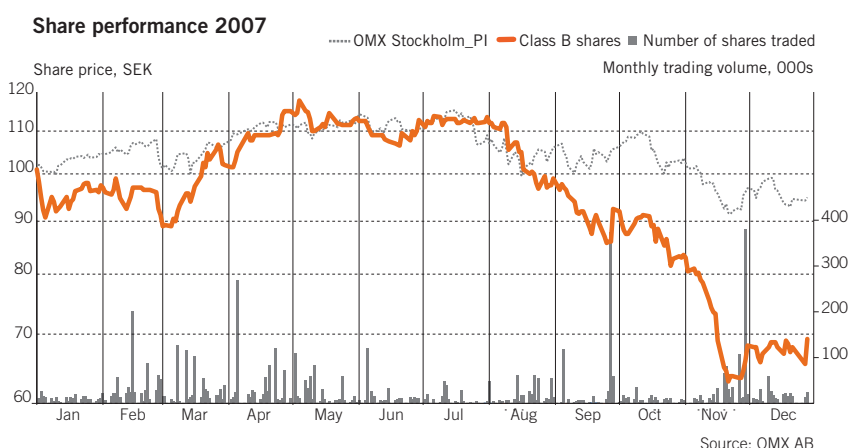
14.4% operating margin

2007 in brief

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

- **Strongest result** to date
- **Order bookings increased** by 10 percent to MSEK 1,665 (1,508)
- **Invoicing increased** by 11 percent to MSEK 1,654 (1,488)
- **Profit after financial items increased** to MSEK 283 (262)
- **Earnings per share increased** to SEK 7.49 (6.92)
- **Proposed dividend increase** to SEK 5.00 per share (4.00)

Key figures	2007	2006	2005
Net revenues, MSEK	1,654	1,488	1,323
Profit after financial items, MSEK	282.7	262.2	199.8
Operating margin, %	17.5	18.0	15.6
Dividend per share, SEK	5.00	4.00	3.67



annual general meeting

The Annual General Meeting will take place on Tuesday, April 8, 2008 at 6:00 p.m. in room B, Uppsala Konsert & Kongress, Vaksala torg 1, Uppsala, Sweden.

Shareholders who wish to participate in the Annual General Meeting shall be listed in VPC AB's shareholder register by Wednesday, April 2, 2008 and notify the company of their intent to participate not later than Wednesday, April 2, 2008 at 4:00 p.m.

Notification may be given in the following ways: by telephone at +46 (0)18-15 71 60, by fax at +46 (0)18-15 89 87, by e-mail at info@beijer-alma.se, www.beijer-alma.se or in writing, preferably using the registration form attached to the Annual report. Registration must include name, national identity number/corporate registration number, shareholdings and daytime telephone number.

Shareholders whose holdings are registered in the name of a nominee must register the shares in their own name with VPC to be entitled to participate in the Annual General Meeting. Such registration must be completed not later than Wednesday, April 2, 2008.

Shareholders who wish to have one or two assistants participate in the Annual General Meeting must provide notice of their intention to do so in the manner and within the time applicable to shareholders.

The proposed record day for the right to receive dividends is Friday, April 11, 2008. If the Annual General Meeting votes in accordance with the proposal, dividends are expected to be paid out through VPC AB commencing Wednesday April 16, 2008. The Board of Directors proposes to the Annual General Meeting a dividend of SEK 5.00 per share.

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

financial calendar

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

April 8	Annual General Meeting
April 24	Quarterly report, January 1–March 31
August 14	Quarterly report, April 1–June 30
October 24	Quarterly report, July 1–September 30
February	Year-end report
March	Annual General Meeting

Ten-year summary

MSEK	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Net revenues	1,654.4	1,487.8	1,323.1	1,201.6	1,154.0	1,113.0	1,320.2	1,132.5	1,031.0	1,072.2
Operating income	289.6	268.4	206.7	166.4	39.7	32.4	32.3	129.1	88.3	102.2
Net financial items	-6.9	-6.2	-6.9	-11.4	-21.7	-27.6	-30.3	-19.0	-12.6	-9.3
Profit after financial items	282.7	262.2	199.8	155.0	18.0	4.8	2.0	110.1	75.7	92.9
Items affecting comparability	-	-	-	-	-	-99.9	-	9.6	13.0	5.1
Profit before tax	282.7	262.2	199.8	155.0	18.0	-95.1	2.0	119.7	88.7	98.0
Tax	-77.2	-72.4	-57.8	-39.7	-10.5	11.1	10.3	-38.3	-33.5	-32.8
Net profit	205.5	189.8	142.0	115.3	7.5	-84.0	12.3	81.4	55.2	65.2
Non-current assets	607.8	526.8	558.4	561.3	624.4	657.5	839.3	603.8	444.6	440.8
Current assets	741.6	691.6	621.7	557.5	502.4	519.0	590.0	541.1	424.1	425.0
Shareholders' equity	846.7	747.8	708.9	566.4	449.7	458.3	577.4	482.3	424.7	397.8
Long-term liabilities and provisions	68.0	100.9	126.2	169.2	230.2	299.0	376.6	268.8	204.0	233.9
Current liabilities	434.6	369.7	345.0	383.2	446.9	198.3	475.3	393.8	240.0	244.1
Total assets	1,349.4	1,218.4	1,180.1	1,118.8	1,126.8	1,176.5	1,429.3	1,144.9	868.7	865.8
Cash flow after capital expenditures	120.0	121.0	142.6	197.2	74.8	116.2	-85.8	-172.7	50.7	-122.9
Depreciation and amortization	65.3	68.8	65.2	76.9	89.6	96.6	86.8	64.3	54.7	42.0
Net capital expenditures excluding corporate acquisition	79.2	71.0	48.0	48.0	55.1	18.3	116.0	114.0	69.6	66.1
Capital employed	1,044.9	932.1	876.3	850.2	909.6	967.9	1,189.3	875.5	645.4	627.8
Net liabilities	32.8	-6.8	43.0	178.3	386.9	462.4	579.8	375.4	180.7	195.9
<i>Ratios, %</i>										
Gross margin	37.4	37.9	36.8	35.9	28.9	30.7	29.0	35.3	32.4	31.9
Operating margin	17.5	18.0	15.6	13.8	3.4	2.9	2.5	11.4	8.6	9.5
Profit margin	17.1	17.6	15.1	12.9	1.6	0.4	0.1	9.7	7.3	8.7
Equity ratio	63	61	60	51	40	39	40	42	49	46
Proportion of risk-bearing capital	65	64	62	53	43	43	44	46	53	50
Net debt/equity ratio	4	-1	6	31	86	101	100	78	43	49
Return on equity	25.5	25.9	22.6	22.0	2.9	0.7	0.3	17	13	18
Return on capital employed	29.9	30.0	24.3	19.3	4.5	3.3	3.3	17	17	20
Interest-coverage ratio	23.6	29.6	24.2	13.2	1.7	1.2	1.1	6.1	6.9	8.9
Average number of employees	1,163	980	907	805	896	940	1,092	943	851	728

In this and all other tables, the years 2004 to 2007 are calculated in accordance with IFRS and prior years in accordance with the accounting principles applicable at the time.

Financial strength – foundation for continued growth

In 2008, Beijer Alma will celebrate its 25th birthday. As this anniversary approaches, we can reveal that the Group's earnings and financial position are stronger than ever before. This creates considerable opportunities for future development in terms of profitable growth and an attractive dividend yield.

Following several years of high profitability, I am pleased to say that our Group holds a strong financial position. At year-end, the equity ratio was 63 percent, while the cash flow amounted to MSEK 120. We also achieved better balance in our earnings due to various industries, customer segments and geographic markets increasing our stability and strengthening our spread of risks. In recent years, we have emphasized the importance of diversification and through consistent efforts, we have progressed in this work. This is particularly true in the case of Habia, whose profitability has been strengthened and its dependency on the telecom market reduced. The company's sales to the engineering and defense industries are growing and goal-oriented and long-term measures have generated clear results in these sectors.

BROAD INTERNATIONAL SALES

I would also like to highlight the Group's international sales, whose performance has been increasingly positive. Our products are available in more markets than ever before and are a significant reason for Beijer Alma's profitable growth in recent years.

At the same time, our goal of growing through acquisitions within existing product and market areas is firmly established. We have successfully integrated earlier acquisitions and, as a result, this strategy has become a key driving force behind our growth. We are also open to acquisitions within entirely new areas, which we usually refer to as "the third pillar." With expectations of a weaker economic climate, opportunities for such acquisitions may increase in the future, particularly considering the

overheating that has characterized the acquisitions market in recent years.

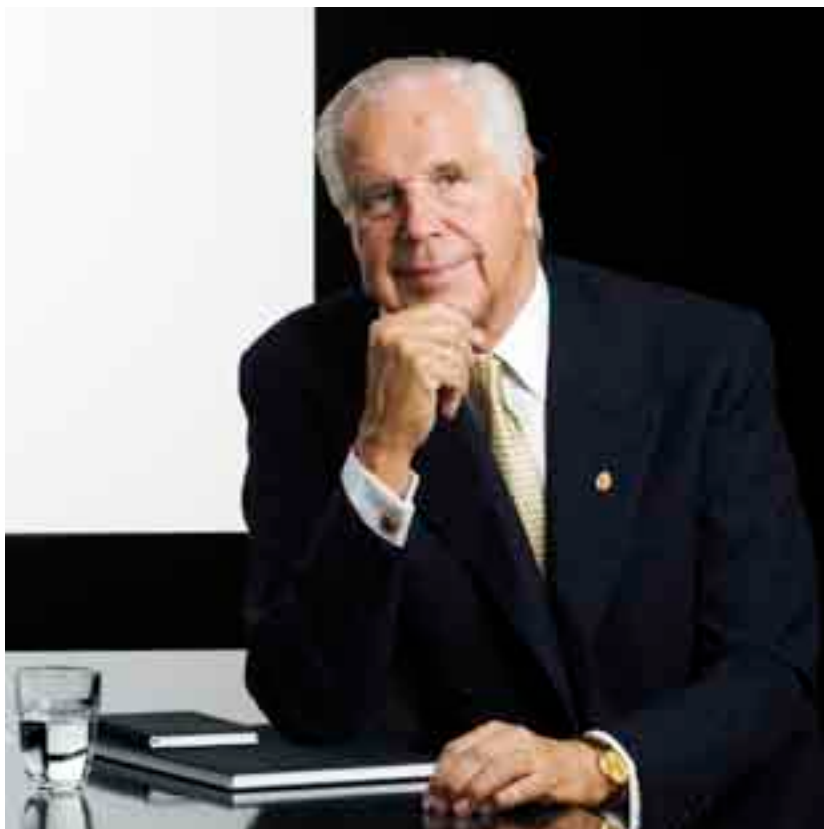
ATTRACTIVE DIVIDEND YIELD

Strong finances have also enabled us to offer our shareholders a competitive dividend yield, without jeopardizing our investments in the continued profitable growth of the Group. This year, we have decided to further raise the dividend level and distribute 67 percent of the net profit. This is an important message to old and new shareholders. It confirms the strength of our operations, as well as our confidence that

Beijer Alma's positive trends will continue. It is our driven and dedicated employees that make such trends possible. I would like to thank all of you for your outstanding contributions during the year. As we celebrate the Group's 25th birthday in 2008, we should also be pleased about Beijer Alma's unprecedented strength.



Anders Wall
Chairman of the Board



Best results in Beijer Alma's history

In 2007, Beijer Alma's profit before tax amounted to MSEK 283. This is our best result ever and means that the Group's earnings have now increased for five consecutive years. Furthermore, the overall quality of our earnings has improved markedly. The operating margin increased and invoicing and profits are more evenly distributed across various industries.

Following a strong year-end, earnings increased in three of four quarters, compared with the year-earlier period. This positive growth is, of course, a result of the favorable industrial climate. However, the Group companies also maintained profitability and cost-consciousness, which tends to be difficult during prolonged periods of strong economic conditions.

- In total, the Group's earnings improved by MSEK 21.
- Habia's earnings rose 37 percent compared with the preceding year. Earnings also improved in all quarters compared with the year-earlier periods.
- Lesjöfors also increased its earnings slightly in 2007, compared with the preceding year. This improvement was concentrated in the first quarter, while other quarters were in line with or slightly weaker than the year-earlier periods. I would like to emphasize that it was difficult to exceed the comparative data for 2006 because trends were extremely strong toward the end of 2006.
- The operating margin for 2007 was 17.5 percent. This is marginally lower than in 2006, but considerably higher than the Group has reported during earlier business cycles.

IMPROVED EARNINGS QUALITY

The overall quality of earnings in the Group has improved markedly compared with earlier cycles. The operating margin is higher and invoicing and profit are more evenly distributed within the various customer categories. As a result, the dependency on individual industries, products and customers has decreased. This is evident

from the changes that have occurred in invoicing to various customer segments. In 2000, telecom was the largest area, accounting for nearly 30 percent of our total invoicing. In 2007, this proportion dropped to 18 percent. In the same period, chassis springs increased from 12 percent to 16 percent

and the segment other industry from 59 percent to 66 percent of invoicing.

Accordingly, the dependency on the telecom sector – with few customers, a high level of technical risk and volatile demand – decreased, while better-diversified segments, with a lower level of technical



risk, increased significantly. Naturally, we remain dependent on the industrial climate. However, our improved diversification should enable the Group's earnings to increase and fluctuate less than in previous economic cycles.

FAVORABLE TRENDS FOR HABIA

Work conducted within Habia in recent years has made a significant contribution to the quality of our earnings. We have invested considerable efforts in developing the company's strategy. Our goal was to maintain our strong position within the telecom sector and, at the same time, grow and improve profitability in other opera-

"The overall quality of earnings in the Group has improved markedly compared with earlier cycles."

tions. These efforts generated positive results during 2007. While telecom sales remained unchanged, other segments – primarily the defense and nuclear power industries – increased by 17 percent. This resulted in overall growth of 10 percent in Habia's sales. At the same time, profitability improved substantially in areas of the company not related to telecom. As a result, Habia's operating margin increased from 11.7 percent to 14.4 percent.

Intense price pressure continued to affect the telecom industry, particularly within the area of infrastructure. This primarily impacted Habia since 36 percent of the company's invoicing in 2007 pertained to telecom customers. To manage this development, Habia transferred the majority of its volume production within telecom to China, a change made possible because a new and larger plant was opened in China during the year. Lesjöfors also manufactures the majority of its telecom components in China.

Lesjöfors' sales increased by 11 percent in 2007. The company's operating income increased from MSEK 222 to MSEK 223. Sales growth was generated by the industrial spring operations and by acquired operations, while chassis springs reported decreasing volumes. At the beginning of the year, European Springs & Pressings Ltd was acquired in the UK, making Lesjöfors the largest UK spring manufacturer.

SECURING HIGH PROFITABILITY

Beijer Alma has maintained a high level of profitability for several years. In Habia and Lesjöfors, profitability is significantly above the average of the competitors in the companies' industries. There are several explanations for this. One of the most important is the Group's focus on niche operations. This enables the Group to achieve strong international market positions, despite the limited size of the Group companies. Another explanation is the Group's focus on operations that generate high customer value. This means that sales largely comprise specialized manufacturing, wherein every delivery is adapted to specific customer needs. Normally, this also means that high volumes of standardized products, such as series deliveries to the

automotive industry and outsourcing, are not a top priority. This focus also makes it easier for us to avoid excessive exposure to individual customers. Another key component is the Group's disciplined operations management, which is based on a clear focus on profitability. Finally, I would like to highlight the long-term approach of the Beijer Alma Group. Building industrial companies requires long-term horizons to generate profits. We have an infinite horizon for our ownership and our goal as a Group is to have long-term earnings and

"In Habia and Lesjöfors, profitability is significantly above the average in the companies' industries"

value growth. However, this long-term approach should not be used as an argument for retaining operations that are strategically incorrect or that are not expected to contribute positively in the future. Within Beijer Alma, we are able to handle this type of decision. In recent years, the Group streamlined and focused its operations, disposing of companies with insufficient potential.

PROFITABLE GROWTH

The challenge in the coming years will be to create profitable growth. It is not enough to maintain a high level of profitability or to simply generate growth. To continue creating value for Beijer Alma's shareholders, we

must generate growth with strong profitability – primarily by expanding internationally. This can be accomplished through organic growth or through acquisitions. The major-

"Building industrial companies requires long-term horizons to generate profits."

ity of the Group's operations are conducted in mature markets, in which many minor players compete with one another. As a result, successful geographic expansion is often based on acquisitions of existing players in local markets. Because our operations primarily comprise specialized manufacturing in short and medium-term series, a local presence and proximity to customers is also required.

In earlier years, acquisitions were concentrated to Lesjöfors. Following recent years' strategy work in Habia – and the positive results that were achieved – activities are also being carried out to expand Habia through corporate acquisitions. Acquisition efforts in Habia and Lesjöfors focus on companies with customers in traditional industrial segments. Within these areas, technical risks are relatively low and customer bases well-diversified. Moreover, the proportion of specialized manufacturing is often high. Such conditions are attractive for us and enable a continued trend of high and even earnings.

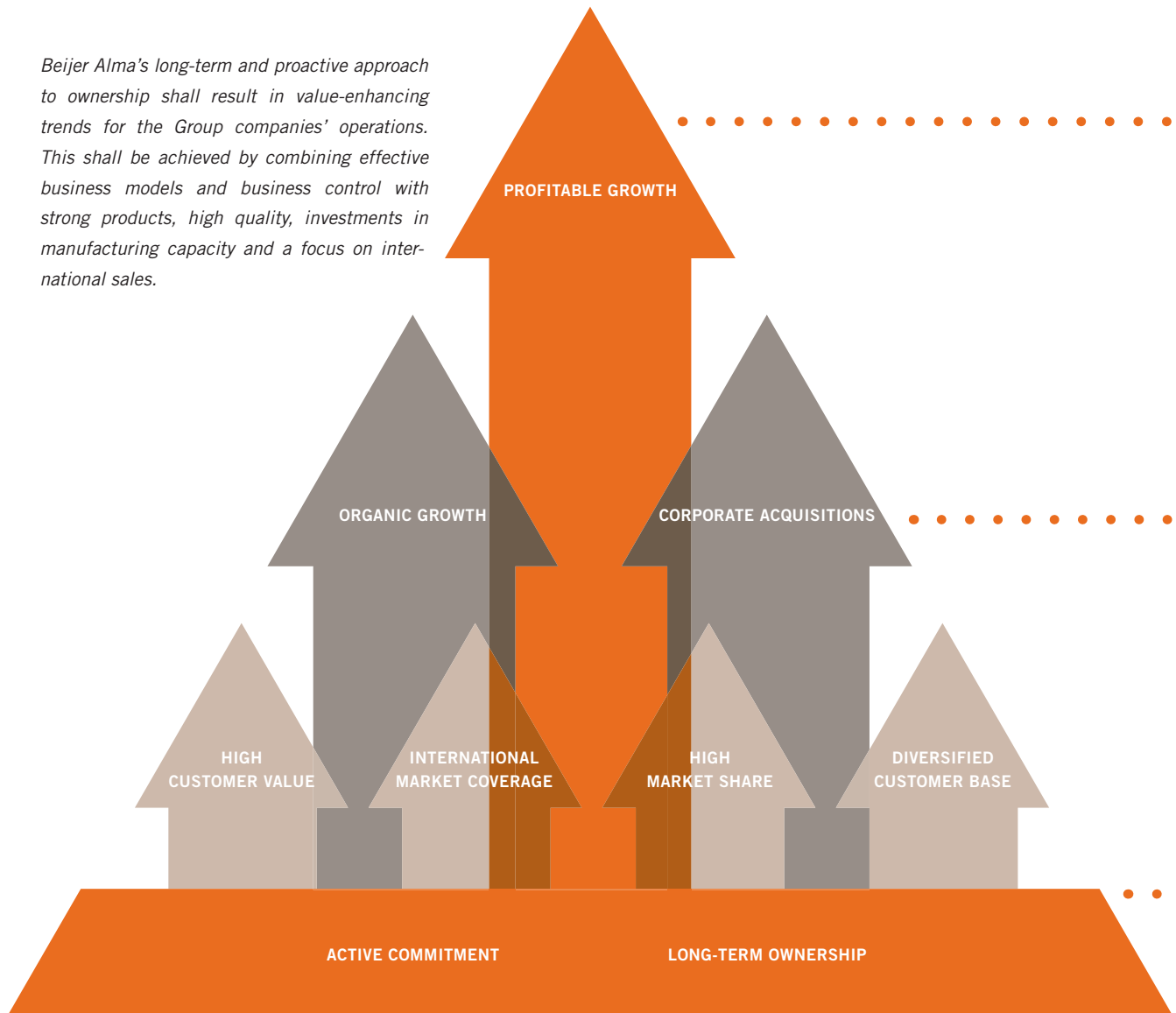
Beijer Alma has a strong position for continued expansion. At year-end 2007, the Group was essentially free from debt. A strong balance sheet – in combination with high earnings and positive cash flow – allows us the scope to continue generating profitable growth and, consequently, favorable value for our shareholders.



Bertil Persson
President & CEO

Strategy

Beijer Alma's long-term and proactive approach to ownership shall result in value-enhancing trends for the Group companies' operations. This shall be achieved by combining effective business models and business control with strong products, high quality, investments in manufacturing capacity and a focus on international sales.



Active commitment

Proactive ownership means that Beijer Alma works closely with the Group companies by setting goals, following up and exercising long-term control. Accordingly, this cooperation does not comprise daily operational efforts, but instead focuses on issues regarding strategic development, acquisitions and investments. As a result, the Group companies gain access to management resources that mid-sized companies may lack.

Long-term ownership

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

Profitable growth

Beijer Alma's operations aim to generate profitable growth for the purpose of ensuring long-term expansion and development. For the strategic goals to be considered fulfilled, volume growth must be combined with sustainable profitability. As a result, the ability to combine profitability and growth is crucial and instructs all of the efforts made to increase value creation within Beijer Alma. Value creation is achieved in several different ways – for example, by carrying out supplemental acquisitions and ventures in international markets. Beijer Alma contributes strategic competence, clear business control and financial resources to its subsidiaries.

Organic growth

Organic growth is based on continuing initiatives within product and market development. Beijer Alma prioritizes this type of growth because it often generates the highest quality and lowest risk. The key advantages of organic development are that the existing organization can be utilized and efforts can be focused on markets and products that the Group knows exceptionally well.

Corporate acquisitions

Corporate acquisitions can include acquisitions of entirely new operations or acquisitions that complement existing subsidiaries. The goal of supplementary acquisitions is to strengthen the companies in selected geographic markets and within specific technological areas. The risk profile of supplementary acquisitions is also attractive because the acquisitions occur in markets and product areas that are already familiar. However, when supplementary acquisitions are carried out, management is in place that can quickly take on the acquired company and make any necessary adjustments.

High customer value

The majority of the products that are developed and sold by the Group companies are adapted to meet specific customer needs, which creates higher value for our customers. Working with unique product concepts – unlike volume-based subcontracted products, for example – provides more extensive freedom of action when it comes to sales and marketing in selected markets.

International market coverage

To a large extent, the Group companies work with niche products that are manufactured in relatively small series and generate a higher value for the customer. To achieve growth with this type of product, the companies must have broad international sales.

High market share

Quality, breadth of product range and a high level of product and service customization act as the foundation for strong market positions. This foundation enables the Group companies to compete by offering added value in addition to low prices.

Diversified customer base

The Group companies have a common focus on the manufacturing of components. At the same time, Beijer Alma strives to have a sufficiently broad customer base, which reduces risk and our dependency on individual geographic markets, industries and companies.

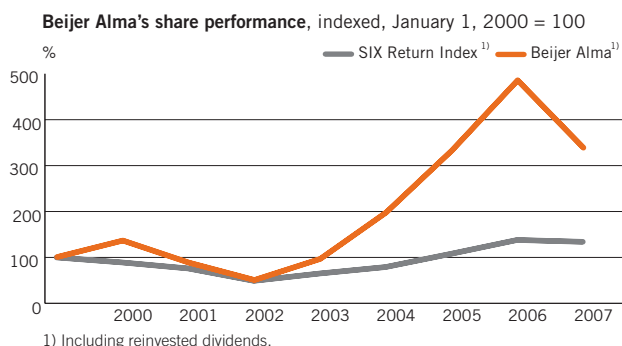
DISTINCT VALUE CREATION

“To acquire, own and develop small and mid-sized companies with favorable growth potential.” This is Beijer Alma's business concept, which means that the Group, using a long-term approach, aims to build an industrial group with sustainable profit development.

- Beijer Alma owns and develops unlisted companies, usually as 100-percent owner. This is how the Group differs from traditional investment companies, whose holdings primarily comprise other listed companies. Beijer Alma's long-term ownership philosophy also distinguishes the Group from private equity players.
- This approach gives investors access to a unique group of established, unlisted subsidiaries in attractive growth areas.
- Access to the capital market provides financial resources for growth. Using a group structure enables Beijer Alma to finance development and growth in a manner that otherwise would not be possible – particularly because the individual Group companies are probably too small to be listed on the stock exchange.

GENERATING EXCESS RETURN

- Value creation within Beijer Alma has resulted in a clear excess return. From 2000 to 2007, the average return on shareholders' equity was 14.6 percent annually. Compared with risk-free interest returns, such as 10-year government bonds, this means that the Group has generated an excess return of 10.1 percent annually.
- During the same period, SEK 1 invested in Beijer Alma on January 1, 2000 grew to SEK 3.38 by the end of 2007, including reinvested dividends. This corresponds to an annual return of 16.4 percent. During the same period, an investment in the general index, including reinvested dividends, would have increased from SEK 1 to SEK 1.34, or by 3.7 percent annually.



Risk analysis

Beijer Alma's operations are affected by several different risk factors that, in the long term, can have repercussions on the Group's earnings and financial position. In this section, market-related and financial risks are described. Operational risks are reported in the corporate governance report on page 52.

CUSTOMER SEGMENTS

The largest customer segment is other industry, which accounted for 61 percent of invoicing in 2007. This segment comprises several different customers, industries and companies, and every customer accounts for a very small portion of the Group's total invoicing. Other industry's current status as the largest individual segment confirms that the Group's focus on a diversified customer base has yielded results.

Telecom is the second largest segment, with 18 percent of invoicing. The number of customers is smaller and every customer accounts for a relatively large portion of the total invoicing. In this segment, Beijer Alma is more affected by individual customers' purchasing decisions and choice of technology.

The third-largest segment is aftermarket for vehicles, which accounted for 16 percent of the total invoicing. Operations pertaining to this segment are conducted within Lesjöfors and comprise a large number of markets in northern and eastern Europe. Dependency on certain customers, industries and companies is more extensive within this segment than within the other industry segment, but smaller than within telecom.

Defense is the Group's fourth-largest segment, with 5 percent of invoicing. Operations pertaining to this segment are mainly conducted within Habia and are dominated by a few large customers. The defense market operates on a project basis. As a result, sales volumes can vary over time depending on the number of projects in which a company participates.

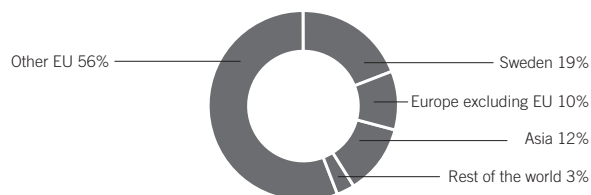
GEOGRAPHIC SEGMENT

The Group companies conduct sales worldwide and the company's products are currently found in approximately 60 different markets. Europe and Asia are the largest geographic markets, while sales are lower in North and South America. The single largest market is Europe, including such countries as Sweden, the UK, Germany and Denmark. In Asia, China has grown significantly in recent years, partly due to the country's strong national growth and partly because the Group has increased its presence in the country through sales and production organizations. At year-end 2007, China accounted for 7 percent of invoicing. Moreover, the country has become a hub for re-exportation to other markets in Asia, primarily Korea and India.

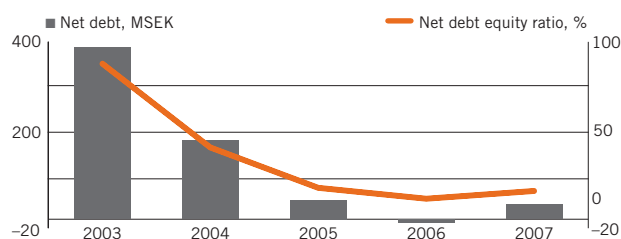
Invoicing by customer segment



Invoicing by geographic market



Net debt and net debt equity ratio



Swedish interest rates



Source: Nordea

MARKET RISKS

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

Interest rate risk

Trends in interest rates have a direct impact on the Group through net debt. However, this risk is relatively limited because net debt has decreased substantially in recent years and is currently almost zero.

Currency risk

The Beijer Alma Group's subsidiaries are export companies with production in several countries and the operations are affected by currency fluctuations. The Group's single largest currency exposure is in EUR, followed by GBP, NOK and USD. Beijer Alma's exchange-rate policy stipulates that a portion of forecasted net flows in foreign currencies for the upcoming twelve months are to be hedged. Currency hedging provides the scope to take measures to mitigate the effects of any currency fluctuations. In 2007, the USD weakened in relation to several currencies, which resulted in the USD rate dropping from SEK 6.79 to SEK 6.47. The GBP also depreciated in relation to the SEK, dropping from SEK 13.40 to SEK 12.91. The EUR strengthened during the year in relation to the SEK and was listed at SEK 9.47 at year-end 2007, compared with SEK 9.02 at the beginning of the year. The Norwegian krona also strengthened during the year, from SEK 1.10 to SEK 1.19.

Raw material risk

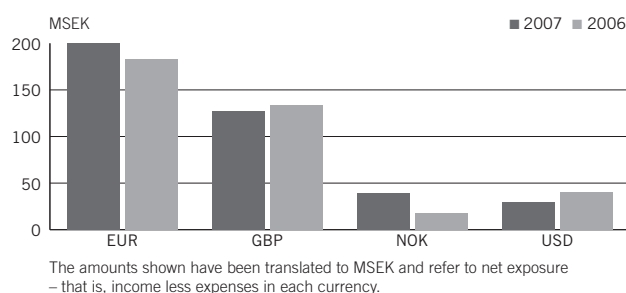
The raw material markets remained turbulent. The prices of various metals – as well as energy prices – affect the Group's production costs. Key metals for the Group are copper and nickel. In recent years, the prices of these metals have increased substantially. However, in 2007, the price of copper fluctuated between USD 6,500 and USD 8,500 per ton. During the same period, the price of nickel fell to USD 27,000 from a peak of about USD 50,000 per ton at the beginning of the year.

The price of oil rose significantly during 2007, from USD 50 per barrel at the beginning of the year to USD 100 per barrel at year-end. To a certain extent, the price of oil affects the price of plastic raw materials, or polymers, which Habia uses in its cable production. Electricity prices also increased, particularly toward the end of the year.

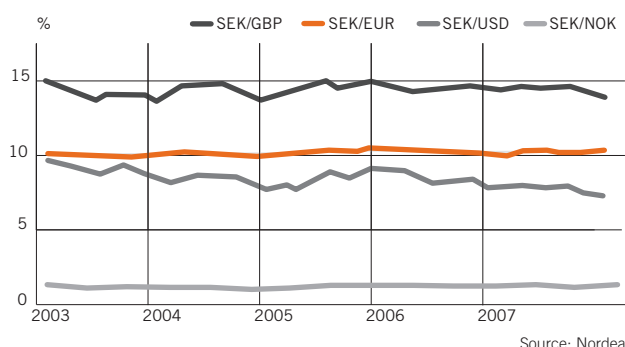
SENSITIVITY ANALYSIS

Various types of events can impact Beijer Alma's financial position. The table to the right shows how profit is affected by price changes in important input commodities and currencies. The sensitivity analysis shows the impact of a 5-percent price change on profit before tax.

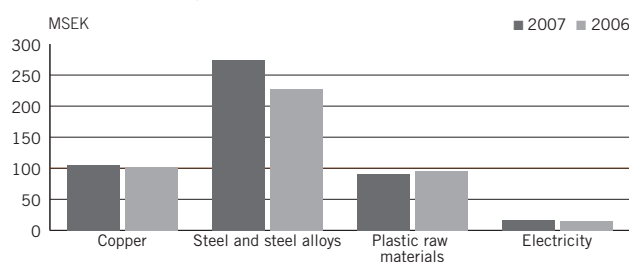
Currency exposure



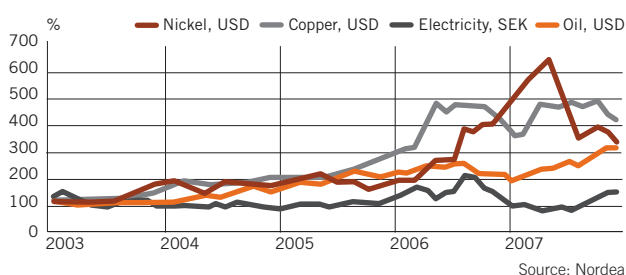
Exchange rates



Raw material exposure



Raw material prices, USD, indexed, January 2003 = 100



Sensitivity analysis

Input commodity/currency	Change	Impact on operating income
Copper	+/- 5%	MSEK 5.3
Steel and steel alloys	+/- 5%	MSEK 12.8
Plastic raw materials	+/- 5%	MSEK 4.8
Electricity	+/- 5%	MSEK 0.8
EUR	+/- 5%	MSEK 10.0
GBP	+/- 5%	MSEK 6.3
USD	+/- 5%	MSEK 1.5

The Beijer Alma share

The Beijer Alma share was listed on the stock exchange in 1987. At year-end 2007, the Group had 3,002 shareholders and a market capitalization of MSEK 1,900. Beijer Alma's policy is that not less than one third of the Group's net profit – excluding items affecting comparability – shall be distributed to the shareholders.

- The Beijer Alma share is listed on the Mid Cap list of the OMX Nordic Exchange Stockholm.
- At year-end, Beijer Alma's share capital amounted to MSEK 114.3 (114.3).
- All shares have a quotient value of SEK 4.17 and entitle the shareholder to equal rights to participation in the company's assets and earnings.
- There are no convertible subordinated debentures or options outstanding.
- No issues were carried out in 2007.
- A total of 6,219,333 shares changed hands during the year. This corresponds to 26 percent of the Class B shares outstanding, an increase of 3 percentage points from 2006.
- An average of approximately 24,900 shares were traded each trading day.

Class of shares	Number of votes per share	Number of shares	% of votes	% of capital
Class A	10	3,330,000	58	12
Class B	1	24,101,100	42	88
Total		27,431,100	100	100

OWNERSHIP

- The number of shareholders at year-end was 3,002.
- Of these shareholders, institutional owners accounted for 55.1 percent of the capital and 33.6 percent of the votes.
- The holdings of foreign shareholders amounted to 10.2 percent of the capital and 4.9 percent of the votes.

	Number of shareholders	% of votes	% of capital
Swedish shareholders	2,797	95.1	89.8
Foreign shareholders	205	4.9	10.2
Total	3,002	100	100

LARGEST SHAREHOLDERS

Shareholder	Number of shares	of which Class A	of which Class B	Number of votes	Share capital, %	Votes, %
Anders Wall with family and companies	3,510,120	1,974,000	1,536,120	21,276,120	12.8	37.0
Svolder Aktiebolag	2,714,500	0	2,714,500	2,714,500	9.9	4.7
Livförsäkrings AB Skandia	1,696,420	0	1,696,420	1,696,420	6.2	3.0
The Kjell and Märta Beijer Foundation	1,682,050	0	1,682,050	1,682,050	6.1	2.9
The Anders Wall Foundations	1,562,160	693,000	869,160	7,799,160	5.7	13.7
Lannebo Fonder	1,303,500	0	1,303,500	1,303,500	4.8	2.3
Swedbank Robur Funds	1,243,385	0	1,243,385	1,243,385	4.5	2.2
Didner & Gerge Aktiefond	782,000	0	782,000	782,000	2.9	1.4
Kjell Beijers 80-years Foundation	754,200	0	754,200	754,200	2.8	1.3
The Fourth AP Fund	702,900	0	702,900	702,900	2.6	1.2
Aktie Ansvar Funds	573,200	0	573,200	573,200	2.1	1.0
Göran W Hultgren, with family and companies	539,010	304,800	234,210	3,282,210	2.0	5.7
Odin Sverige 1, Nordea Bank	503,448	0	503,448	503,448	1.8	0.9
Handelsbanken Funds	377,208	0	377,208	377,208	1.4	0.7
Aktia Sparbank	321,100	0	321,100	321,100	1.2	0.6
Norge, Odin Sverige II, Nordea Bank	315,900	0	315,900	315,900	1.2	0.6
Clearstream Banking S.A.	264,738	0	264,738	264,738	1.0	0.5
The Foundation for Baltic and East European Studies	249,000	0	249,000	249,000	0.9	0.4
Other shareholders	8,336,261	358,200	7,978,061	11,560,061	30.1	19.9
Total	27,431,100	3,330,000	24,101,100	57,401,100	100	100

Source: Shareholder register December 28, 2007, including known changes.

OWNERSHIP STRUCTURE

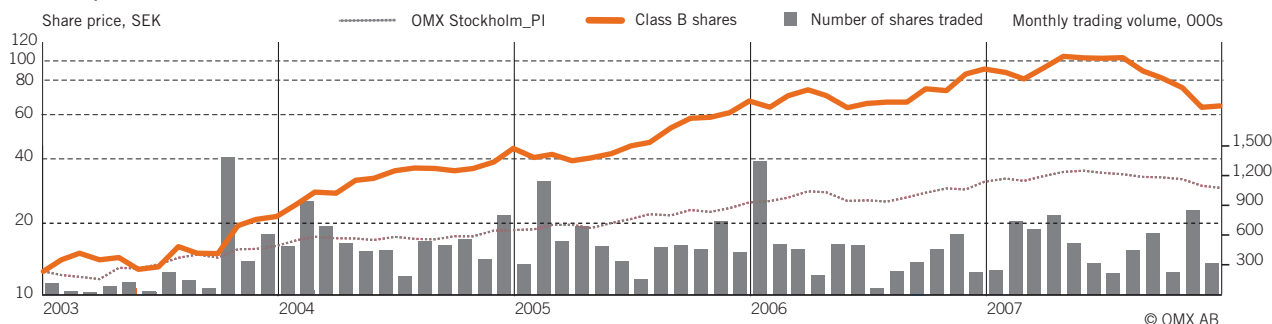
Size of holding	Number of owners	Proportion of owners, %	Number of shares	of which Class A	of which Class B	Proportion of shares, %	Proportion of votes, %
1–500	1,263	42.2	245,720	0	245,720	0.9	0.4
501–1,000	616	20.5	461,336	1,800	459,536	1.7	0.8
1,001–2,000	493	16.4	747,501	0	747,501	2.7	1.3
2,001–5,000	343	11.4	1,099,983	0	1,099,983	4.0	1.9
5,001–10,000	130	4.3	927,697	0	927,697	3.4	1.6
10,001–20,000	58	1.9	844,719	43,200	801,519	3.1	2.2
20,001–50,000	41	1.4	1,278,247	153,500	1,124,747	4.7	4.6
50,001–100,000	25	0.8	1,770,242	318,100	1,452,142	6.4	8.1
100,001–	33	1.1	20,055,655	2,813,400	17,242,255	73.1	79.1
Total	3,002	100	27,431,100	3,330,000	24,101,100	100	100

Source: Shareholder register December 28, 2007

SHARE PERFORMANCE

- In 2007, the market price of the Beijer Alma share decreased by 31 percent. The Stockholm All Share Index fell 6 percent.
- The closing price at year-end was SEK 69.25 (101), which corresponds to a market capitalization of MSEK 1,900.
- The highest market price was SEK 117, quoted on May 4. The lowest market price was SEK 63, which was quoted on November 21.

Share performance 2003–2007



SHARE CAPITAL TREND

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

PER-SHARE DATA

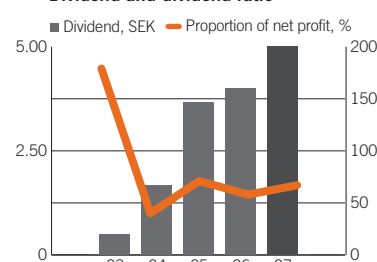
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Earnings per share based on average number of shares outstanding after 28% standard tax, SEK	7.42	6.88	5.25	4.07	0.49	0.21	0.11	3.18	2.22	2.77
after tax, SEK	7.49	6.92	5.17	4.21	0.28	-2.88	0.45	3.00	1.86	2.55
Shareholders' equity per share, SEK	30.87	27.26	25.84	20.65	16.61	16.71	21.04	19.97	17.59	16.48
Dividend per share, SEK	5.00 ¹⁾	4.00	3.67	1.67	0.50	0.33	0.67	1.33	1.17	1.08
Dividend ratio, %	67	58	71	40	179	-11	149	44	63	42
Dividend yield, %	7.2	4.0	5.0	3.7	2.2	2.6	2.9	3.6	4.2	3.6
Market price at year-end, SEK	69.25	101.00	72.83	44.83	22.33	12.73	23.00	36.83	28.17	30.33
Highest market price, SEK	117.00	102.00	73.33	45.00	24.00	26.00	44.83	38.33	30.33	37.50
Lowest market price, SEK	63.00	59.75	39.50	22.00	12.93	11.30	15.00	24.00	23.33	22.50
P/E ratio at year-end	9.2	14.7	13.9	11.0	45.6	60.6	209.1	11.6	12.7	10.9
Cash flow per share, SEK	2.59	4.41	5.20	6.94	2.76	4.29	-3.17	-1.25	2.41	1.57
Closing number of shares outstanding ²⁾	27,431,100	27,431,100	27,431,100	27,431,100	28,830,540	28,830,540	28,830,540	25,410,540	25,410,540	24,134,700
Average number of shares outstanding ²⁾	27,431,100	27,431,100	27,431,100	27,431,100	28,830,540	28,830,540	28,830,540	25,410,540	24,985,260	24,134,700

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

DIVIDEND POLICY

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

Dividend and dividend ratio



LESJÖFORS IN BRIEF

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

BUSINESS AREAS

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

SENIOR MANAGEMENT

Kjell-Arne Lindbäck, President, born 1952, Degree in Business Administration, Lesjöfors employee since 1997

Bertil Persson, Chairman of the Board

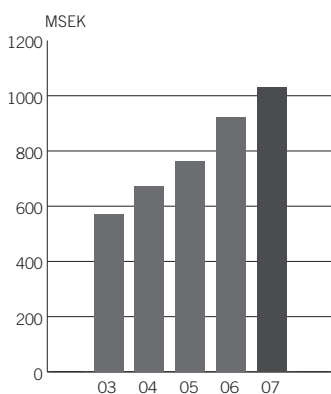
2007 IN BRIEF

- **Invoicing amounted to MSEK 1,032 (923)** and operating income to MSEK 223 (222).
- **The operating margin** remained high, but was affected negatively by the increase in the Group's proportion of acquisition-based growth.
- **Strong growth** within industrial springs, which compensated for lower sales within chassis springs. Despite this decline, chassis springs reported its second-highest sales figures to date in 2007.
- **The acquisition of European Springs & Pressings Ltd** provided Lesjöfors with a leading position in the UK market for industrial springs and flat strip components.
- **The company's operations in Latvia** continued to perform favorably and were a significant complement to Lesjöfors' other plants.

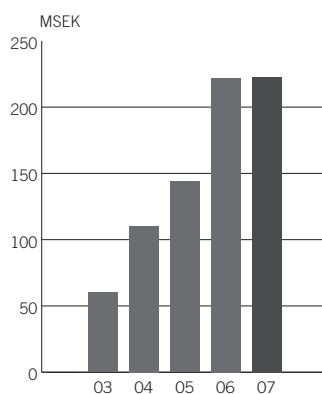
Key figures, MSEK	2007	2006	2005	2004	2003
Net revenues	1,032.3	923.4	762.8	673.4	572.3
Cost of goods sold	-636.9	-552.3	-473.3	-431.9	-382.0
Gross profit	395.4	371.1	289.5	241.5	190.3
Selling expenses	-93.7	-87.0	-91.0	-83.0	-81.4
Administrative expenses	-79.0	-62.0	-54.5	-48.3	-48.6
Operating income	222.7	222.1	144.0	110.2	60.3
Operating margin, %	21.6	24.0	18.9	16.4	10.5
Net financial items	0.5	-0.4	-0.7	-2.2	-4.1
Profit after financial items	223.2	221.7	143.3	108.0	56.2
of which depreciation and amortization	41.4	43.0	39.3	42.7	43.2
Capital expenditures, excluding corporate acquisitions	55.4	52.3	34.9	31.2	47.0
Return on capital employed, %	44	51	35	32	17
Average number of employees	743	578	531	429	423



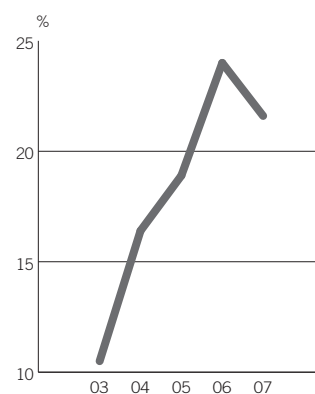
Invoicing



Operating income



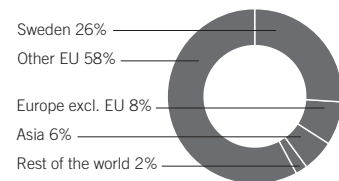
Operating margin



2007 TRENDS

In 2007, invoicing totaled MSEK 1,032 (923), which is an increase of 11 percent. Operating income amounted to MSEK 223 (222) and the Group's operating margin was 22 percent (24). Sales increased within both industrial springs and flat strip components due to the strong industrial climate in the main markets in Scandinavia and other regions in Europe and due to acquisitions. Demand decreased within chassis springs, particularly during the first six months of the year. This was primarily caused by inventory build-up among customers due to an unusually mild winter. Invoicing amounted to MSEK 441 within industrial springs, to MSEK 331 within flat strip components and to MSEK 260 within chassis springs. The performance of industrial springs and flat strip components was affected positively by the acquisition of the UK company European Springs & Pressings Ltd.

Share of total invoicing



MARKET AND SALES

Lesjöfors offers a unique breadth within springs, wire and flat strip components. This breadth means that the company delivers both specially adapted and standardized products that meet a number of different requirements and wishes. The spring market is highly fragmented, with customers within most major industrial sectors. Lesjöfors supplies products to approximately 60 markets. In the Nordic market, the company's share within industrial springs is estimated at approximately 30 percent. Within aftermarket for automobiles in Europe, Lesjöfors' market share is estimated at about 40 percent. In addition to the breadth of the company's product range, Lesjöfors' competitive advantages include an extensive service offering, which provides customer support throughout the production chain – from concept, design and production to subsequent support service.

The company has approximately ten sales offices of its own that handle sales in the Nordic countries and other regions, including Germany, the UK and the Netherlands. In other markets, sales are managed through distributors. Expanding the number of distributors – and, thereby, increasing volumes in the existing network – are important goals within marketing and sales. In terms of sales, the largest customer segments were aftermarket for vehicles and telecom, which accounted for 25 percent and 6 percent, respectively, of the Group's total sales during the year.

One of the products that Lesjöfors manufactures is springs for playground equipment. The overall Lesjöfors product range is broad and the company supplies springs, wire and flat strip components to customers in most industrial sectors.

facts

- Lesjöfors has a total of some ten sales offices of its own that handle sales in the Nordic countries and other regions, including Germany, the UK and the Netherlands. In other markets, sales are managed through distributors.

INDUSTRIAL SPRINGS

Lesjöfors manufactures, stores and distributes a broad selection of industrial springs. Its product range comprises standard springs and customized products. The company's springs are used in such industrial sectors as the power, paper and pulp industries and within offshore, automation and infrastructure. Because the majority of its products are customized, problem-solving capabilities are crucial for the company. The range of stored standard springs and gas springs comprises approximately 10,000 items and can be distributed directly to the end customer within 24 hours. Sales of these products are primarily conducted through the company's product catalogue.

CUSTOMERS AND COMPETITORS

Lesjöfors' customer structure is well-diversified, which improves its spread of risks. The company's principal competitive advantages are the breadth of its product range, its high quality level and excellent service. Lesjöfors' most significant competitors in the Nordic region are Spinova, Ewes, Meconet and Hagens Fjädrar.

MARKET AND SALES

As a result of the strong industrial economic climate in Europe, demand for industrial springs has increased. The key markets for Lesjöfors are the Nordic region and the UK. In the Nordic region, the Swedish market displayed particularly strong trends and in the growing overall European market, the Group strengthened its positions. The UK operations performed positively during 2007. Following the acquisition of two companies in 2006 and 2007, Lesjöfors is now the largest supplier of industrial springs in the UK. The next step will be to use this success in the UK to pave the way for expansion in selected springs markets in continental Europe. In total, sales within industrial springs amounted to MSEK 441 (380) in 2007.

Proportion of total invoicing



Spring power in four-wheel drive

A new, smart solution established a cooperation between Haldex Traction Systems and Lesjöfors Industrifjädrar AB. Haldex manufactures electronically controllable systems for four-wheel drives known as the Haldex clutch. The company is a market leader, with such customers as VW, Ford and General Motors.

The cooperation started in 2005. For new four-wheel drive technology, Lesjöfors developed an improved spring

solution, which is part of the hydraulic system in the clutch. In the long term, this technology will be used in such vehicles as the SAAB 9-3 XWD.

"Our solution is based on a spring nest with custom-designed springs that work together. This paved the way for higher quality, lower costs and simpler assembly compared with the design we considered first," explains Lars Blidberg, President of

Lesjöfors Industrial Springs.

He believes that the quality and cost-efficiency that Lesjöfors offers are important cornerstones of this cooperation. An additional strength is Lesjöfors' continu-

*"New, smart spring solution
for Haldex Traction Systems."*

ous investments in increased internal efficiency.

"We were responsible for such aspects as the design and choice of materials, while Haldex conducted the testing. The demands are tough. The springs must retain their strength throughout the car's service life, despite the high stress and temperature in the clutch."

Lesjöfors invested in new, unique machinery equipment for this assignment and at the beginning of 2008, delivery of the large volumes to Haldex's three plants will begin. ■



FLAT STRIP COMPONENTS

Flat strip components include pressed, stamped and bent components in various thicknesses. Lesjöfors has extensive competence in everything from design and choice of materials to surface treatment and manufacturing the special purpose tools used by the company. Lesjöfors is able to handle all customer needs, from small production runs to highly automated high-volume products. The company's standardized tool solutions also allow for rational handling of small production runs. The main markets within flat strip components are the Nordic region and the UK.

CUSTOMERS AND COMPETITORS

The key customer segments are the telecom, automotive, electronics and medical industries. The predominant segment is telecom, in which customers are primarily mobile telephone manufacturers and systems suppliers. Lesjöfors' principal competitive advantages are the company's access to qualified tool development, its low-cost production operations in Latvia and China, technological competence and high quality and service levels. Within flat strip components, Lesjöfors competes with such companies as Meconet, AQ Holmbergs and Goss Components.

MARKET AND SALES

The company's flat strip components operations were also favored by the strong industrial economic climate. Demand decreased within telecom; nevertheless, telecom was the largest customer segment, accounting for 20 percent of sales in 2007. As in the industrial springs business area, operations in the UK reported strong trends. Growth also increased in the Latvian operations, partly due to large deliveries to a global hydraulic cylinder supplier in central Europe, Asia and South America. The market for flat strip components is highly fragmented, with several local players. As a result, it is difficult to assess Lesjöfors' market share. However, the company's growth during the year is estimated to have exceeded the market average. In 2007, sales within flat strip components amounted to MSEK 331 (246).

Proportion of total invoicing



Smart problem-solving

Every year, Lesjöfors Stockholm Fjäder AB participates in exciting development projects. These projects may focus on solving production problems, improving an existing solution or developing entirely new products.

"Our achievements simplify and improve, but also provide industrially



suitable solutions that can be manufactured in a rational way," says Göran Andersen, President of Lesjöfors Stockholm Fjäder AB. "We have extensive competence in everything from design and mechanics to production engineering with wire, flat strips and sheet metal, which eventually become springs or other wire and flat strip products."

A current project concerns the production of a fitting that protects pipes and cables in homes. Without

such a fitting, it is easy to damage hidden wires by hammering a nail or drilling into them when renovating.

"The idea came from a private individual in Norway, where many households use gas and are extra susceptible to damaged pipes," Göran Andersen explains. "We developed a prototype that

was then tested and refined in cooperation with the construction industry and other collaborators."

The product will be launched in the spring of 2008. The steel case protects and secures pipes and wires, primarily in wood joists and other susceptible

"The steel case will be launched in the spring of 2008. It protects and secures pipes and cables, primarily in wood joists and other susceptible places in walls and ceilings."

places in walls and ceilings. Lesjöfors is responsible for the design and choice of materials, as well as for the product's function, strength and production technology solutions. To this end, the Group also utilizes its plants in Latvia and China, which enables more cost-efficient manufacturing. ■

CHASSIS SPRINGS

The chassis springs operations focus on the aftermarket for passenger cars and light vehicles. The product range comprises replacement springs, gas springs, light leaf springs and sport springs. Lesjöfors currently has the broadest product range for European and Asian automobiles. The company's products – which are sold in more than 50 markets throughout Europe – are distributed via warehouse centers in Sweden, Germany and the UK. This enables Lesjöfors to maintain an exceptionally high level of customer service.

CUSTOMERS AND COMPETITORS

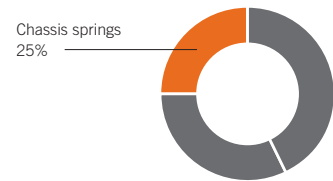
The customers are distributors of automotive spare parts. Within chassis springs, Lesjöfors' key competitive advantages are its in-house manufacturing, short lead times and high-quality products and services. Its principal competitors within this business area are Suplex, K+F and Kayaba.

MARKET AND SALES

Lesjöfors holds a leading position in Europe within chassis springs, with an estimated market share of approximately 40 percent. Its largest individual markets are Scandinavia, the UK, Germany and eastern Europe. Following many years of strong growth, demand decreased in 2007, primarily during the first six months of the year and in the eastern and central European markets. Rising numbers of new car registrations and increased scrapping of used cars are considered to have contributed to this trend. The mild 2006/2007 winter – which diminished the need for maintenance work on passenger cars in many markets – affected the company's performance.

Price competition is expected to intensify in the next year. Lesjöfors intends to manage this increase by continuing to invest in overall efficiency, breadth of product range, accessibility and product quality. In 2007, sales within chassis springs amounted to MSEK 260 (298).

Proportion of total invoicing



Flexible cooperation



Chassis Springs and car dealer chain Mekonomen have cooperated for more than ten years. During that time, delivery volumes have more than doubled. Mekonomen conducts operations through

»Logistics are an important part of this cooperation that ensure that Mekonomen has the right products in stock.«

out Scandinavia and primarily purchases chassis springs from Lesjöfors. The companies' cooperation also comprises sport, gas and leaf springs and all deliveries are sent from Lesjöfors' logistics center in Växjö to Mekonomen's central warehouse in Strängnäs.

"Logistics are a particularly important part of this cooperation through which we help ensure that Mekonomen has the right products in stock. Our delivery

reliability is currently 98 percent and is one of our strongest competitive advantages," says Christer Stark, head of marketing for Scandinavia and the Baltic region within Chassis Springs.

High product quality, attractive price levels and strong product knowledge are other strengths within the chassis springs operations – strengths that are needed to create long-term relationships with attractive customers like Mekonomen.

"Because we manufacture all products within the Group, we are able to guarantee quality in an effective manner. This minimizes the number of complaints," emphasizes Christer Stark. "Internally, many of us also have individual experience from the automotive and engineering industries and this knowledge of applications is an additional competitive advantage for us." ■

ORGANIZATION

Lesjöfors has 13 production units in Sweden, Denmark, Finland, the UK, Latvia and China. All of the company's plants are characterized by a short chain of command, a business-minded approach and decentralization. This allows design engineers, sales personnel and machine operators to work closely with one another to ensure quality, profitability and effectiveness in the products that are manufactured. This approach to business is particularly important for an organization in which manufacturing is often based on small or mid-sized series and for which the capacity for fast turnaround is a fundamental competitive advantage. The Group's sales personnel also cooperate to ensure that products and services from all of the different units are accessible for every customer. This also allows Lesjöfors to be considered a full-range supplier.

OPERATIONS

Within the Group, growth is achieved through a combination of supplementary acquisitions and organic growth in selected segments. Within each business area, Lesjöfors also aims to achieve above-market-average growth and become a leading player in the segments on which the company focuses. Increasing the proportion of company products and expanding the geographic spread to include more local markets are also driving forces that will help the company achieve its ambitions in terms of growth. As a result, the increasingly broad local establishment will gradually improve Lesjöfors' global scope. A tangible example of this strategy is the market in the UK, where Lesjöfors has established a strong position during the past two years. At the same time, the company's acquisition and growth strategy enabled Lesjöfors to contribute actively to increased consolidation in a market that is dominated by a number of small companies with local or regional operations.

In addition to broader market coverage, access to production in low-cost countries will generate stronger positions. The plants in Latvia and China currently handle the most labor-intensive production operations, which, so far, have proven to be a highly successful complement. A clear example is telecom products, an area in which price pressure has intensified significantly in recent years. To deal with this trend, Lesjöfors relocated the majority of its production within telecom to the plant in China.

The Group's clear investment inclination also generates growth. As a result, investments that make production less labor-intensive, increase the use of machinery or in other ways help improve efficiency long-term are strictly prioritized. Active investments shall not only ensure that the level of technology is high, but also that the flow of production and operational processes are as efficient as possible. In 2007, investments were focused on more efficient technology for the coiling and grinding of products.

In terms of marketing, further investments will be made in web solutions in the future and fewer resources will be devoted to printed media. An increasing number of customers are searching for product information online; to meet this demand, Lesjöfors will launch a new, expanded website in 2008. At the same time, local websites will also be developed for various geographic markets.

PRODUCT DEVELOPMENT

Lesjöfors' production comprises springs, wire and flat strip components in most sizes – from microcomponents for the telecom industry to large hot-coiled springs for the offshore industry. Spring technology is given top high priority, which allows Lesjöfors' specialists to meet all of the requirements that the company's products must fulfill. In general, the company's competence within product development is extensive, particularly since approximately 70 percent of Lesjöfors' manufacturing relates to customized products. This competence includes such areas as design, engineering solutions, tool development och production technology concepts.

In addition to customized products, Lesjöfors also creates its own company concepts, which provide customers access to a broad range of finished products with short lead times. Lesjöfors strives to increase the proportion of company concepts, primarily because they generate strong competitive advantages that reduce fluctuations in demand. At the same time, company concepts help create a distinctive profile for Lesjöfors because quality, service and logistics are a distinct part of these offerings.

QUALITY

All of Lesjöfors' production units in Sweden have been awarded ISO 9001:2000 quality

facts

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certification. Continuous efforts in the area of quality are integrated in the company's production systems – that is, in the many processes and routines involved in the company's everyday work. This facilitates controls and inspections, which, in turn, ensure profitable manufacturing in the various units of the Group. The key concept is overall quality. Prioritized areas in the company's quality efforts are product quality, precision in delivery times and fast responses within service and customer support. To achieve this goal, follow-up is carried out in such areas as labor organization, production flows, staffing, competence and the utilization ratio of the machinery, and improvements are made continuously. Another key area is benchmarking – both internally and externally – which helps ensure that the company's best achievements act as a guide for other units. Work in the area of benchmarking is made easier because the company's units and plants are integrated in the Group's common business system. In this way, internal communication concerning customer projects, products and services is improved.

Øresund Bridge no longer sways

Creative product development by Lesjöfors enabled the powerful swaying of the Øresund Bridge to be reduced. Thanks to specially designed 1.5-meter-long dampers from the plant in Vällingby, 20 of the large cables on the elevated section of the bridge are now under control.

The problems with swaying were discovered a few years after the Øresund Bridge was opened. In certain wind and temperature conditions, some of the longest cables that support the elevated section of the bridge began to sway – and the movements

were relatively powerful. From their starting positions, the cables could sway more than two meters in each direction.

CREATIVE THINKING

The swaying cables represented a long-term threat to the strength of the bridge. Moreover, many people who used the bridge felt uncomfortable using the bridge when the cables moved so much. As a result of these problems, Skanska was commissioned to find an effective solution for 20 of the longest cables. From the start, the idea was to mount the dampers in the middle of the cables, rather than

at the cable supports on the bridge. A call for tenders was sent to several companies, but the response was negative. Eventually, the call for tenders was received by Lesjöfors' springs specialists. They drafted a proposal and held several brainstorming meetings with Skanska.

CONTROLLED DAMPING

Following the initial idea stage, a prototype was developed. The unique design is an excellent example of the creative work that must be performed to solve unexpected problems. The exterior of the dampers is made from pipe that has a diameter of 30 centimeters and is nearly 1.5 meters long. The pipe weighs approximately 100 kilograms, which is supported by a long compression spring. The weight was designed as a piston, with the load – via the spring

and using an ingenious and controlled damping system – moving up and down the pipe in a way that restrains the movement of the cable. Mounting the pipe in the middle of the cable ensures that the damper absorbs and minimizes the swaying movement. In addition to the design concept, Lesjöfors was also responsible for the choice of materials. The company suggested that the dampers should be manufactured in an acid-

»The unique design is an excellent example of the creative work that must be performed to solve unexpected problems.«

resistant material for marine environments to ensure that they could stand up to the rough weather conditions.

THOROUGH FOLLOW-UP

After some minor adjustments, production of the 20 dampers began at Lesjöfors' plant in Vällingby – under intense time pressure. Skanska required that the dampers be installed before the autumn and winter storms set in. Manufacturing began in August and by October, the dampers were in place. During the autumn and winter, the design was tested. Two of the dampers were fitted with laser meters to monitor and record the movements of the piston. The results revealed that the design worked very well. In the following year, Lesjöfors delivered some ten more dampers to the Øresund Bridge. ■



ENVIRONMENT – MORE CERTIFICATIONS

Six of the company's 13 production units have been awarded ISO 14001 environmental certification. The Danish subsidiary has been environmentally approved by the local municipality. Certification efforts are under way at an additional four plants. The Group's environmental objectives are based on the key environmental aspects identified for each unit. In 2007, three environmental goals were prioritized – waste disposal, transport and energy consumption. The units are Class C facilities, which means that they have a relatively small impact on the environment. However, Lesjöfors Flat Strip Components in Värnamo has a Class B plant and, as a result, is covered by an environmental permit from the County Administrative Board. Lesjöfors is working to have the unit in Värnamo recognized as a Class C facility.

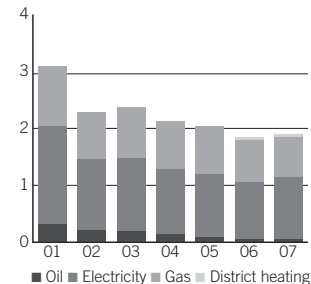
At the plants, waste is sorted into five to seven fractions. The largest total fractions are wet grinding waste, waste disposal and recycled raw material. The area of resource usage is a top priority. All units work actively to reduce the amount of material waste that is generated during production and 100 percent of disposed raw materials are recycled.

PERSONNEL

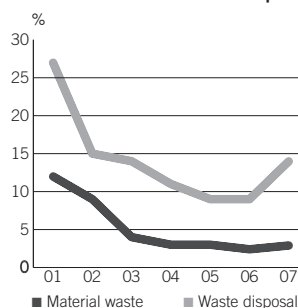
The number of employees increased by 165, from 578 employees to 743. The acquisition of European Springs & Pressings included 139 employees. In the low-cost countries of Latvia and China, the number of employees rose by 17 to 105 (88). The number of employees in Sweden is 279 (287), a decrease of 8 people. Lesjöfors has 181 (29) employees in the UK and 132 (131) in Denmark.

Total energy consumption

MWh/delivered ton of material

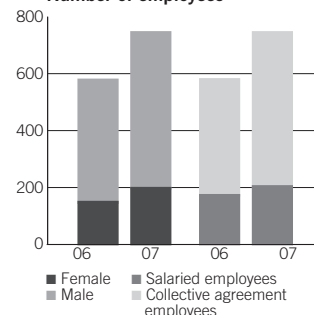


Material waste and waste disposal

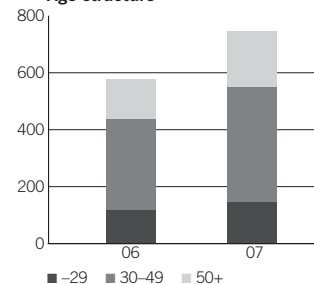


This graph shows the proportion of material waste and waste disposal in relation to the number of delivered finished products – the smaller the amount of material waste and waste disposal, the smaller the impact on the environment.

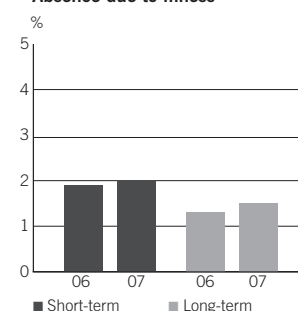
Number of employees



Age structure



Absence due to illness



Habia Cable

HABIA IN BRIEF

Habia Cable develops, manufactures and sells cables and cable systems for demanding applications. The company is one of Europe's largest manufacturers of custom-designed cables.

BUSINESS AREAS

- **Radio Frequency & Communication** – mobile telecommunications
- **High Specification Products** – defense, nuclear power, infrastructure, communications
- **Engineered Cable Solutions** – power generation, hand tools, offshore, processing of raw materials
- **Distribution Products** – standard cable for, among others, measuring, vehicles, lighting equipment, white goods

SENIOR MANAGEMENT

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

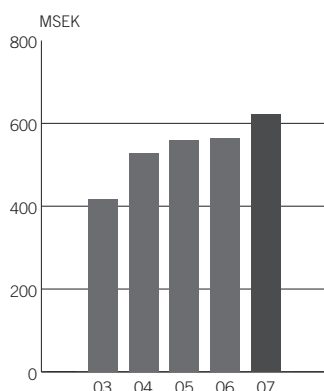
2007 IN BRIEF

- **Invoicing amounted to MSEK 622 (564)** and operating income to MSEK 89.7 (65.8).
- **Improved margins** through strong cost control and increased volumes.
- **Orders received for cable** for two additional destroyers in the UK Royal Navy.
- **Contract with manufacturer** of military vessels in France and deliveries of cable.
- **New plant opened** in the Chinese city of Changzhou.
- **Habia the first western company** to begin manufacturing PTFE-insulated wire in China.
- **Increased growth** within industrial products and nuclear power, including in Spain.

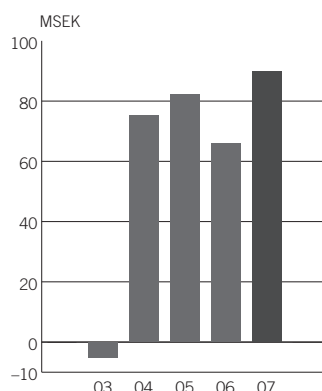
Key figures, MSEK	2007	2006	2005	2004	2003
Net revenues	622.0	564.0	559.6	527.0	416.8
Cost of goods sold	-398.9	-372.1	-362.8	-338.6	-310.9
Gross profit	223.1	191.9	196.8	188.4	105.9
Selling expenses	-84.4	-77.9	-72.9	-72.4	-73.7
Administrative expenses	-36.5	-36.3	-32.4	-33.2	-29.9
Research and development	-12.5	-11.9	-9.4	-7.5	-7.5
Operating income	89.7	65.8	82.1	75.1	-5.2
Operating margin, %	14.4	11.7	14.7	14.3	-1.2
Net financial items	-3.4	-2.8	-4.1	-5.6	-8.2
Profit after financial items	86.3	63.0	78.0	69.5	-13.4
of which depreciation and amortization	23.6	25.2	24.4	24.5	31.7
Capital expenditures, excluding corporate acquisitions	23.5	18.7	10.9	13.7	3.9
Return on capital employed, %	34	27	33	28	neg
Average number of employees	415	396	370	369	349



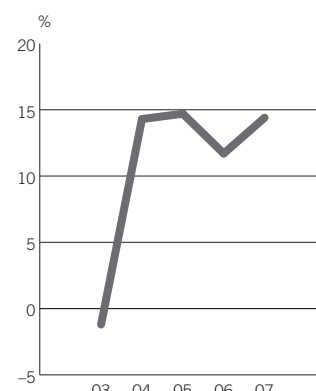
Invoicing



Operating income



Operating margin

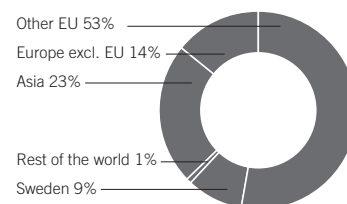


2007 TRENDS

Invoicing amounted to MSEK 622 (564). Operating income totaled MSEK 89.7 (65.8) and profit after financial items amounted to MSEK 86.3 (63.0). Sales trends were particularly positive within nuclear power and defense, while demand within telecom was stable. The strong global industrial economic climate favored Habia by generating higher sales volumes and opportunities to compensate for price hikes for raw materials.

The markets that displayed the strongest performance were South Korea, France and the Netherlands, with South Korea becoming the company's fifth largest market during a relatively short period of time. During the year, sales also began in the Russian market, primarily within the areas of telecom and nuclear power. An increasing portion of Habia's manufacturing is being carried out in low-cost countries. In May, a new and larger plant was opened in China.

Share of total invoicing



MARKET AND SALES

Habia is a niche company in the cable market. In Europe, this market is valued at approximately EUR 15 billion and Habia's niche of custom-designed cables is valued at approximately EUR 1 billion. Accordingly, the company's share of the European market for custom-designed cable amounts to approximately 6 percent. Habia's key competitive advantage is its capacity to develop and manufacture customized cables and cable systems. This, in turn, requires a high level of technological competence and service. Currently, about 90 percent of the company's products are customized. Sales are conducted in approximately 50 markets and the largest countries are Germany, China, the UK and Sweden. For a long time, the company's share of exports has been high and about 90 percent of its sales volume is outside Sweden. Telecom is the largest customer segment, accounting for 36 percent of sales in 2007. Other major segments include defense and nuclear power, which accounted for 14 percent and 5 percent of sales respectively.

In 2007, Habia's product innovations included highflex cable for military applications. Highflex cables withstand everything from powerful bending to significant differences in temperature. Another new product is Flexiform Low Loss – a high-frequency cable used within telecom whose design solution reduces the loss of signal transfer by as much as 15 percent.

Selling customized cable products requires considerable resources. That is why Habia has a marketing organization that comprises 60 specially trained employees – including designers and sales personnel – in 13 countries. This organization focuses on the company's 200 largest customers. In other markets, sales are managed by agents or distributors. The long-term goal is to establish the company's products in one new market every other year. The next focus market will be Russia, where Habia plans to establish its own marketing company in 2008.

Every year, Habia manufactures approximately 3,000 different types of cables. Most of the products are customized and used in demanding technical applications. Professional hand tools is a key area.

facts

About 90 percent of Habia's products are customized. Sales are conducted in approximately 50 markets and the largest countries are Germany, China, the UK and Sweden. For a long time, the company's share of exports has been high and about 90 percent of its sales volume is outside Sweden.

RADIO FREQUENCY & COMMUNICATION

RF & Communication focuses on mobile telecommunications. The key products of this business area are cables used in antennas for base stations, a product area in which Habia currently holds a market-leading global position. The company supplies products for GSM and 3G technology and its best-known product is Flexiform.

CUSTOMERS AND COMPETITORS

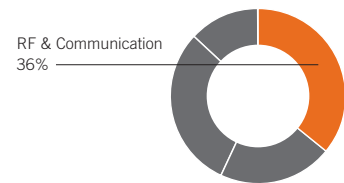
Habia conducts sales in 25 markets and its customers include all major antenna manufacturers within the area of telecom. The company's high level of competence, cost-efficient production and flexible service organization are its key competitive advantages within RF & Communication. Habia's principal competitors in this business area are the Swiss company Huber+Suhner, the French company Nexans and the US company Andrews.

MARKET AND SALES 2007

The overall market for cables for base stations is valued at approximately MSEK 500. Habia's market share is about 40 percent, which means that the company holds a world-leading position. In 2007, sales within RF & Communication remained unchanged in comparison with the preceding year. Lower demand and intensified price pressure characterized this business area during the year. In this diminished overall market, Habia improved its positions. In 2007, the largest markets were Germany, China and South Korea. RF & Communication accounted for 36 percent of Habia's revenue in 2007.

Competition within the telecom industry increased, particularly in the key market of China. Local suppliers introduced low-priced products, which primarily attracted domestic customers. However, Habia's product development focused on raising the level of technology. An increasing number of customer applications are being adapted for higher frequency ranges, which has led Habia to invest in developing new types of high-frequency cables.

Proportion of total invoicing



New design of Flexiform



More air – improved performance. This is the secret behind the newest generation of high-frequency cables. High-frequency cables are used for such purposes as transferring signals from mobile telephone traffic – a market niche in which Habia is a global leader. The company's best-known product is Flexiform, which is used in such applications as base stations and antennas for mobile telephony. The latest generation of Flexiform, known as Low Loss, was developed over the past three years.

"Low Loss causes the signal in the cable to become less muffled. This allows the customer to use smaller, smoother and cheaper technological solutions in their applications," explains Henrik Ollandt, head of Habia's RF & Communication business area.

Low Loss reduces the loss experienced

during transfer by as much as 15 percent. This is because the cable's insulation contains vents, which provide more efficient signal transfer. Customers for this product are global antenna compa-

"Low Loss causes the signal in the cable to become less muffled, allowing the customer to use smoother technological solutions."

nies within mobile telecommunications. Habia's key competitive advantages in this area are its high level of quality and broad product portfolio, but its large production capacity also benefits the company.

"Low Loss was launched in different varieties during 2006 and 2007 and, in the long term, we expect the product to account for a significant portion of our sales within high-frequency cables," Henrik Ollandt explains. ■

HIGH SPECIFICATION PRODUCTS (HSP)

HSP comprises the defense, nuclear power, space, aircraft and rail segments. Within these areas, cable products are manufactured in accordance with common international standards. Regardless of the market segment, customer demands are extensive and success within the area of HSP requires long-term investments in product development and sales.

CUSTOMERS AND COMPETITORS

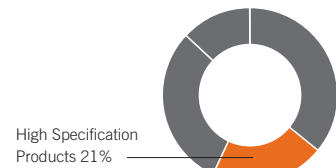
The main market for HSP includes the Nordic region, the Benelux countries, the UK, France and South Korea. Through its technological proficiency, ability to make quick decisions and flexible production, Habia has established a strong position within this area. The company's principal competitors are the US companies Tyco/Raychem and W.L. Gore Wire and Cable, the Italian company Prysmian and the French company Nexans.

MARKET AND SALES 2007

Within the nuclear power sector, Habia's market niche is valued at approximately MSEK 300, while the company's share is estimated at about 5 percent. In the defense market, Habia's niche is valued at SEK 1.5 billion. The company's market share is approximately 7 percent.

Sales within HSP grew by just over 35 percent in 2007, primarily due to increased demand within the defense and nuclear power sectors. The markets in the UK, France and South Korea displayed particularly strong growth. For example, deliveries of marine cables to the UK Royal Navy continued during the year. To manage this intense growth, Habia strengthened its internal resources within the area of HSP. The company also made additional efforts within marketing and sales. In 2007, HSP accounted for 21 percent of the company's sales.

Proportion of total invoicing



Lightweight model for the navy

Along with demands for stealth technology, making military vessels lighter has become an increasingly important task. As

"Reducing the weight of a vessel increases its speed and maneuverability, while fuel consumption decreases."

a result, materials and equipment have been cut back drastically to meet requirements – and the difference is huge. The Royal Swedish Navy's new corvettes were built using composite materials and, as a result, weigh half as much as an equivalent vessel made of steel.

"Reducing the weight of a vessel increases its speed and maneuverability, while fuel consumption decreases. The vessel can also carry more fuel and ammunition," explains Micael Lindberg, head of High Specification Products. "Our operations are also affected. We supply large volumes of lightweight cables transferring signals and electric power."

In lightweight cables, insulation and casing materials are thinner. This is achieved primarily by using different

high-performance plastic materials – materials that must also meet the strict requirements for fire safety.

"Although lightweight cables are thinner, they improve the vessel's performance. They withstand higher temperatures and, as a result, higher currents can be sent through them," Micael Lindberg emphasizes.

In the past five years, Habia has doubled its deliveries of this type of cable. Because vessels can contain some 100 kilometers of cables, using lightweight materials can reduce the weight of a vessel by several tons. Habia's largest markets are the Nordic region and other European countries, but such countries as Korea, China and Australia are also becoming increasingly attractive. ■



ENGINEERED CABLE SOLUTIONS (ECS)

ECS are cables that are specially manufactured and adapted to each customer's individual needs and specifications. Volumes within ECS are often small and production is technologically intensive. The cables are used in such applications as hydraulic and pneumatic tools. Habia's key market segments include sensors, gas turbines, marine diesel engines and technology for offshore and raw materials processing.

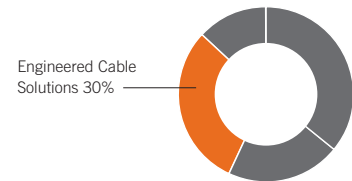
CUSTOMERS AND COMPETITORS

Many customers within ECS are currently undergoing consolidation. One of the results of this consolidation is that customers are becoming fewer in number, but larger in size. Another is that their purchasing operations are becoming concentrated. In addition to customized designs, Habia's competitiveness is also based on its flexible production, delivery precision and the high quality of its subsequent customer service and support. Several small companies currently compete with one another within the area of ECS. Habia's principal competitors are the US company Belden and its German subsidiary HEW, the Italian company Intercond and the German company Ernst & Engbring.

MARKET AND SALES 2007

In 2007, sales within ECS increased by 15 percent. Habia's key markets were the Nordic region, France and the Netherlands. The strong industrial economic climate was the primary driving force behind the growth in ECS. In this fragmented market, Habia also achieved success in new niches, such as cables for electronic sensors and transmitters. In addition, the company discontinued unprofitable product areas. In 2007, ECS accounted for 30 percent of the company's sales.

Proportion of total invoicing



Cables that detect oil deposits

As a result of increased oil prices, the search for new deposits has intensified. At the same time, companies require advanced technology that enables more efficient prospecting.



"This creates opportunities for Habia," says Magnus Israelsson, global marketing manager within the area of Engineered Cable Solutions. "We have a high level of expertise when it comes to materials, extensive experience in customized products and a strong sales organization that is close to our customers and provides service och support."

Habia's signal cables are used, for example, in measuring instruments that examine the quality and quantity of existing oil wells. Other cables are used to prospect new wells. The technology works in roughly the same way as an echo sounder, but on land. The cables are laid out in grids over large areas and "read" the results of geotechnical tests.

"The commercial potential of these projects is huge," Magnus Israelsson

points out. "Prospecting of new wells requires a lot of cable and this type of project can generate tens of millions in sales."

European and US companies are the dominant customers within this area. The demands placed on these cables – which are delivered in unbroken lengths of more

"Habia's signal cables are used in measuring instruments that examine the quality and quantity of existing oil wells and for prospecting entirely new wells."

than 10,000 meters – are extremely high. They are used for prospecting in desert and polar climates and, as a result, must be able to withstand temperatures from minus 40 degrees to 80 degrees above zero. They are also exposed to jerking, pulling and rough handling in this grueling work environment. ■

DISTRIBUTION PRODUCTS

Distribution Products are standard products, such as cables for measuring, vehicles, railways, lighting equipment, heating and white goods. Distribution Products are usually sold in smaller volumes with general specifications and standards, regardless of market segment. Habia's most significant market channels are the company's catalogue and website, where customers can retrieve information about the product range, prices and delivery times. These standard products are also sold through distributors.

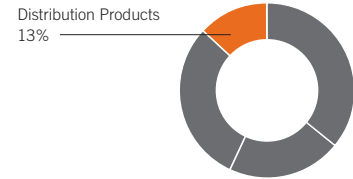
CUSTOMERS AND COMPETITORS

Habia's customers primarily demand a high level of accessibility and competitive prices and quality. The company's key competitive advantages are its efficient manufacturing operations and logistics and customized sales channels. The market is becoming increasingly dominated by small manufacturers, primarily from Germany and Italy. None of these players has an estimated market share that exceeds 5 percent.

MARKET AND SALES 2007

Sales within Distribution Products decreased by 7 percent during 2007. Work on the new Habia Xpress sales concept dominated the year. The concept will be launched in 2008 and will include such features as a new online store. The main market for Distribution Products is Germany, but standard cable products are also sold in the Nordic region, France and the UK. In total, the European market for these products is valued at SEK 1 billion and Habia's market share is estimated at 8 percent. Distribution Products accounted for 13 percent of Habia's sales in 2007.

Proportion of total invoicing



Sales via Habia Xpress

Habia Xpress is a new sales concept within the area of standard cables. It is currently marketed through a new catalogue and, in the long term, will also be promoted through e-commerce, a service that will be launched at the beginning of 2008.

"Habia Xpress is based on the needs of the customer and makes buying our standard products faster, simpler and clearer," says Lutz Eisel, head of Habia Xpress. "Internally, we can also adapt our offering in a more efficient manner to ensure that the most in-demand products are always in stock."

Sales organizations in Germany, Sweden, the UK, the Netherlands and France handle the orders. Major customers include distributors that sell the products on to various end users and original equipment manufacturers (OEM) – that is to say, companies that manufacture and assemble end products, which are then sold in the market.

"E-commerce provides new opportunities for pricing and inventory information and delivery times. Our customers

are offered different prices and by logging on to the Internet, they are granted simple access to information about their prices," Lutz Eisel explains.

Habia Xpress offers just over 3,000 products. Approximately 300 of the most sought-after products are available in stock and can be delivered from Habia within 24 hours. For other products – which are manufactured when the customer places an order – delivery takes two to three weeks. The goal is for half of the sales to come from products that are in stock and half from cables that are manufactured on-demand. ■



OPERATIONS AND ORGANIZATION

Market proximity is a top priority within Habia, which has production facilities in Sweden, Germany, Latvia and China. The plant in the Swedish village of Söderfors is the largest and accounted for 58 percent of the company's total production in 2007. However, in recent years, the operations in China have grown the most. An increasing number of cable products are manufactured at the Chinese plant and the number of employees increased by 50 percent during the year. To further strengthen its presence in this fast-growing market, three new sales offices were established in 2007. On the whole, China is becoming an increasingly important hub within Habia due to its proximity to other large markets in Asia.

The establishment of four new business areas generated clear results in 2007. Due to this new division, responsibility for profitability, market investments and initiatives within manufacturing and product development are now more distinctly defined. Diversification within Habia has improved and, as a result, the company's previously strong dependency on the telecom market can now be decreased at a faster rate.

PRODUCT DEVELOPMENT

Habia manufactures a total of approximately 3,000 different types of cable annually. The majority of the products are customized and used in demanding technological applications. This means that the cables must be able to withstand a number of different environmental conditions, such as radioactivity, chemicals, vibrations, wear, fire, water and extreme differences in temperature. Other key properties are the weight of the cable and its elasticity. As a result, the company prioritizes lightweight and highflex cables in its product development. Habia has its own research and development department whose

facts

The majority of Habia's products are used in demanding technological applications. This means that the cables must be able to withstand a number of different environmental conditions, such as radioactivity, chemicals, vibrations, wear, fire, water and extreme differences in temperature.

Custom-designed cables – unique demands throughout the production chain

The core of Habia's operations is custom-designed cables – a product that differs in many ways from the standard cables that are also available in the market. These differences affect both the properties of the cables and the manufacturing process.

"A custom-designed cable must live up to the most extreme demands that today's technology can withstand,"



explains Johan Vinberg, President of Habia Cable. "These are also products that cannot be ordered over-the-counter; instead, they have to be designed and manufactured according to the particular specifications we receive from the customer."

BROAD COMPETENCE

Customers' need for custom-designed cables may have something to do with the conditions of their surrounding environments, where cold, heat or perhaps radioactivity create specific requirements.

However, just as often, custom-designed cables are used to improve the performance of an application or because they can reduce maintenance costs compared with using a standard cable.

"The electronic properties of the cable can be an important concern when we develop a custom-designed cable, but the biggest challenges often concern

the casing," Johan Vinberg explains. "The casing has to withstand all of the tough demands that the cable is exposed to – fire, powder stains, moisture, jerks, bending and much more. That is why our knowledge of the plastic materials used

"A custom-designed cable must live up to the most extreme demands that today's technology can withstand."

in the casing is a key competitive advantage for us.

"Because custom-designed cables are manufactured in small series, the manufacturing process must be flexible," he continues. "Due to the quick adjustments that are carried out in the plants, our production planning has to be highly efficient to meet customer demands." ■

task is to improve existing products, develop new concepts and provide support for the production and marketing organizations.

QUALITY

From 2007, all of the company's plants and the Nordic and German sales organizations are operated according to the same quality system, which facilitates the company's improvement efforts. In 2008, other sales offices will be integrated into the same certification system. All units are currently certified in accordance with ISO 9000. This high level of quality is also evident in the extremely tough demands that customers place on Habia, particularly within the defense and nuclear power industries. These sectors often have standards that are more extensive than the ISO standards. Many customers also conduct their own quality audits of Habia's plants to review the company's processes and follow-up routines.

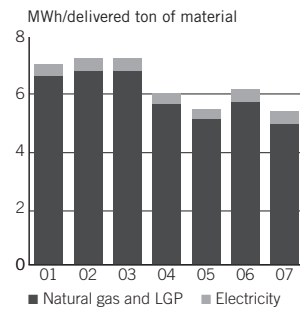
ENVIRONMENT

The Swedish operation is certified in accordance with ISO 14001 and the plant in Söderfors has a production permit issued by the County Administrative Board. The company's environmental goals are set by management and are based on various environmental aspects identified in the operations. At present, these environmental goals focus on reducing power consumption, decreasing the amount of waste and improving the use of materials. Tangible measures include shorter changeover times and reduced production waste, but also more efficient recycling at the construction sites. In addition, special efforts are made to limit the amount of diffused emissions of volatile organic compounds, which improves the external and work environment. Source-sorting routines are already well-established at the plant in Söderfors and no waste is transferred to landfills. At the other plants, plastic and metal waste from production is recycled.

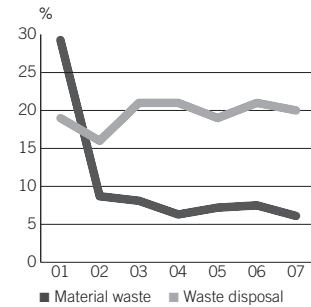
PERSONNEL

The number of employees increased by 19 to 415 people (396). In the low-cost countries of China and Latvia, the number of employees rose by 23 to 106 people (83). In Sweden, the number of employees decreased by 2 to 212 individuals (214). In Germany, Habia has 62 employees (61).

Total energy consumption

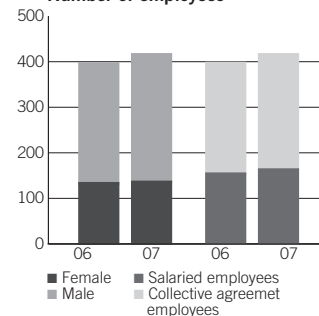


Material waste and waste disposal

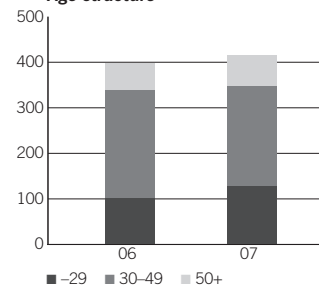


This graph shows the proportion of material waste and waste disposal in relation to the number of delivered finished products – the smaller the amount of material waste and waste disposal, the smaller the impact on the environment.

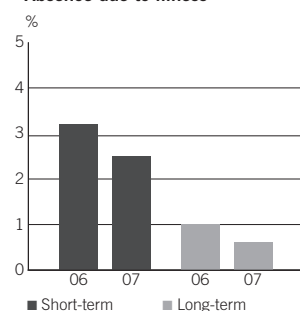
Number of employees



Age structure



Absence due to illness



Beijer Alma's history

- Beijer Alma is an international industrial group that conducts sales in more than 60 markets. Its subsidiaries, Lesjöfors and Habia Cable, focus on component production. The company's key products are custom-designed cables, industrial springs, chassis springs and flat-strip components. Habia Cable is a global market leader within the area of custom-designed cables for the mobile telecommunications industry. Lesjöfors holds a leading position in Europe within the area of chassis springs for the aftermarket for passenger cars and light trucks.
- Alma Invest was founded in 1983 on the initiative of the Upsala Sparbank and various entrepreneurs in the Uppland region. The original goal was to acquire blocks of shares in smaller companies in the region. However, this focus soon

changed. Investments were no longer limited to the Uppland region and the Group set its sights on wholly owned subsidiaries within industry and trade.

- The company's first acquisitions were carried out in 1985 and in 1987, Alma Invest was listed on the stock exchange. In the 1990s, a number of companies were purchased and sold. The Group changed its name to Beijer Alma in 1998. At the turn of the millennium, the Group's emphasis on industrial companies became more clear and component production and international sales are now its focus. The Group's strategy is based on a long-term and proactive approach to the ownership of unlisted subsidiaries.



1983 Alma Invest is founded in Uppsala on the initiative of the Upsala Sparbank and various entrepreneurs in the Uppland region. According to its business concept, the aim of the company is to acquire blocks of shares in smaller companies in the region.

1985 The business concept is changed and the company's operations are no longer limited geographically. The aim is to create a group of wholly owned subsidiaries within the areas of industry and trade. Göran Angesten is appointed as President. The Group acquires Stickler Drivteknik, including plumbing supply wholesaler E. Bierregaard. Later in the year, cable manufacturer Habia Cable is acquired.

1986 Cale Industri is acquired.

1987 The Alma share is introduced on the OTC list of the Stockholm Stock Exchange. Alma Invest changes its name to Alma Industri & Handel. At year-end, the Group has 1,400 shareholders. The largest single shareholder is Robustus, a company in the Sparbank sphere of companies. Heating and plumbing operations are supplemented by acquisition of Stockholms Rörsnide. Stickler Drivteknik is divested.

1990 The Group acquires the Arne Sundquist & Co AB packaging company.

1992 Acquisition of Pendax AB, which works in audiovisual equipment. Gunnar Huss is appointed as President. Sparbanken sells its stake to Anders Wall, who becomes the principal shareholder in the Group.

1989 The Group supplements its Springs operations through the acquisition of Lesjöfors. The company has four plants, annual sales of MSEK 90 and will become the foundation of the future spring operations.

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

1993 Curt Lönnström is appointed as President and Anders Wall becomes Chairman of the Board. The G & L Beijer Import & Export trading company is acquired. At this time, Lesjöfors begins working on a range of standard chassis springs.

1994 Valve manufacturer Stafsjö Bruk is acquired.

1995 The Group disposes of Cale Industri and changes its name to Beijer Alma Industri & Handel.

1996 The spring plant in Lesjöfors, the company's largest unit, is completely destroyed in a fire. Lesjöfors acquires spring manufacturers Kilen Industri and Nyme and toolmaker Scandic Tools. The Group disposes of Pendax.

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

1998 Lesjöfors acquires GS Industri, spring manufacturer DK Fjedre and surface treatment companies Gnosjö Yttek and Perny. The Group disposes of Sundquist Components and changes its name to Beijer Alma AB.

1999 Disposal of G & L Beijer Import & Export, E. Bierregaard and the surface treatment companies within Lesjöfors. Sales reflect the Group's new direction which focuses on industrial companies with high growth potential. Between 1995 and 1999, Lesjöfors acquires 11 companies and disposes of two. Habia invests in production capacity and establishes its own sales companies. In 1999, the cable product Flexiform is launched in the telecom market.

2000 Bertil Persson is appointed as President and CEO. Streamlining continues within Lesjöfors. Spring manufacturer Buck Jeppesen is acquired. Habia begins manufacturing in China and acquires the German cable company Isotec Kabel.

2002 Lesjöfors establishes manufacturing operations in China. In Sweden, the company celebrates 150 years as a spring manufacturer.

2001 Elimag Industri is acquired. Capacity of Habia's plant in Söderfors is expanded and the company celebrates its 60th birthday.

2003 Lesjöfors begins manufacturing in Latvia.

2005 The company disposes of AB Stafsjö Bruk. Habia begins manufacturing in Latvia. Lesjöfors acquires Danfoss's spring operations and becomes part owner of Hanil Precision – one of Korea's leading manufacturers of gas springs.

2006 The company disposes of Elimag. Lesjöfors acquires UK company Harris Springs.

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

Administration report

The Board of Directors and the President of Beijer Alma AB (publ) hereby submit the company's Administration Report and Annual Accounts for the 2007 financial year, the company's 25th year of operations. For information concerning corporate governance, see page 52.

REVENUES AND EARNINGS

Group

In 2007, demand and growth were strong in the Group's key customer group, the engineering industry. Sales to the defense industry were also favorable. However, Lesjöfors' sales within Chassis Springs decreased in a shrinking market. Sales to the telecom sector remained unchanged for Habia, but decreased for Lesjöfors.

In total, this means that order bookings increased by 10 percent to MSEK 1,665 (1,508) during 2007. Net revenues rose 11 percent to MSEK 1,654 (1,488). The proportion of international sales was 80 percent (79). During the year, Lesjöfors acquired the UK spring manufacturer European Springs. Excluding European Springs, order bookings increased by 4 percent and net sales by 5 percent.

Operating income amounted to MSEK 289.6 (268.4) and the operating margin was 17.5 percent (18.0). Net profit amounted to MSEK 205.5 (152.5). Profit before tax was affected in the amount of negative MSEK 3.2 (neg: 1.4) due to changes in foreign exchange rates.

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

MSEK	2007	2006	2005	2004	2003
Net revenues	1,654.4	1,487.8	1,323.0	1,201.6	1,154.0
Profit after financial items	282.7	262.2	199.8	155.0	18.0
Net profit	205.5	152.5	176.1	127.2	7.5
Shareholders' equity	846.7	747.8	708.9	566.4	451.7
Total assets	1,349.4	1,218.4	1,180.1	1,118.8	1,126.8

Subsidiaries

Lesjöfors, a full-range supplier of standard and specially produced industrial springs, wire and flat strip components, increased its order bookings by 13 percent to MSEK 1,046 (925). Net revenues amounted to MSEK 1,032 (923), an increase of 11 percent. Disregarding the acquired company European Springs, order bookings rose 2 percent and invoicing 1 percent. Operating income amounted to MSEK 222.7 (222.1) and the company's operating margin to 21.5 percent (24.0). Profit after financial items amounted to MSEK 223.2 (221.7).

Lesjöfors' operations are conducted in three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. Within Industrial Springs, growth remained strong. Flat Strip Components reported decreased volumes for comparable units, partly due to a change of models within mobile telephones. Chassis

Springs reduced its volumes, but maintained its market share in a shrinking market during 2007. All three business areas reported favorable profitability.

Habia Cable, a manufacturer of custom-designed cables, increased its order bookings by 6 percent to MSEK 619 (583). Net revenues amounted to MSEK 622 (564), an increase of 10 percent. Operating income amounted to MSEK 89.7 (65.8) and the company's operating margin was 14.4 percent (11.7). Profit after financial items amounted to MSEK 86.3 (63.0).

Habia's entire sales increase was attributable to customers within the engineering and defense industries, while volumes remained unchanged for the telecom industry. In the engineering industry, order sizes are generally smaller and the number of customers significantly larger than in the telecom sector. Accordingly, Habia's risk spread is currently better within sales.

Parent Company

The Parent Company's operations primarily comprise owning and managing shares and participations in subsidiaries and associated companies, and responsibility for certain Group-wide functions. The company, which conducts no external sales, reported profit after financial items in the amount of MSEK 207.3 (34.5). This result includes dividends from Group companies totaling MSEK 232.0 (95.5). Earnings for 2006 were also charged with an impairment loss in the amount of negative MSEK 38.3 in conjunction with the sale of Elimag. Net profit amounted to MSEK 213.7 (40.6).

CAPITAL EXPENDITURES

Capital expenditures in tangible fixed assets amounted to MSEK 79 (71), compared with depreciation in the amount of MSEK 65 (69). Approximately 70 percent of investments were made within the Lesjöfors Group. Through the acquisition of European Springs, the company's tangible fixed assets rose an additional MSEK 18.

RESEARCH AND DEVELOPMENT

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

CASH FLOW, LIQUIDITY AND FINANCIAL POSITION

Cash flow after capital expenditures amounted to MSEK 71.0 (121.0). Cash flow was charged in the amount of MSEK 48.9 (14.1) for payments associated with corporate acquisitions. Net interest-bearing liabilities – that is, interest-bearing liabilities less cash and cash equivalents – increased by MSEK 39.6 during the year to MSEK 32.8 (neg: 6.8). Available liquidity – defined as cash and cash equivalents plus granted, but unutilized, overdraft facilities – was MSEK 387 (493) at year-end.

The equity ratio was 62.8 percent (61.4) at year-end. The net debt equity ratio, defined as net interest-bearing liabilities relative to shareholders' equity, was 3.9 percent (neg: 0.9).

PROFITABILITY

The return on average capital employed was 29.9 percent (30.0). The return on average shareholders' equity was 25.1 percent (25.9).

PERSONNEL

The number of employees was 1,163 (980), an increase of 183. Through the acquisition of European Springs, the company gained 139 employees. Of the remaining 44 employees gained during the year, the operations in China accounted for 39 individuals. A total of 211 employees currently work at the production plants in Latvia and China, the Group's low-cost units, compared with 171 employees one year ago.

Of the company's employees, 496 individuals (507) work in Sweden and 667 (473) work abroad.

OWNERSHIP STRUCTURE

Beijer Alma has approximately 3,000 shareholders (3,500). The largest owner is Anders Wall, including his family and companies, with 13.6 percent of the capital and 41.0 percent of the votes. In terms of capital, other major owners include Svolder AB with 9.9 percent, Livförsäkrings AB Skandia with 6.2 percent, the Kjell and Märta Beijer Foundation with 6.1 percent, the Anders Wall Foundation with 4.9 percent, Lannebo Fonder with 4.8 percent and Swedbank Robur Fonder with 4.5 percent. During the year, Svolder AB increased its ownership by 712,600 shares.

ENVIRONMENT

Six of Lesjöfors' 13 production plants are environmentally certified in accordance with ISO 14001 and efforts are under way to certify an additional four plants in 2008. Most of Lesjöfors' plants are Class C facilities, which means that their impact on the environment is low. The exception is the plant in Värnamo, which, as a result, is covered by a permit from the County Administrative Board. The subsidiary in Denmark has been granted environmental approval by the local municipality. In 2007, three environmental objectives were prioritized: waste disposal, transport and energy consumption.

Habia's Swedish operations are certified in accordance with ISO 14001 and have also been granted a permit by the County Administrative Board. Its prioritized environmental goals are reducing power consumption, decreasing the amount of waste and improving the use of materials. Sorting and recycling programs remained effective.

RISKS AND UNCERTAINTY FACTORS

The Group's material risks and uncertainty factors include business and financial risks. Business risks may include major customer exposure to individual industries or companies. Financial risks primarily pertain to foreign currency risks that arise because more than 80 percent of the company's sales are conducted outside Sweden, while approximately 60 percent of production takes place within Sweden.

Management of the Group's financial risks is described in note 29. With regard to business risks, strategic work is being carried out to broaden the Group's customer base geographically and in terms of industry. According to assessment, the Group has a favorable risk spread across industries and customers and no material risks arose during the year.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events have occurred after the end of the financial year.

OUTLOOK FOR 2008

The Beijer Alma Group entered 2008 with a favorable position in terms of demand. The Group's stock of orders is higher than at the end of the third quarter in 2007 and the preceding year-end. The Group is also favored by well-diversified operations, with limited exposure to the North American market.

PROPOSED APPROPRIATION OF PROFITS

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

SEK 000s

Retained earnings	71,840
Net profit for the year	213,728
Total	285,568

be appropriated as follows:

Dividend to shareholders of SEK 5.00 per share	137,155
To be carried forward	148,413
Total	285,568

BOARD OF DIRECTORS' STATEMENT CONCERNING THE PROPOSED DIVIDEND

After the proposed dividend, the Parent Company's equity ratio amounts to 65 percent and the Group's equity ratio to 53 percent. The equity ratio is adequate against since the company and the Group continue to operate profitably. The liquidity of the Group and the company is expected to maintain an adequate level.

In the opinion of the Board of Directors, the proposed dividend will not prevent the Parent Company or the other Group companies from fulfilling their short or long-term obligations. Nor will it prevent any company from making necessary capital investments. According, the proposed dividend can be defended with regard to the provisions in Chapter 17, Section 3, Paragraphs 2–3 of the Swedish Companies Act (the prudence rule).

Income statements

Amounts in SEK 000s	Note	Group		Parent Company	
		2007	2006	2007	2006
Net revenues	3,4	1,654,356	1,487,754	–	–
Cost of goods sold	1,5,7,8	–1,035,250	–924,559	–	–
Gross profit		619,106	563,195	0	0
Selling expenses	1,5,7,8	–178,107	–164,863	–	–
Administrative expenses	1,5,7,8	–152,222	–130,932	–33,422	–32,200
Other operating revenues		–	–	13,200	12,807
Revenues from participations in associated companies	6	786	956	–	–
Operating income	7,8	289,563	268,356	–20,222	–19,393
Revenues from participations in Group companies	9	–	–	232,000	95,500
Interest income		5,651	2,986	538	115
Expenses from participations in Group companies		–	–	–	–38,333
Interest expenses		–12,516	–9,171	–4,991	–3,378
Profit after financial items		282,698	262,171	207,325	34,511
Tax on profit for the year	10	–77,183	–72,400	6,403	6,136
Net profit from continuing operations		205,515	189,771	213,728	40,647
Net profit from discontinued operations	11	–	–37,277	–	–
Net profit for the year		205,515	152,494	213,728	40,647
Earnings per share in continuing operations	12				
– before dilution, SEK		7.49	6.92	–	–
– after dilution, SEK		7.49	6.92	–	–
Earnings per share in discontinued operations		–	–	–	–
– before dilution, SEK		–	–1.36	–	–
– after dilution, SEK		–	–1.36	–	–
Net earnings per share for the year		–	–	–	–
– before dilution, SEK		7.49	5.56	–	–
– after dilution, SEK		7.49	5.56	–	–
Proposed/declared dividend per share, SEK		–	–	5.00	4.00

Balance sheets

Amounts in SEK 000s	Note	Group		Parent Company	
		2007	2006	2007	2006
ASSETS					
Non-current assets					
Intangible assets					
Goodwill	13	116,162	70,432	–	–
Licenses		235	–	–	–
Tangible fixed assets					
Land and land improvements	14	15,890	17,810	–	–
Buildings	15	172,073	159,225	–	–
Plant and machinery	16	215,291	201,692	–	–
Equipment, tools, fixtures and fittings	17	31,078	29,454	936	255
Financial assets					
Deferred tax assets	18	1,614	2,196	–	–
Other long-term receivables		2,671	1,431	–	–
Other securities	19	22,928	19,140	22,871	19,081
Participations in associated companies	20	29,876	25,462	–	–
Participations in Group companies	21	–	–	196,774	217,216
Total fixed assets		607,818	526,842	220,581	236,552
Current assets					
Inventories	22	267,361	245,085	–	–
Receivables					
Accounts receivable	23	269,821	233,353	–	–
Receivables from Group companies		–	–	432,872	293,179
Other receivables	24	22,243	10,646	356	1,506
Prepaid expenses and accrued income	25	16,796	11,312	505	940
Cash and cash equivalents		165,343	191,128	52	48
Total current assets		741,564	691,524	433,785	295,673
Total assets		1,349,382	1,218,366	654,366	532,225

Balance sheets

Amounts in SEK 000s	Note	Group		Parent Company	
		2007	2006	2007	2006
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	26				
Share capital		114,296	114,296		
Other contributed capital		165,351	165,351		
Reserves		-4,852	-8,007		
Retained earnings, including net profit for the year		571,952	476,161		
Total shareholders' equity		846,747	747,801		
Share capital				114,296	114,296
Statutory reserve				165,351	165,351
Total restricted equity				279,647	279,647
Retained earnings				71,840	77,082
Net profit for the year				213,728	40,647
Total unrestricted equity				285,568	117,729
Total shareholders' equity				565,215	397,376
Long-term liabilities					
Deferred tax	27	27,297	28,180	–	–
Pension obligations	28	358	355	–	–
Liabilities to credit institutions	29	40,383	72,321	–	–
Total long-term liabilities		68,038	100,856	0	0
Current liabilities					
Credit facility	29	135,681	107,571	60,697	85,188
Liabilities to Group companies				13,629	31,111
Accounts payable		90,258	86,335	1,050	589
Tax liabilities		27,381	30,459	1,056	7,544
Accrued expenses and prepaid income	30	128,292	104,880	12,323	10,033
Liabilities to credit institutions	29	21,693	4,070		
Other current liabilities	31	31,292	36,394	396	384
Total current liabilities		434,597	369,709	89,151	134,849
Total shareholders' equity and liabilities		1,349,382	1,218,366	654,366	532,225
Pledged assets	32	320,386	321,603	12,260	12,260
Contingent liabilities	33	8,026	8,500	4,000	7,000

Changes in shareholders' equity

Group	Share capital	Other contributed capital	Reserves	Retained profit, including net profit for the year	Total shareholders' equity
December 31, 2005	114,296	165,351	5,004	424,248	708,899
Change in value of hedging reserves	–	–	4,593	–	4,593
Translation differences	–	–	–17,604	–	–17,604
Total income/expenses reported directly against shareholders' equity	–	–	–13,011	–	–13,011
Net profit for the year	–	–	–	152,494	152,494
Total income and expenses	–	–	–13,011	152,494	139,483
Dividend for 2005	–	–	–	–100,581	–100,581
December 31, 2006	114,296	165,351	–8,007	476,161	747,801
Change in value of hedging reserves	–	–	–2,282	–	–2,282
Translation differences	–	–	5,437	–	5,437
Total income/expenses reported directly against shareholders' equity	–	–	3,155	–	3,155
Net profit for the year	–	–	–	205,515	205,515
Total income and expenses	–	–	3,155	205,515	208,670
Dividend for 2006	–	–	–	–109,724	–109,724
December 31, 2007	114,296	165,351	–4,852	571,952	846,747

Parent Company	Share capital	Reserves	Retained earnings	Net profit for the year	Total shareholders' equity
December 31, 2005	114,296	165,351	61,598	56,857	398,102
Reclassification of net profit for the preceding year	–	–	56,857	–56,857	–
Dividend paid	–	–	–100,581	–	–100,581
Group contribution less tax	–	–	59,208	–	59,208
Net profit for the year	–	–	–	40,647	40,647
December 31, 2006	114,296	165,351	77,082	40,647	397,376
Reclassification of net profit for the preceding year	–	–	40,647	–40,647	–
Dividend paid	–	–	–109,724	–	–109,724
Group contribution less tax	–	–	62,571	–	62,571
Result from mergers	–	–	1,264	–	1,264
Net profit for the year	–	–	–	213,728	213,728
December 31, 2007	114,296	165,351	71,840	213,728	565,215

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

Cash-flow statements

Amounts i SEK 000s	Note	Group		Parent Company	
		2007	2006	2007	2006
Current operations					
Operating income		289,563	268,356	-20,222	-19,393
Net financial items	34	-6,298	-5,761	170,547	39,237
Income tax paid		-80,562	-78,372	-24,844	-20,935
Items not affecting cash flow	35	58,026	57,022	73	54
Cash flow from current operations before changes in working capital and capital expenditures		260,729	241,245	125,554	-1,037
Cash flow from discontinued operations		-	-8,000	-	-
Change in inventories		-16,144	-36,985	-	-
Change in receivables		-29,261	1,684	-81,108	-52,322
Change in current liabilities		-20,604	2,138	31,746	38,165
Cash flow from current operations		194,720	200,082	76,192	-15,194
Investing activities					
Investments in tangible fixed assets		-66,549	-58,004	-754	-78
Investments in intangible assets		-235	-2,890	-	-
Investments in other participations		-7,416	-7,196	-3,790	-2,456
Changes in other financial assets		-658	3,043	-	-
Corporate acquisitions	36	-48,886	-14,100	-	-
Cash flow from investing activities		-123,744	-79,147	-4,544	-2,534
Cash flow after capital expenditures		70,976	120,935	71,648	-17,728
Financing activities					
Change in long-term liabilities and credit facilities		12,915	44,403	-24,491	58,856
Group contributions received/paid and shareholders' contributions, excluding tax		-	-	62,571	59,206
Dividend paid		-109,724	-100,581	-109,724	-100,581
Cash flow from financing activities		-96,809	-56,178	-71,644	17,481
Change in cash and cash equivalents		-25,833	64,757	4	-247
Cash and cash equivalents at beginning of year		191,128	124,391	48	295
Exchange-rate differences in cash and cash equivalents and acquired/discontinued operations		48	1,980	-	-
Cash and cash equivalents at year-end		165,343	191,128	52	48
Unutilized committed credit facilities		221,327	301,659	89,303	64,812
Available liquidity		386,670	492,787	89,355	64,860

Notes

All amounts in of SEK 000s unless otherwise stated.

APPLIED ACCOUNTING AND VALUATION PRINCIPLES

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

Accounting principles

Beijer Alma's consolidated accounts were prepared in accordance with the Annual Accounts Act, RR 30:06 Complementing Accounting Principles for Groups, and International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated accounts were prepared according to the cost method, except in the case of certain financial assets and liabilities, including derivative instruments.

Standards, changes and interpretations that will come into effect in 2008

IFRS 7, Financial Instruments: Disclosures and an amendment to IAS 1, Presentation of Financial Statements concerning capital disclosures will introduce new information regarding financial instruments. IFRS 7 will not affect classification and valuation of the Group's financial instruments.

IFRIC 8, Scope of IFRS 2 and IFRIC 10, Interim Financial Reporting and Impairment will not affect the Group's financial reports.

Standards, changes and interpretations of existing standards that have not yet come into effect

At the time of the preparation of these consolidated accounts on December 31, 2007, a number of standards and interpretations had been published that will be obligatory for the Group's accounts when they come into effect on January 1, 2009 or later. During 2007, Beijer Alma did not apply any standards or interpretations in advance. Standards that may affect the financial reports when implemented include:

- IAS 1 (amendment), Presentation of Financial Statements. This amendment primarily involves changes to the format and terms used in financial reports and will affect the future presentation of financial reports.
- IFRS 3 (amendment), Business Combinations. Application of this amendment will involve changes to how future acquisitions are reported, including changes to reporting transaction costs, possible contingent purchase prices and successive acquisitions. This amendment will be applied from the 2010 financial year and will not affect earlier acquisitions.

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

Key estimates and assumptions for accounting purposes

To prepare the accounts in accordance with IFRS, the use of a number of key estimates for accounting purposes is required. Management is also required to make certain assumptions when applying the consolidated accounting principles. Areas that include a high degree of assessment, areas that are complex or areas in which assumptions and estimates are of material importance are primarily the following:

Assumptions regarding impairment testing of goodwill

The Group tests goodwill for impairment annually in accordance with the accounting principles described in the section concerning intangible assets. Assumptions and estimates relating to expected cash flows and discount interest rates in the form of weighted average capital costs are described in Note 13. Forecasts for future cash flows are based on the best possible estimates of future revenues and operating expenses. Impairment tests that were performed and did not indicate any impairment of goodwill were based on a margin whose value in use, according to management's assessment, will not exceed its carrying value as a result of any reasonable changes in individual variables. It is the assessment of management that even a certain variation in the key variables will not result in a write-down requirement.

Accounts receivable

Accounts receivable are reported net after provisions for doubtful accounts receivable. The net value reflects the amounts that are expected to be collectable based on the known circumstances on the balance-sheet date. Changes to these circumstances, such as an increase in the scope of non-payments or changes concerning a significant customer's financial position, may result in deviations in valuation.

Disputes

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

Cash flow

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

Consolidated accounts

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

The Group's annual accounts were prepared in accordance with the purchase method. The cost of an acquired company comprises the fair value of the assets submitted as reimbursement, issued equity instruments and liabilities that arise or are assumed on the transfer date, plus expenses directly attributable to the acquisition. The acquired equity of subsidiaries is determined as the difference between the fair value of identifiable assets and the fair value of liabilities and contingent liabilities, based on a market valuation performed at the time of acquisition. The equity of acquired subsidiaries is eliminated in its entirety, which means that consolidated equity only includes the portion of the subsidiaries' equity that is earned after the acquisition.

If the consolidated cost of the shares exceeds the value of the company's identifiable net assets as indicated in the acquisition analysis, the difference is reported as consolidated goodwill.

Companies acquired during the year are included in the consolidated accounts from the date on which the Group secured a controlling influence, including the amount for the period after the acquisition.

Subsidiaries of which the Group has disposed are excluded from the consolidated accounts from the date on which controlling influence ceases.

Intra-company transactions, balance sheet items and profit are eliminated in their entirety, without taking any minority shares into consideration.

Translation of foreign subsidiaries

Functional currency corresponds to the local currency of the land in which the Group conducts operations. The assets and liabilities of foreign subsidiaries are translated at the balance-sheet date rate. All items in the income statements are translated at the average rate for the year. Translation differences are carried directly to Group equity.

Significant foreign exchange rate	Year-end rate		Average rate	
	Dec 31, 2007	Dec 31, 2006	2007	2006
USD	6.44	6.84	6.72	7.33
EUR	9.46	9.02	9.26	9.25
GBP	12.83	13.40	13.48	13.57

Reporting of associated companies

Associated companies are defined as companies that are not subsidiaries, but over which the Parent Company has significant, but not decisive influence, which generally involves shareholdings of 20 percent to 50 percent. Participations in associated companies are reported in the consolidated annual accounts according to the equity method. The equity method stipulates that participations in an associated company are reported at cost at the time of acquisition and thereafter are adjusted for the Group's proportion of the change in the net assets of the associated company.

Accumulated, but not distributed profit shares attributable to associated companies are reported in the item "Reserves in equity." Any accumulated share of losses reduces the Group's non-restricted earnings. Unrealized intra-Group profits are eliminated against the share of the profits attributable to the Group.

Profit shares in associated companies are reported on separate lines in the consolidated income statement and the consolidated balance sheet. Profit shares in associated companies are reported after tax.

Segment reporting

Operating segments include products that are subject to risks and returns that differ from other operating segments. Beijer Alma's primary segments are the Group's Springs and Custom-designed Cable operating segments. Geographic markets supply products within a specific economic environment whose risks and returns differ from those that apply to units that operate in other economic environments. Within the Group, geographic areas are classified as secondary segments.

Discontinued operations

During the second quarter of 2006, a decision to sell the independent operating segment Elimag (high-speed processing in aluminum) was made and carried out. In accordance with IFRS 5, the earnings from the sale are reported on a separate line in the income statement – "Net result in discontinued operations." Earnings per share are reported as earnings from operating activities and discontinued operations. Comparative data in the income statement and disclosures were adjusted for the sale.

Revenue recognition

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

Borrowing costs

Borrowing costs are charged to the earnings for the period to which they are attributable.

Tax

Deferred tax is calculated according to the balance sheet method for all temporary differences that arise between the reported value and tax value of assets and liabilities.

Loss carryforwards that can be utilized against future profits are capitalized as a deferred tax recoverable. This applies to accumulated tax loss carryforwards at the time of acquisition and to losses that arise thereafter.

Valuation is performed using the tax rates in effect at year-end. Deferred tax is reported in the balance sheet as a financial asset or long-term liability. Tax expenses for the year comprise current tax and deferred tax.

If the actual outcome differs from the amount that was initially reported, such differences will affect the provisions for current tax and deferred tax.

Intangible assets

The Group's intangible assets comprise goodwill. Goodwill is defined as the amount by which the consolidated cost of the shares in acquired subsidiaries exceeds the fair value of the company's net assets as indicated in the acquisition analysis at the time of acquisition. Goodwill from the acquisitions of associated companies is included in the value of the holdings in the associated companies and is tested for impairment as a part of the value of the total holding. Goodwill that is reported separately is tested annually for impairment. Impairment of goodwill is not reversed. Profits or losses that arise from the sale of a unit include the remaining reported value of the goodwill relating to the sold unit.

Goodwill is allocated, at the time of acquisition, to cash-flow generating units that are expected to profit from the acquired operation that generated the goodwill item. For a description of the methods and assumptions used for impairment testing, see Note 13.

Research and product development

When costs for product development are incurred, such costs are immediately expensed.

According to a strict definition, no research and development is conducted within the Group. Development work in the Beijer Alma Group is conducted on a continuous basis and is an integrated part of the daily operations, so such expenses are difficult to define. Moreover, these expenses do not comprise significant amounts.

Tangible fixed assets

Tangible fixed assets, including office and industrial buildings and land, are reported at acquisition cost after deductions for accumulated depreciation. The acquisition cost includes costs directly related to the acquisition of the asset. Expenses for improvements to the performance of an asset beyond its original level increase the reported value of the asset. Expenses for repair and maintenance are reported as costs.

In the income statement, operating income is charged with depreciation that takes place using the straight-line method and based on the difference between the acquisition costs of the assets and any residual value they may have over their estimated useful lives. Beijer Alma applies the following estimated useful lives:

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

Land is not depreciated.

The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when an asset's reported value exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

Capital gains and losses are determined by comparing the selling price and the carrying value. Capital gains and losses are reported in the income statement.

Leasing contracts

Leasing contracts pertaining to fixed assets, in which the Group essentially bears the same risks and enjoys the same benefits as in the case of direct ownership, are classified as financial leasing. Financial leasing is reported at the beginning of the leasing period, at the lower of the leasing object's fair value or the present value of the minimum leasing fees. Financial leasing contracts are reported in the balance sheet as fixed assets respectively financial liabilities. Future leasing payments are distributed between amortization of the liability and financial expenses so that each accounting period is charged with an interest amount that corresponds to a fixed interest rate for the liability reported during each period. Leasing assets are depreciated according to the same principles as other assets of the same class. In the income statement, costs for the leasing contract are allocated to depreciation and interest.

Leasing of assets in which the lessor essentially remains the owner of the asset is classified as operational leasing. The leasing fee is expensed on a straight-line basis over the leasing period. Operational leasing contracts are reported in the income statement as an operating expense. Leasing of automobiles and personal computers is normally defined as operational leasing. The value of these leasing contracts is not deemed to be significant.

Impairment

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

Inventories

Inventories comprise finished goods, semi-manufactured goods and raw materials. Inventories are valued, using the first in, first out method, at the lower of the acquisition cost or fair value (net realizable value) on the balance-sheet date. Finished goods and semi-manufactured goods are valued at manufacturing cost, including raw materials, direct labor, other direct overhead and production-related overhead based on normal production. The net realizable value is equal to the estimated selling price of the operating activities less applicable variable selling expenses.

Collective valuation is applied for homogenous groups of goods. Interest expenses are not included in the valuation of inventory.

A deduction is made for intra-Group profits that arise when deliveries are made between the Group's companies. A requisite deduction for obsolescence has been made.

Accounts receivable

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

Financial instruments

The Group classifies its financial assets according to the following categories: financial assets valued at fair value in the income statement, loans receivable and accounts receivable, and available-for-sale financial assets. Classification depends upon the purpose for which the financial asset was acquired. Management determines the classification when the financial asset is first reported and reviews this decision at every reporting occasion.

Financial assets valued at fair value in the income statement

Financial assets valued at fair value in the income statement are financial assets held for trading purposes. An asset is classified in this category if it was principally acquired for the purpose of being sold within the near future. Derivatives are classified as held-for-trading unless they are identified as hedging instruments. Assets in this category are classified as current assets. Changes in fair value are reported as net financial income and expenses for the period in which they occur.

Loans receivable and accounts receivable

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

Available-for-sale financial assets

Available-for-sale financial assets are assets that are not derivatives and are either identified as saleable or cannot be classified into any of the other categories. These assets are included in fixed assets if management does not intend to dispose of them within 12 months of the balance-sheet date. These assets are valued at fair value and any changes in value are recorded directly in equity. If it is not possible to calculate fair value in a reliable manner, the assets are valued at cost. Impairment is made when objective evidence indicates that impairment is required. Upon disposal of the asset, accumulated profit/losses, as previously recorded in equity, are recorded in the income statement.

Purchase and sale of financial assets is reported on the trade date – that is, the date on which the Group commits to purchasing or selling the asset. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has assumed essentially all risks and benefits connected with the right of ownership.

Hedge accounting

Beijer Alma utilizes derivative instruments to cover risks associated with foreign exchange rate changes. Beijer Alma applies hedging to its commercial exposure (cash-flow exposure) within the framework of the financial policy adopted by the Board of Directors. Beijer Alma applies hedge accounting to contracts that fulfill the criteria for hedging in accordance with IAS 39 Financial instruments: Recognition and Measurement.

Hedge accounting means that the unrealized gains and losses, which arise when hedging instruments are valued at market value and fulfill the conditions for hedge accounting, are recorded in equity. Also see Note 29.

Translation of foreign currencies

Items included in the financial reports for the different units in the Group are valued in the currency used in the economic environment in which each company primarily conducts operations (functional currency). In the company's consolidated financial statements, the Swedish krona is used, which is the Parent Company's functional currency and reporting currency. Receivables and liabilities in foreign currencies are valued at the balance-sheet date rate. Exchange profit and losses that arise in conjunction with the payment of such transactions and during the translation of monetary assets and liabilities in foreign currency are reported in the income statement. Hedging transactions in the form of currency forward agreements pertaining to future flows in foreign currency influence earnings when they expire. Balance sheets and income statements for subsidiaries in

the Group are translated at the balance-sheet date rate and the average rate for the year, respectively.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank balances and short-term investments with a duration not exceeding three months. Cash and cash equivalents are valued at fair value.

Accounts payable

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

Borrowing

Borrowing is initially reported net at fair value after transaction expenses. Borrowing is thereafter reported at amortized cost and any difference between the amount received and the amount repaid is reported in the income statement distributed over the borrowing period, using the effective interest method.

Provisions

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

Compensation to employees

The Group utilizes contribution and defined-benefit pension plans. The pension plans are financed through payments made by each Group company and the employees. The defined-benefit plans are ITP plans that are insured with Alecta. Such plans are reported as contribution plans in the event that Alecta is unable to provide the necessary information. See also Note 1.

The Group's payments relating to pension plans are reported as costs during the period in which the employees have performed the services to which the payment refers.

Incentive programs

Compensation to employees is reported in accordance with IFRS 2, Compensation to employees. Currently, there are no outstanding incentive programs.

Dividend

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

PARENT COMPANY ACCOUNTING PRINCIPLES

The Parent Company has prepared its annual accounts in accordance with the Annual Accounts Act and the Swedish Financial Accounting Standards Council recommendation RR 32:06 Accounting for a Legal Entity. RR 32:06 stipulates that the Parent Company, in the annual accounts for the legal entity, shall apply all EU-approved IFRS and statements to the extent that this is possible within the framework of the Annual Accounts Act and with consideration to the relationship between accounting and taxation. The recommendation stipulates the permissible exceptions from and amendments to IFRS. The difference between the Group's and the Parent Company's accounting principles are described below.

Associated company accounting

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

Dividends

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

Financial instrument

Financial assets are valued at cost less any impairment losses and financial current assets according to the lower of cost or market.

Leased assets

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

Group contribution and shareholders' contribution for legal entities

The Parent Company reports Group contributions and shareholders' contributions in accordance with statement URA 7 issued by the Swedish Financial Accounting Standards Council's Emerging Issues Task Force.

1 PERSONAL

Job locations	Average number of employees	
	2007	2006
SWEDEN		
<i>Parent Company</i>		
Uppsala	2	2
Stockholm	3	4
<i>Subsidiaries</i>		
Filipstad	98	106
Herrljunga	55	56
Karlstad	10	10
Stockholm	53	54
Tierp	192	192
Värnamo	54	54
Växjö	29	29
Total Sweden	496	507

Of whom 371 (377) are men and 125 (130) are women.

	Men	Women	Total	Men	Women	Total
	2007			2006		
OUTSIDE SWEDEN						
Denmark	97	36	133	93	38	131
Finland	22	4	26	21	4	25
Norway	6	2	8	4	3	7
Latvia	34	44	78	36	41	77
France	4	2	6	4	2	6
Netherlands	4	2	6	4	2	6
UK	138	56	194	35	9	44
Germany	57	19	76	56	16	72
Hong Kong	3	4	7	8	3	11
China	94	39	133	67	27	94
Total outside Sweden	459	208	667	328	145	473
Total	1,163			980		

Of the employees, 830 (705) are men and 333 (275) are women.

There are a total of 36 (35) directors in the Group's companies, of which 35 (34) are men. All 21 (20) Group company presidents are men.

On the Parent Company's Board of Directors, 6 (6) of 7(7) directors are men and the President and Chief Executive Officer is a man.

Salaries, compensation and social security expenses

Group

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

	2007	2006
Salary/fees, President and Board of Directors	19,773	19,211
of which bonuses, President and Board of Directors	5,396	4,403
Social security contributions,		
President and Board of Directors	10,782	10,539
of which pension costs	4,482	4,415
Salaries, other	164,887	164,910
Social security contributions, other	71,447	67,108
of which pension costs	13,309	11,140

Salaries and compensation outside Sweden have been expensed as follows:

	President/Board of Directors				Other		President/Board of Directors				Other	
	Salaries	of which bonuses	Social security contributions	of which pension costs	Salaries	Social security contributions	Salaries	of which bonuses	Social security contributions	of which pension costs	Salaries	Social security contributions
	2007						2006					
Denmark	1,059	37	83	81	59,215	4,185	2,561	273	156	151	60,062	3,810
Finland	1,706	167	420	195	8,547	2,052	1,634	222	391	174	7,663	1,795
Norway	944	93	208	46	4,001	551	788	–	188	46	2,203	319
Latvia	526	66	148	–	4,670	1,217	500	66	140	–	2,793	785
France	–	–	–	–	4,324	1,463	–	–	–	–	2,840	1,322
Netherlands	–	–	–	–	4,352	194	–	–	–	–	4,023	740
UK	5,587	135	944	750	55,017	5,554	2,243	203	590	111	17,464	2,241
Germany	3,176	102	324	74	27,363	4,676	2,017	120	463	287	25,243	5,004
Hong Kong	–	–	–	–	4,508	215	–	–	–	–	2,873	682
China	–	–	–	–	4,463	1,646	119	–	–	–	3,569	1,094
Total salaries and compensation	12,998	600	2,127	1,146	176,460	21,753	9,862	884	1,928	769	128,733	17,792
Total salaries and compensation in Sweden	19,773	5,396	10,782	4,482	164,887	71,447	19,211	4,403	10,539	4,415	164,910	67,108
Group total	32,771	5,996	12,909	5,628	341,347	93,200	29,073	5,287	12,467	5,184	293,643	84,900

Parent Company	2007	2006
Salary, President/Board of Directors	9,873	8,637
of which bonuses, President and Board of Directors	3,881	2,927
Social security contributions, President and Board of Directors	4,645	4,131
of which pension costs	1,566	1,410
Salaries, other	5,669	6,190
Social security contributions, other	2,714	2,781
of which pension costs	806	844

Commitments for retirement pensions and family pensions for salaried employees in Sweden are secured by insurance in Alecta. According to statement URA 42 issued by the Emerging Issues Task Force of the Swedish Financial Accounting Standards Council, this is a multi-employer defined-benefit pension plan. For the 2007 financial year, the company has not had access to sufficient information to enable it to report this plan as a defined-benefit plan. As a result, the pension plan according to ITP, which is secured through insurance in Alecta, is reported as a defined-contribution pension plan. Group contributions for pension insurance with Alecta amount to MSEK 7.6 (2006: MSEK 4.8). Alecta's surplus can be distributed to the policyholders and/or the insured. On September 30, 2007, Alecta's surplus, measured as the collective funding ratio, was 164.0 percent (2006: 143.1 percent). The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial calculation assumptions, which do not correspond to IAS 9.

Employment conditions and compensation to members of senior management

Principles

Fees are paid to the Chairman of the Board of Directors and to Directors in accordance with a resolution of the Annual General Meeting. No special fees are paid for committee work. No fees are paid to employees of the Group for work as directors of subsidiaries.

Compensation for the President and CEO and for members of senior management comprises basic salary, company car, bonuses and pension costs. Members of senior management include the President and CEO, the presidents of the two subsidiaries, the Group's Chief Financial Officer and the Group's controller.

The distribution between basic salary and bonus shall be proportional to the individual's responsibilities and authority. For the President and CEO, the bonus ceiling is maximized at 100 percent of basic salary. For other members of senior management, the bonus ceiling is maximized at 40 percent to 100 percent of basic salary, excluding company car benefits. The bonus is based on actual performance in relation to individually established goals.

Pension benefits and company car benefits for the President and CEO and for members of senior management are paid as part of the total compensation. The Board of Directors intends to recommend to the Annual General Meeting that the principles remain unchanged for 2008.

Compensation and benefits during 2007

Board of Directors fee/basic salary including company car benefit	Bonus	Pension costs	Total
Directors (7 individuals)	1,538	–	1,538
Members of senior management (5 individuals)	10,971	7,041	21,856
of which President and CEO	4,454	3,881	9,901
Total	12,509	7,041	23,394

Compensation and benefits during 2006

Board of Directors fee/basic salary including company car benefit	Bonus	Pension costs	Total
Directors (7 individuals)	1,650	–	1,650
Members of senior management (5 individuals)	9,743	5,827	19,041
of which President and CEO	4,060	2,927	8,397
Total	11,393	5,827	20,691

Within the Board of Directors, the Chairman received fees in the amount of SEK 537,500 (750,000) and the other six Board members received fees in the amount of SEK 150,000 each in 2007 and 2006.

Comments on the table

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

Employment conditions

President and CEO

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

Other members of senior management

In the event that the company terminates employment, the period of notice varies between 18 and 24 months. In the event that the employee terminates employment, the period of notice is 6 months. Termination salary is offset against compensation from other employers. The retirement age is 65 in all cases. The pension premiums, which are paid by the company, are equivalent to 25–30 percent of the basic salary, excluding company car benefits.

2 BOARD OF DIRECTORS

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

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

Thomas Halvorsen Education: Bachelor's Degree. Director since 1992. Director of Miris Holding AB. Earlier positions: President of Fourth AP Fund and various positions at Handelsbanken.

Göran W. Hultgren Education: Business studies at Uppsala University. President of Scandecor Marketing AB. Director since 1983. Director of LeanOn AB. Previous assignments: self-employed since 1968.

Marianne Nivert Education: Bachelor of Science and a Telecommunications Engineering Degree. Director since 2002. Chairman of Posten AB and Save the Children - Sweden. Director of SSAB Svenskt Stål, Wallenstam Byggnads AB and Systembolaget AB. Earlier positions: President and CEO of Telia AB, Vice President and Head of Network Operations at Telia AB and Vice President and Head of HR at Telia AB.

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

Johan Wall Education: Master of Science in Electrical Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University in Palo Alto, USA. President of Enea AB. Deputy Director from 1997 to 2000. Director since 2000. Director of the Kjell & Märta Beijer Foundation, the Anders Wall Foundations and others. Earlier positions: President of Framfab AB, Head of Consultancy at Framfab AB, President of Netsolutions AB, Program Developer at Verizon Laboratories in Boston, USA.

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

3 NET REVENUES

Group	2007	2006
Sweden	321,896	318,840
Other EU	930,660	872,156
Other Europe	168,553	99,201
Asia	198,610	176,138
Rest of the world	34,637	21,419
Total	1,654,356	1,487,754

4 INFORMATION ABOUT OPERATING SEGMENTS AND GEOGRAPHIC AREAS

Operating segments

The Group is organized into two sub-groups: Lesjöfors (springs) and Habia Cable (custom-designed cables). Each has its own manufacturing, administration, development and marketing functions. Each sub-group is led by a President. The sub-groups are the primary basis for classification.

Geographic areas

Geographic areas are the secondary segments of the Group. The information below pertains to external revenues in the geographic areas in which the customers are located. Information regarding investments and assets is based on the geographic location of the assets.

Operating segments

2007 MSEK	Springs	Custom-designed cables	Other (Parent Company, etc.)	Eliminations	Group
Net revenues	1,032.3	622.0	0.1	–	1,654.4
Operating income	222.7	89.7	–22.8	–	289.6
Profit before tax	223.2	86.3	–26.8	–	282.7
Assets	863.4	457.2	688.8	–660.0	1,349.4
Liabilities	378.9	244.4	98.4	–219.1	502.6
Capital expenditures	55.4	23.5	0.3	–	79.2
Depreciation and amortization	41.4	23.6	0.3	–	65.3

2006

MSEK					
Net revenues	923.4	564.0	0.4	–	1,487.8
Operating income	222.1	65.8	–19.5	–	268.4
Profit before tax	221.7	63.0	–22.5	–	262.2
Assets	786.0	397.7	580.1	–545.4	1,218.4
Liabilities	359.8	204.5	109.5	–203.2	470.6
Capital expenditures	52.3	18.7	–	–	71.0
Depreciation and amortization	43.0	25.2	0.3	0.3	68.8

Geographic areas

2007 MSEK	Sweden	Other EU	Other Europe	Asia	Rest of the world
Net revenues	321.9	930.7	168.6	198.6	34.6
Capital expenditures	56.3	13.1	0.1	9.7	–
Assets	755.4	472.2	12.9	109.0	–
2006 MSEK					
Net revenues	318.8	872.2	99.2	176.2	21.4
Capital expenditures	48.0	17.9	0.5	4.6	–
Assets	780.9	332.0	9.4	96.1	–

5 ADMINISTRATIVE EXPENSES

Administrative expenses include the following fees to the auditors:

	Group		Parent Company	
	2007	2006	2007	2006
Öhrlings PricewaterhouseCoopers AB				
– audit assignments	2,412	2,513	597	890
Other auditors				
– audit assignments	1,059	886	–	–
– other assignments	231	269	–	–
Total	3,702	3,668	597	890

Costs for product development in the amount of 12,419 (11,882) are included in the Group's administrative expenses.

6 INCOME FROM PARTICIPATIONS IN ASSOCIATED COMPANIES

Group	2007	2006
Proportion of income from:		
- Hanil Precision Co Ltd	115	–
- Stece AB	759	–
- Daxpen Holding AB	–	843
- Medical Device Technology AB	–	213
- BCB Baltic AB	–88	–100
Total	786	956

7 OPERATING INCOME

Operating income has been charged with depreciation and amortization as follows:

Group	2007	2006
Plant and machinery	45,793	43,168
Equipment, tools, fixtures and fittings	10,099	10,868
Buildings	9,335	10,656
Land improvements	81	1,059
Goodwill	–	3,035
Licenses	4	–
Total	65,312	68,786

In the Parent Company, equipment, tools, fixtures and fittings were depreciated in the amount of 73 (54).

8 OPERATIONAL LEASING

Operating income has been charged with costs for operational leasing as follows:

	Group		Parent Company	
	2007	2006	2007	2006
Leasing costs for the year	14,836	13,415	1,540	2,137
Future minimum leasing payments fall due as follows:				
Within one year	10,020	8,145	1,090	2,178
Later than in one year, but within five years	39,872	13,153	3,890	1,836
Later than in five years	15,317	–	–	–
Total	65,209	21,298	4,980	4,014

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

9 INCOME FROM PARTICIPATIONS IN GROUP COMPANIES

Parent Company	2007	2006
Impairment in conjunction with the sale of Elimag AB	–	–38,333
Anticipated dividend from:		
Habia Cable AB	52,000	40,000
Lesjöfors AB	180,000	51,000
AlHUK AB	–	4,500
Total	232,000	57,167

10 TAX ON NET PROFIT FOR THE YEAR

	Group		Parent Company	
	2007	2006	2007	2006
Current tax for the period	–76,693	–71,756	–17,809	–17,119
Temporary differences pertaining to				
– untaxed reserves	515	1,119	–	–
– provisions for structural costs	–117	–1,993	–	–
Tax effect of Group contribution	–	–	24,333	23,025
Current tax attributable to earlier years	–888	230	–121	230
Total	–77,183	–72,400	6,403	6,136

Difference between tax expense and 28-percent tax

	Group		Parent Company	
	2007	2006	2007	2006
Profit before tax	282,698	262,117	207,325	34,511
28-percent tax	–79,156	–73,393	–58,051	–9,663
Current tax for the period	–77,183	–72,400	6,403	6,136
Amount of difference	1,973	993	64,454	15,799

Specification of amount of difference

	Group		Parent Company	
	2007	2006	2007	2006
Effect of:				
– tax attributable to earlier years	–888	230	–121	230
– foreign tax rates	3,501	3,106	–	–
– non-deductible items	–2,756	–4,396	–385	–470
– other impairment	–	–	–	–9,613
– non-taxable revenue	1,516	5,466	64,960	25,652
Other	600	–3,413	–	–
Total	1,973	993	64,454	15,799

11 NET PROFIT FROM DISCONTINUED OPERATIONS

On June 2, 2006, the shares in Elimag Göteborg AB were sold to G Bergströms Förvaltnings AB. The purchase price was SEK 1 and cash and cash equivalents in the company amounted to MSEK 1.3.

The net results of discontinued operations include the following items:

Group	2007	2006
Capital loss	–	–37,277
Profit before tax	–	–37,277
Tax	–	–
Net profit from discontinued operations	–	–37,277

Cash flow was affected as follows:

Current operations	–	–8,000
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12 EARNINGS PER SHARE

Group	2007	2006
Earnings used for calculating:		
Income from continuing operations	205,515	189,771
Income from discontinued operations	–	–37,277
Net profit	205,515	152,494
Number of shares outstanding	27,431,100	27,431,100

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

13 GOODWILL

Group	2007	2006
Opening cost	74,493	73,727
Purchases	42,985	2,890
Translation differences	2,745	-2,124
Closing accumulated cost	120,223	74,493
Opening impairment	4,061	1,026
Impairment for the year	-	3,035
Closing accumulated impairment	4,061	4,061
Carrying amount	116,162	70,432

Impairment testing for cash-generating units reporting goodwill

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

Springs	65,416
Custom-designed cables	50,746
Total	116,162

The Group tests goodwill annually for impairment. Impairment testing is based on calculation of the value in use. This value is based on cash-flow forecasts, with the forecast for the first year based on each individual company's plans. For subsequent years, the growth rate is assumed to be in line with forecast GDP levels – that is to say, a level considered to be approximately the same as the level of long-term inflation.

The budgeted operating margin has been determined based on previous earnings and expectations regarding future market trends.

The following discount rates before tax were used at the close of 2007:

Equity financing	11 %
Debt financing	6 %

It is the company's assessment that reasonable changes in the annual growth rate, operating margin, discount rate and other assumed values would not have an impact so significant that they would individually reduce the recoverable amount to a value less than the carrying amount.

No impairment losses were identified during the impairment testing conducted during the current year.

14 LAND AND LAND IMPROVEMENTS

Group	2007	2006
Opening cost	19,254	16,708
Purchases	385	2,832
Reclassification	-2,744	-
Translation differences	520	-286
Closing accumulated cost	17,415	19,254
Opening depreciation	1,444	385
Depreciation for the year	81	1,059
Closing accumulated depreciation	1,525	1,444
Carrying amount	15,890	17,810
Carrying amount of land in Sweden	7,213	7,074
Tax assessment value of land in Sweden	11,155	7,615

15 BUILDINGS

Group	2007	2006
Opening cost	237,846	237,630
Purchases	21,702	3,861
Sales and disposals	-2,283	-
Translation differences	4,179	-3,645
Closing accumulated cost	261,444	237,846
Opening depreciation	78,621	68,769
Depreciation for the year	9,335	10,656
Translation differences	1,415	-804
Closing accumulated depreciation	89,371	78,621
Carrying amount	172,073	159,225
Carrying amount of buildings in Sweden	102,587	93,722
Tax assessment value of buildings in Sweden	60,937	38,034

16 PLANT AND MACHINERY

Group	2007	2006
Opening cost	589,577	661,898
Purchases	49,000	60,306
Sales of companies	-	-119,888
Sales and disposals	-28,606	-23,981
Through acquisitions of subsidiaries	53,835	16,136
Reclassification	-4,083	-
Translation differences	6,220	-4,894
Closing accumulated cost	665,943	589,577
Opening depreciation	382,843	400,819
Sales and disposals	-20,239	-6,660
Sales of companies	-	-51,003
Acquisitions of companies	36,527	-
Reclassification	-4,006	-
Depreciation for the year	45,793	43,168
Translation differences	4,550	-3,481
Closing accumulated depreciation	445,468	382,843
Opening impairment	5,042	38,432
Sales of companies	-	-33,390
Translation differences	142	-
Closing accumulated impairment	5,184	5,042
Carrying amount	215,291	201,692

Financial leasing agreements

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

Group	2007	2006
Cost	43,870	55,912
Remaining residual value	12,497	21,504

Future minimum lease payments fall due as follows:

Group	2007	2006
Within one year	7,296	9,610
Later than one year, but within five years	4,896	19,452
Later than five years	305	5,880
Total	12,497	34,942

17 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	Group		Parent Company	
	2007	2006	2007	2006
Opening cost	91,391	111,062	1,978	1,900
Purchases	7,338	9,725	754	78
Sales of companies	-	-24,180	-	-
Sales and disposals	-5,738	-3,497	-796	-
Translational differences	672	-1,719	-	-
Closing accumulated cost	93,663	91,391	1,936	1,978
Opening depreciation	61,937	62,519	1,723	1,669
Sales of companies	-	-8,690	-	-
Sales and disposals	-5,193	-2,273	-796	-
Reclassification	-5,634	-	-	-
Depreciation for the year	10,099	10,868	73	54
Translation differences	1,376	-487	-	-
Closing accumulated depreciation	62,585	61,937	1,000	1,723
Opening impairment	-	12,911	-	-
Sales of companies	-	-12,911	-	-
Closing accumulated impairment	-	-	-	-
Carrying amount	31,078	29,454	936	255

18 DEFERRED TAX CLAIM

Group	2007	2006
Temporary claim relating to:		
– provisions for structural costs	-	980
Provisions for intra-Group profit	1,614	819
Other temporary differences	-	397
Total	1,614	2,196

19 OTHER SECURITIES

	Corp. Reg. No.	Proportion of capital, %	Registered office	Carrying amount
Parent Company				
Innoventus AB	556602-2728	11	Uppsala	235
Innoventus Project AB	556616-8356	5	Uppsala	6,932
Innoventus Life Science KB ¹⁾	969677-8530	8	Uppsala	15,704
Group				
Drug Safety Inc. (formerly PharmaSoft Inc.)		<1	Delaware, USA	0
Industrial Development & Investment AB	556518-9973	<1	Stockholm	0
Other		–		57
Total				22,928

1. There are commitments to invest another MSEK 4.

	Group		Parent Company	
	2007	2006	2007	2006
Opening cost	24,139	21,685	19,081	16,625
Purchases	3,788	2,454	3,790	2,456
Closing accumulated cost	27,927	24,139	22,871	19,081
Opening impairment	4,999	4,999	–	–
Closing accumulated impairment	4,999	4,999	–	–
Carrying value	22,928	19,140	22,871	19,081

20 PARTICIPATIONS IN ASSOCIATED COMPANIES

Group	Corp. Reg. No.	Proportion of capital, %	Registered office	2007	2006
				Carrying amount	Carrying amount
Stece AB	556048-2746	50	Mönsterås	13,359	9,100
BCB Baltic AB	556649-7540	20	Uppsala	2,015	2,103
Hanil Precision Co Ltd		20	Pusan, South Korea	14,374	14,259
Irradose AB	556721-1858	24	Tierp	128	–
Total				29,876	25,462

Stece AB's operations, with sales of approximately MSEK 190, include steel treatment and spring production. The operating margin is approximately four percent before restructuring costs. The purchase agreement stipulates that Lesjöfors acquire Stece's spring operations on July 1, 2008, while the steel operations are to be acquired by Stece's other part-owner. The spring operations have sales of approximately MSEK 60. Excluding payment of the purchase amount, no transactions have been conducted with Stece.

Hanil Precision Co Ltd. is a South Korean gas spring manufacturer with sales of approximately MSEK 100 and an operating margin of 3 percent. During the year, Lesjöfors purchased gas springs from Hanil for MSEK 11. The purchases were conducted on commercial terms.

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

Group	2007	2006
Opening cost	25,462	30,001
Share in profit after tax	786	956
Purchases	3,628	9,412
Sales of companies	–	–15,010
Translation differences	–	103
Closing accumulated cost	29,876	25,462
Opening impairment	0	10,339
Sales of companies	–	–10,339
Closing accumulated impairment	–	–
Carrying amount	29,876	25,462

21 PARTICIPATIONS IN GROUP COMPANIES

Parent Company	Corp. Reg. No.	Number	Registered	Book value	Adjusted shareholders' equity
Lesjöfors AB	556001-3251	603,500	Karlstad	100,000	484,492 ¹⁾
Habia Cable AB	556050-3426	500,000	Täby	87,575	212,849 ²⁾
AIHUK AB	556218-4126	9,000	Uppsala	2,056	2,103
Beijer Alma Industri AB	556210-3274	60,000	Uppsala	4,329	7,292
AB Stafsjö Bruk	556551-9005	1,000	Uppsala	100	100
Shipping & Aviation Sweden AB	556500-0535	10,000	Uppsala	1,000	1,324
Beijer Alma Utvecklings AB	556230-9608	145,000	Uppsala	1,714	1,908
Total				196,774	

1. Including anticipated dividend to the Parent Company in the amount of 180,000.

2. Including anticipated dividend to the Parent Company in the amount of 52,000.

All companies are 100-percent-owned.

Parent Company	2007	2006
Cost	222,446	222,446
Mergers with Parent Company	-21,965	-
Closing accumulated cost	200,481	222,446
Opening impairment	5,230	5,155
Impairment for the year	-	75
Mergers with Parent Company	-1,523	-
Closing accumulated impairment	3,707	5,230
Carrying value	196,774	217,216

Group companies merged with Parent Company

	Corp. Reg. No.	Date of merger
AB Stockholms Rörsmede	556222-0482	November 30, 2007
Alma Nova Industri AB	556077-6022	November 30, 2007
Bierrepac AB	556067-1793	November 30, 2007
Carepilot AB	556589-8235	November 30, 2007

None of the merged companies conducted operations in 2007.

Subsidiary holdings of shares in Group companies

	Corp. Reg. No.	Percentage stake	Registered office	Carrying value
Lesjöfors Fjädrar AB	556063-5244	100	Filipstad	9,532
Lesjöfors Automotive AB	556335-0882	100	Växjö	24,000
Lesjöfors Stockholms Fjädrar AB	556062-9890	100	Stockholm	24,619
Lesjöfors Industrifjädrar AB	556593-7967	100	Herrljunga	10,500
Lesjöfors Banddetaljer AB	556204-0773	100	Värnamo	28,103
Lesjöfors A/S		100	Copenhagen, Denmark	56,603
Lesjöfors A/S		100	Oslo, Norway	53
Oy Lesjöfors AB		100	Åminnefors, Finland	1,000
Lesjöfors Springs Oy		100	Turku, Finland	1,492
Lesjöfors Springs Ltd.		100	Elland, UK	316
Lesjöfors Automotive Ltd.		100	Elland, UK	774
Lesjöfors Springs GmbH		100	Hagen, Germany	446
Lesjöfors Springs LV		100	Liepaja, Latvia	992
Lesjöfors China Ltd		100	Changzhou, China	1,257
European Springs & Pressings Ltd		100	Beckenham, UK	57,318
Harris Springs Ltd		100	Reading, UK	14,014
Habia Benelux BV		100	Breda, Netherlands	1,020
Habia Cable Asia Ltd		100	Hong Kong, China	55
Habia Cable China Ltd		100	Changzhou, China	11,402
Habia Kabel GmbH		100	Düsseldorf, Germany	29,797
Habia Cable Inc.		100	New Jersey, USA	0
Habia Kabel Produktions GmbH & Co.KG		100	Norderstedt, Germany	81,295
Habia Cable Ltd.		100	Bristol, UK	3,614
Habia Cable SA		100	Orleans, France	679
Habia Cable Latvia SIA		100	Liepaja, Latvia	1,112
Alma Uppsala AB	556480-0133	100	Uppsala	6,354
Daxpen Holding AB	556536-1457	100	Stockholm	6,061

22 INVENTORIES

Group	2007	2006
Raw materials	116,154	99,579
Products in progress	46,080	46,190
Finished goods	105,127	99,316
Total	267,361	245,085

Value of the portion of inventory that is determined at net sales value

Group	2007	2006
Raw materials	826	3,169
Products in progress	–	796
Total	826	3,965

Difference between cost and net sales value

Group	2007	2006
Raw materials	804	2,256
Products in progress	–	796
Total	804	3,052

Direct materials costs during the year amounted to 488,788 (431,223).

23 ACCOUNTS RECEIVABLE

Group	2007	2006
Total outstanding accounts receivable	272,556	234,717
Reserve for doubtful receivables	–2,735	–1,364
Carrying amount	269,821	233,353

Group	2007	2006
Overdue amount	50,649	48,624
Of which overdue by more than 30 days	16,208	13,999
Reserve for doubtful receivables	2,735	1,364

Reserve for doubtful receivables	2007	2006
Opening balance	1,364	8,479
Provisions for the year	3,835	1,139
Reversal of earlier provisions	–711	–997
Write-offs of receivables	–1,753	–7,257
Closing balance	2,735	1,364

24 OTHER RECEIVABLES

	Group	Parent Company
	2007	2006
VAT	13,483	3,352
Advance payments to suppliers	7,328	1,827
Other	1,432	5,467
Total	22,243	10,646

25 PREPAID EXPENSES AND ACCRUED REVENUES

	Group	Parent Company
	2007	2006
Leasing and rental fees	2,576	2,804
Prepaid expenses	6,255	6,222
Other	7,965	2,286
Total	16,796	11,312

26 SHAREHOLDERS' EQUITY

Reserves

Group	Translation reserve	Hedging reserve	Total
December 31, 2005	6,372	-1,368	5,004
Change in value of cash-flow hedging	–	6,379	6,379
Deferred tax thereon	–	-1,786	-1,786
2006 translation difference	-17,604	–	-17,604
December 31, 2006	-11,232	3,225	-8,007
Change in value of cash-flow hedging	–	-3,169	-3,169
Deferred tax thereon	–	887	887
2007 translation difference	5,437	–	5,437
December 31, 2007	-5,795	943	-4,852

The shares outstanding are Class A and Class B shares and are issued as follows:

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

Share capital trend

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

27 DEFERRED TAX

Group	2007	2006
Temporary liability relating to:		
– untaxed reserves	21,396	21,485
– accelerated depreciation	5,534	5,441
– hedge accounting	367	1,254
Total	27,297	28,180

Group	2007	2006
Opening value	28,180	28,357
Sales of companies	–	-961
Increased allocation	93	2,401
Reversal	-976	-1,617
Closing value	27,297	28,180

28 PENSION COMMITMENTS

Group	2007	2006
Opening value	355	625
Sales of companies	–	–272
Increased allocation	3	2
Closing value	358	355

29 FINANCIAL INSTRUMENTS

Financial risk management

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

MARKET RISK

Currency risk

Transaction exposure

More than 80 percent of Beijer Alma's sales are conducted outside Sweden. Approximately 60 percent of production takes place in Sweden. This means that a major portion of the Group's income is in foreign currencies, while the majority of the production costs, particularly personnel costs, are in Swedish kronor. To a certain extent, part of this currency risk is handled through input material and machinery bought in other currencies. However, the Group's income in certain foreign currencies still exceeds the costs and through this lack of balance, the Group is exposed to currency risks. Therefore, changes in currency rates have a direct influence on the Group's earnings, balance sheet, cash flow and, in the long-term, competitive strength. A strengthening of the Swedish krona has a negative impact on competitiveness and earnings over time.

Net exposure to currencies translated to MSEK

(net exposure is defined as revenue less costs)

2007	USD	EUR	DKK	NOK	GBP	CNY	AUD	JPY	HKD	KRW	Total
Lesjöfors	13.1	116.5	2.7	27.1	74.7	–	–	–	–	–	234.1
Habia Cable	16.1	83.5	17.8	11.7	52.1	49.5	–	8.9	–19.4	17.3	237.5
Total	29.2	200.0	20.5	38.8	126.8	49.5	–	8.9	–19.4	17.3	471.6
2006	USD	EUR	DKK	NOK	GBP	CNY	AUD	JPY	HKD	KRW	Total
Lesjöfors	17.3	98.0	0.6	16.8	91.3	–	–	–	–	–	224.0
Habia Cable	22.9	85.0	–	1.4	42.0	27.3	3.6	–	–11.5	26.1	196.8
Total	40.2	183.0	0.6	18.2	133.3	27.3	3.6	–	–11.5	26.1	420.8

The goal of currency risk management is to minimize the negative effects on earnings and financial position that arise due to exchange-rate differences. Transaction risks are managed centrally by each subsidiary. Between 50 and 100 percent of the forecast net flow for the next six months – that is to say, the difference between revenue and costs in a single currency – is hedged. For months 7 to 12, between 35 and 100 percent is hedged. In most cases, the level of hedging lies in the middle of the range. The most commonly used hedging instrument is forward contracts. Following a decision by Group management, currency options may be used in exceptional cases.

Below is a table showing foreign exchange contracts on the balance-sheet date, translated to MSEK. All amounts fall due within 12 months.

Group	2007	2006
USD	44.6	36.4
EUR	152.1	92.8
GBP	81.6	109.2
NOK	17.5	11.2
Total	295.8	249.6

IAS 39 is applied from January 1, 2005. In Beijer Alma's opinion, all derivative instruments meet the requirements for hedge accounting. Therefore, changes in the fair value of the derivative instruments are reported in shareholders' equity. At year-end 2007, there was a surplus in the value of derivative instruments in the amount of MSEK 1.3, which has increased shareholders' equity, after deduction for deferred tax. On December 31, 2006, there was a surplus in the value of the contracts in the amount of MSEK 4.5.

Sensitivity analysis

Net exposure is largest by far in EUR and GBP. A 1-percent change in EUR in relation to SEK affects earnings in the amount of MSEK 2. A 1-percent change in GBP in relation to SEK affects earnings in the amount of MSEK 1.3. Entering into forward contracts brings the earnings effect forward in time because a pre-dominant proportion of the forecast flows for the following twelve-month period are covered by signed contracts. During this time, measures may be taken to mitigate the effects.

Translation exposure

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

Price risks

Beijer Alma is exposed to price risks pertaining to the purchase of raw materials. Habia uses copper and some plastics in its production, while Lesjöfors' input materials are steel and certain other metals.

To date, derivative instruments for the hedging of raw material purchases have been used to a very limited degree.

Direct materials costs amounted to MSEK 489 in 2007 and comprise several different input materials with price trends that varied over time. In most cases, companies can compensate for permanent changes in the price of materials, although clauses pertaining to such compensation are exceptions.

Interest risk

Because Beijer Alma does not hold any significant interest-bearing assets, the Group's revenues and cash flows from operating activities are essentially independent of changes in market rates.

Beijer Alma's net financial income and expenses and earnings are affected by fluctuations in interest rates pertaining to borrowing. The Group is also indirectly affected by the impact of interest-rate levels on the economy as a whole. Beijer Alma believes that, in terms of risk, fixed interest on a short-term basis is consistent with the industrial operations conducted by the Group. Therefore, the period of fixed interest on loans is usually up to twelve months.

During the past ten years, the short-term interest rate has also been lower than the long-term rate, which has had a positive effect on the Group's earnings.

Outstanding loans and committed credit facilities are listed below.

	Group		Parent Company	
	2007	2006	2007	2006
Long-term liabilities				
Liabilities to credit institutions	40,383	72,321	–	–
Current liabilities				
Liabilities to credit institutions	21,693	4,070	–	–
Committed credit facilities	135,681	107,571	60,697	85,188
Total interest-bearing liabilities	197,757	183,962	60,697	85,188
Amounts that fall due for payment in more than five years	6,964	11,400	–	–

Liabilities to credit institutions comprise some 10 credits in different currencies and on varying terms and conditions. The interest rate levels vary between 3.6 percent and 6.6 percent. The average interest rate is 5.0 percent. The average interest rate on the committed credit facilities is 4.9 percent. A fee on the granted amount averaging 0.15 percent is also payable. No derivative instruments are used.

Sensitivity analysis

At year-end 2007, net debt amounted to approximately MSEK 33. A change in the interest rate of 1 percentage point affects earnings in the amount of MSEK 0.3.

Credit risk

Credit risks pertain to cases in which companies do not receive payment for their receivables from the customers. The size of each customer's credit is assessed on an individual basis. A credit rating is performed for all new customers to ensure that the credit limit reflects the customer's capacity to pay. The Group's risk spread of sales in industries and companies is favorable. Historically, the level of losses on accounts receivable has been low.

Liquidity risk

Beijer Alma has loans that fall due at different points in time. A large portion of its liabilities are in the form of committed credit facilities that are formally approved for a period of one year. A refinancing risk is the risk that Beijer Alma will be unable to fulfill its obligations because loans are cancelled and difficulties in raising new loans arise.

Beijer Alma manages this risk by maintaining a strong liquid position. The Group's policy is that available liquidity, defined as cash funds plus approved but unutilized committed credit facilities, shall amount to not less than two months of invoicing. The Group's liquid position at recent year-ends is shown in the table below.

	Group		Parent Company	
	2007	2006	2007	2006
Cash funds	165,343	191,128	52	48
Committed credit facilities	357,008	409,230	150,000	150,000
Utilized credit facilities	–135,681	–107,571	–60,697	–85,188
Available liquidity	386,670	492,787	89,355	64,860

Capital risk management

The Group's goal concerning its capital structure is to safeguard its capacity to continue conducting and expanding its operations to ensure that they generate returns for the shareholders, while, at the same time, the costs of capital remain at a reasonable level.

The capital structure can be changed by increasing or decreasing dividends, issuing new shares, repurchasing shares and selling assets.

Capital risk is measured as the net debt equity ratio, including interest-bearing liabilities, less cash and cash equivalents in relation to shareholders' equity. The net debt equity ratio at recent year-ends is shown below:

Group	2007	2006
Interest-bearing liabilities	198,115	184,317
Cash and cash equivalents	–165,343	–191,128
Net debt	32,772	–6,811
Shareholders' equity	846,747	747,801
Net debt equity ratio	3.9 %	–0.9 %

Financial instruments per category in the Group

The accounting principles for financial instruments were applied for the items below:

December 31, 2007	Loan and accounts receivable	Derivatives used for hedging purposes	Available-for-sale	Total
Assets in the balance sheet				
Other securities			22,928	22,928
Derivative instruments		1,310		1,310
Accounts receivable and other receivables	272,566			272,566
Cash and cash equivalents	165,343			165,343
Total	437,909	1,310	22,928	462,147

December 31, 2007	Derivatives used for hedging purposes	Other financial liabilities	Total
Liabilities in the balance sheet			
Borrowing		197,757	197,757
Total		197,757	197,757

December 31, 2006	Loan and accounts receivable	Derivatives used for hedging purposes	Available-for-sale	Total
Assets in the balance sheet				
Other securities			19,140	19,140
Derivative instruments		4,479		4,479
Accounts receivable and other receivables	234,717			234,717
Cash and cash equivalents	191,128			191,128
Total	425,845	4,479	19,140	449,464

December 31, 2006	Derivatives used for hedging purposes	Other financial liabilities	Total
Liabilities in the balance sheet			
Borrowing		183,962	183,962
Total		183,962	183,962

The Parent Company includes cash and cash equivalents in the amount of 52 (48) in the category of loan and accounts receivable, other securities totaling 22,871 (19,081) in the category of available-for-sale and borrowing in the amount of 60,697 (85,188) in the category of other financial liabilities.

30 ACCRUED EXPENSES AND PREPAID INCOME

	Group		Parent Company	
	2007	2006	2007	2006
Accrued personnel costs	71,655	61,431	11,352	9,610
Accrued interest	599	32	586	–
Prepaid expenses	9,266	489	–	80
Other	46,772	42,928	386	343
Total	128,292	104,880	12,324	10,033

31 OTHER CURRENT LIABILITIES

	Group		Parent Company	
	2007	2006	2007	2006
Personnel tax	10,237	6,644	306	384
VAT	14,400	15,918	90	–
Advance payments from customers	5,756	272	–	–
Other	899	13,560	–	–
Total	31,292	36,394	396	384

32 PLEDGED ASSETS

	Group		Parent Company	
	2007	2006	2007	2006
Floating charges	211,864	196,417	–	–
Real estate mortgages	61,624	60,109	–	–
Shares	29,799	27,044	12,260	12,260
Machinery used in accordance with financial leasing agreements				
Assets with retention of title	12,497	21,504	–	–
Cash and cash equivalents	4,602	12,141	–	–
Total	–	4,388	–	–
Total	320,386	321,603	12,260	12,260

33 CONTINGENT LIABILITIES AND COMMITMENTS

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

	2007	Group 2006	Parent Company 2007	2006
Investment commitments	4,000	7,000	4,000	7,000
Guarantees	2,526	–	–	–
Regional development grants received	1,500	1,500	–	–
Total	8,026	8,500	4,000	7,000

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

34 NET FINANCIAL ITEMS

	2007	Group 2006	Parent Company 2007	2006
Dividends received	–	–	175,000	42,500
Interest received	5,651	2,986	538	115
Interest paid	–11,949	–8,747	–4,991	–3,378
Total	–6,298	–5,761	170,547	39,237

35 ITEMS NOT AFFECTING CASH FLOW

	2007	Group 2006	Parent Company 2007	2006
Depreciation and amortization	58,812	57,978	73	54
Earnings from associated companies	–786	–956	–	–
Total	58,026	57,022	73	54

36 CORPORATE ACQUISITIONS

Lesjöfors has acquired the UK industrial springs manufacturer European Springs & Pressings Ltd. Possession of the company was taken on February 1, 2007. European Springs has annual sales of approximately MSEK 100 and its operating margin for the 18-month period preceding the acquisition was 13 percent.

Purchase price	MSEK	57.3
Acquired net assets	MSEK	14.3
Goodwill	MSEK	43.0

No other intangible assets have been identified in the acquisition calculation. Goodwill is attributable to the profitability of the business and to the synergy effects arising in connection with cooperation with Lesjöfors' other operations in the UK.

The assets and debts that were included in the acquisition, valued at fair value, are:

Tangible fixed assets	MSEK	18.0
Receivables	MSEK	24.3
Inventories	MSEK	6.1
Non-interest-bearing liabilities	MSEK	–34.1
Acquired net assets	MSEK	14.3

37 DEFINITIONS

Capital employed

Total assets less noninterest-bearing liabilities.

Debt equity ratio

Total interest-bearing liabilities in relation to shareholders' equity

Earnings per share

Earnings per share after current tax.

Earnings per share after tax

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

Earnings per share after tax, after dilution

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

Earnings per share after standard tax

Profit after financial items less 28 percent tax in relation to the average number of shares outstanding.

Equity ratio

Shareholders' equity in relation to total assets.

Interest-coverage ratio

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

Net debt

Interest-bearing liabilities less interest-bearing assets.

Proportion of risk-bearing capital

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

Earnings, profit

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

Return on capital employed

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

Return on equity

Profit after financial items less 28 percent tax in relation to average equity.

38 CORPORATE INFORMATION

General information

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

These Group financial statements were approved by the company's Board of Directors on February 8, 2008.

The balance sheets and income statements will be presented to the Annual General Meeting on April 8, 2008.

Corporate Governance

Beijer Alma AB is a Swedish public limited liability company listed on the OMX Nordic Exchange Stockholm. Accordingly, Beijer Alma's corporate governance is based on Swedish legislation, rules and regulations, such as the Swedish Companies Act, the listing agreement and the company's articles of association. Beijer Alma is not currently covered by the Swedish Code of Corporate Governance. The Swedish Corporate Governance Board has presented a revised code that is adapted for all listed companies. The revised code will take effect from July 1, 2008.

Shareholders

According to VPC AB's shareholder register, Beijer Alma had 3,002 shareholders at year-end 2007. The number of shares was 27,431,100, of which 3,330,000 were Class A shares and 24,101,100 were Class B shares. Each Class A share entitles the holder to ten votes and each Class B share entitles the holder to one vote. The Class A share carries an obligation to offer shares to existing shareholders. The Class B share is listed on the Mid Cap list of the OMX Nordic Exchange Stockholm. All shares carry the same right to the company's assets and profit and entitle the holder to the same dividend.

Annual General Meeting

The Annual General Meeting shall be held not more than six months after the end of the financial year. All shareholders that are registered in VPC AB's shareholder register and provided timely notification of their participation in the Meeting are entitled to participate in the Annual General Meeting and take part in voting in accordance with their total shareholdings.

At the Annual General Meeting held on March 28, 2007, 193 shareholders participated, representing 59.6 percent of the company's share capital and 77.4 percent of the company's votes.

The Annual General Meeting selects directors for a period of one year after a proposal is made by the Nomination Committee.

Nomination Committee

The Annual General Meeting 2007 appointed a Nomination Committee that will submit a proposal concerning the Board of Directors, the Chairman of the Board of Directors, directors' fees and the Chairman of the Annual General Meeting 2008. The appointed individuals were Anders Wall, in the capacity of principal owner and Chairman of the Board, and Director Thomas Halvorsen, as well as three representatives for the next largest owners. These representatives were Caroline af Ugglas (Livförsäkringsaktiebolaget

Skandia), Ulf Hedlundh (Svolder AB) and Jan Andersson (Swedbank Fonder AB). The members of the Nomination Committee represented approximately 65 percent of the company's votes.

Chairman of the Board, Anders Wall, has held individual discussions with each Director to assess the work of the Board and the need for specialist competence within the Board. This assessment has been presented to the Nomination Committee. The Nomination Committee's proposal will be presented in the notice of the Annual General Meeting 2008.

Board of Directors

In accordance with its Articles of Association, Beijer Alma's Board of Directors shall comprise not fewer than seven and not more than ten regular members and not more than two deputy members elected by the Annual General Meeting. The Board of Directors currently comprises seven regular members and one deputy member. The company's President and Chief Executive Officer is the deputy member. Other salaried employees in the Group also participate in the meetings of the Board of Directors as reporters. The minutes of the Board of Directors are taken by independent legal counsel.

At the Annual General Meeting 2007, six directors were re-elected and one director was newly elected. The composition of the Board of Directors is described in Note 2. Among the directors, Anders Wall and Johan Wall represent owners controlling more than 10 percent of votes and capital. Thomas Halvorsen and Göran W Hultgren have been members of the Board for more than 12 years and, as a result, are not independent of the company. Directors Anders G. Carlberg, Marianne Nivert and Anders Ullberg are independent of the company and of the major shareholders.

During 2007, the Board of Directors held nine meetings at which minutes were taken. All members were present at these meetings. Two of the meetings were held at subsidiaries, where the local management presented the operations. One of the Board meetings dealt exclusively with strategy issues. At two of the Board meetings, Beijer Alma's auditors reported their findings from the audit and their assessment of the Group's internal control procedures. The auditor also provided information concerning accounting developments and how these developments affect Beijer Alma.

In 2007, the work of the Board of Directors focused on growth issues. Discussion concerned growth rate, conditions for growth within existing operations, attractive geographic markets for growth and new operations. Issues concerning economic climate and exchange-rate trends, corporate acquisitions and capital expenditures were also discussed.

The Board of Directors has adopted a written work plan that

regulates the following, among other items:

- Minimum number of Board meetings (6) and when they are to be held
- Date and content of notices of Board meetings
- President's authority to sign quarterly reports
- The items that shall normally be included in the agenda for each Board meeting
- Minute-taking at Board meetings
- Delegation of decisions to the President
- Duties

This work plan is reviewed and updated annually.

In addition, the division of duties between the Board of Directors and the President, as well as their responsibilities and authority, is regulated by a directive.

The Board of Directors has also formalized its requirements for information concerning the performance of the Group and the individual companies. This has resulted in a monthly report that contains key events and trends concerning order bookings, invoicing, earnings, cash flow, financial position and the number of employees in the Group and individual subsidiaries. The report also includes trend diagrams for order bookings, invoicing and contribution margins. These trend diagrams respond quickly to changes, thereby providing early warning signals.

In addition to leading the work of the Board of Directors, the Chairman of the Board shall maintain continuous contact with the CEO to discuss operating activities and to ensure that the decisions of the Board of Directors are being executed. Together with the President, the Chairman of the Board prepares strategic questions and participates in the recruitment of key personnel in accordance with the "grandfather principle". When necessary, the Chairman of the Board participates in important external business contacts for such purposes as supporting the export sales of the subsidiaries. When necessary, the Chairman of the Board also participates in business negotiations, such as negotiations concerning purchases or sales of subsidiaries. The Chairman of the Board represents the company in matters pertaining to ownership.

Compensation issues

Within the Board of Directors, Anders Wall, Thomas Halvorsen, Anders G. Carlberg and Johan Wall have been appointed to prepare a proposal regarding the President's salary, bonus, pension benefits and other compensation for 2007. Decisions in these matters are made by the Board of Directors. The compensation principles are described in Note 1 and the Board of Directors' recommendation to the Annual General Meeting is that these remain unchanged for 2008.

Other than the Nomination Committee and the informal group for preparing compensation issues, there are no special committees or councils; instead, all matters are dealt with by the Board of Directors in its entirety.

Operative management

President and Chief Executive Officer of Beijer Alma, Bertil Persson, is responsible for the operative management of the Group. The other members of Group management – the presidents of the subsidiaries Lesjöfors and Habia Cable and the Group's Chief Financial Officer and Controller – assist him in this task.

Beijer Alma's business operations are conducted in the subsidiaries Lesjöfors and Habia Cable. Operations are organized into three business areas within Lesjöfors and four business areas within Habia. The total number of profit centers within Beijer Alma is approximately 40. The Group's business organization is based on decentralized responsibility and authority, combined with fast and effective reporting and control systems.

The Boards of Directors of the subsidiaries Lesjöfors and Habia Cables comprise individuals from Group management. Habia's Board also includes external members. For the subsidiaries, work plans that correspond to the Parent Company's work plan exist for the boards of directors and written instructions for the chief executive officers. The subsidiaries are also governed by a number of policies and instructions that regulate operations pertaining to such areas as IT, the environment, quality, equality and authorization routines. Instructions to the presidents of the subsidiaries stipulate that the UN's and OECD's "The Ten Principles" shall be followed. "The Ten Principles" deal with such issues as human rights, child labor, forced labor, the environment and corruption.

The subsidiaries report order bookings and invoicing for each profit center on a weekly basis. Financial statements for each profit center are prepared monthly. These financial statements are analyzed at different levels within the Group and consolidated at the subsidiary and Group levels. Reports are presented to Group management for each profit center, business area and subsidiary. This reporting is carried out within the system that is used for the consolidated financial statements and that is presented to the market on a quarterly basis. In addition to income statements and balance sheets, the monthly financial statements include key figures and other relevant information. To allow for follow-up of trends over time, a number of graphs and diagrams are used. In connection with the monthly financial statements, an informal meeting is held between subsidiary and Group management.

Within each subsidiary, considerable significance is given to improving and streamlining the company's processes. A key to succeeding in such endeavors is having access to relevant and accurate information. Therefore, extensive efforts have been devoted to implementing and developing business systems to allow for measuring the profitability of individual businesses, customer groups or geographic markets. This also creates opportunities for internal benchmarking, which enables the company to be motivated and learn from positive examples.

It is our opinion that the consolidated accounts have been prepared in accordance with international financial reporting standards IFRS as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and give a fair and true view of the Parent Company's financial position and results of operations.

The administration report for the Group and the Parent Company gives a true and fair review of the Group's and the Parent Company's operations, financial position and results of operations and describes the material risks and uncertainty factors faced by the Parent Company and the companies included in the Group.

Uppsala, February 8, 2008

Anders Wall
Chairman

Anders G. Carlberg
Director

Thomas Halvorsen
Director

Göran W Hultgren
Director

Marianne Nivert
Director

Anders Ullberg
Director

Johan Wall
Director

Bertil Persson
President & CEO

Our audit report was submitted on February 15, 2008
Öhrlings PricewaterhouseCoopers AB

Bodil Björk
Authorized Public Accountant

Audit report

*To the Annual General Meeting of
Beijer Alma AB (publ)
Corporate registration number 556229-7480*

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Beijer Alma AB (publ) for the year 2007. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 29-54. The Board of Directors and the President are responsible for these accounts and the administration of the company, as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRS as adopted by the EU and the Swedish Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain high, but not absolute, assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts, as well as evaluating the overall presentation of information in the annual accounts and the

consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the President. We also examined whether any Board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's results of operations and financial position in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's results of operations and financial position. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the Annual General Meeting that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, February 15, 2008

Öhrlings PricewaterhouseCoopers AB

Bodil Björk
Authorized Public Accountant

Board of Directors and Management

BOARD OF DIRECTORS

Anders Wall *Chairman*, born 1931

Education: Studies at Stockholm School of Economics.

Med Dr. h. c. Consul General

Director since: 1992.

Holding through companies and family: 3,510,120, of which 1,974,000 Class A shares. Additional holdings in affiliated foundations 693,000 Class A shares and 3,305,410 Class B shares.

Chairman of: Beijerinvest AB, the Kjell & Märta Beijer Foundation, the Anders Wall Foundations, Konsul Th C Berghs Stiftelse, Ryda Bruk AB, Svenskt Tenn AB and Morgongåva Företagspark AB.

Director of: Domarbo Skog AB, Hargs Bruk AB, the Anders Wall Professor of Entrepreneurship Foundation and others.

Honorary Fellow at Uppsala University, Luxembourg's Consul General, Member of the Royal Academy of Engineering Sciences (IVA).

Earlier positions: President and CEO of AB Kol&Koks/Beijerinvest from 1964 to 1981, after merger with AB Volvo Chairman of the Board of Directors from 1981 to 1983. President and CEO of Investment AB Beijer from 1983 to present.

Earlier directorships: Handelsbanken, Skandia, Industrivärden, Uddeholm, Billerud, Group Bruxelles Lambert.

Anders G. Carlberg born 1943

Education: Master of Business Administration.

President of Axel Johnson International AB

Director since: 1997

Holding: 3,000

Director of: Axel Johnson AB, Axel Johnson Inc., Sapa AB, SSAB Svenskt Stål, Säkl, Mekonomen and others.

Earlier positions: President and CEO of Nobel Industrier and J.S. Saba and Executive Vice President of SSAB Svenskt Stål.

Thomas Halvorsen born 1949

Education: Bachelor's Degree.

Director since: 1992

Holding: 3,000

Director of: Miris Holding AB.

Earlier positions: President of Fourth AP Fund and various positions at Handelsbanken.

Göran W. Hultgren born 1941

Education: Business studies at Uppsala University.

President of Scandecor Marketing AB

Director since: 1983

Holding through companies and family: 541,210, of which 304,800 Class A shares.

Director of: LeanOn AB.

Earlier positions: Self-employed since 1968.

Marianne Nivert born 1940

Education: Bachelor of Science and a Telecommunications Engineering Degree.

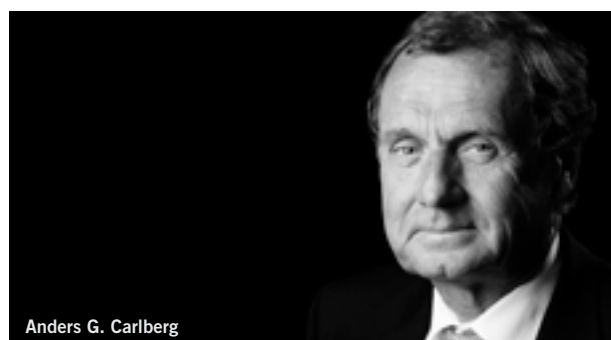
Director since: 2002

Holding: 6,000

Chairman of: Posten AB and Save the Children - Sweden.

Director of: SSAB Svenskt Stål, Wallenstams Byggnads AB, Systembolaget AB.

Earlier positions: President and CEO of Telia AB, Vice President and Head of Network Operations at Telia AB and Vice President and Head of HR at Telia AB.



Anders Ullberg born 1946

Education: Master of Business Administration from the Stockholm School of Economics, further education at IMD in Lausanne, Switzerland.

Director since: 2007

Holding through companies and family: 10,000

Chairman of: Boliden, Eneqvistbolagen and Studsvik.

Deputy Chairman of TietoEnator

Director of: Atlas Copco and Sapa Holding

Earlier positions: President and CEO of SSAB Svenskt Stål, Vice President and CFO of SSAB Svenskt Stål, CFO of Svenska Varv.



Anders Ullberg

Johan Wall born 1964

Education: Master of Science in Electrical Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University in Palo Alto, USA.

President of Enea AB

Deputy Director: 1997–2000

Director since: 2000

Holding: 3,000

Director of: the Kjell & Märta Beijer Foundation, the Anders Wall Foundations and others.

Earlier positions: President of Framfab AB, Head of Consultancy at Framfab AB, President of Netsolutions AB, Program Developer at Verizon Laboratories in Boston, USA.



Johan Wall

Bertil Persson born 1961

Education: Master of Business Administration from the Stockholm School of Economics.

President and CEO of Beijer Alma AB.

Deputy Director: 2000–2001 and since 2002

Director: 2001–2002

Holding: 53,000

Call options: 50,000

Director of: Posten AB.

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



Bertil Persson

SENIOR MANAGEMENT

Bertil Persson born 1961,

Master of Business and Administration

President and CEO

Employee since: 2000

Holding: 53 000

Call options: 50 000

Jan Blomén born 1955,

Master of Business Administration

Chief Financial Officer

Employee since: 1986

Holding with family: 47,600

Jan Olsson born 1956,

Master of Business Administration

Group Controller

Employee since: 1993

Holding: 2,000

AUDITOR

Auditing firm of

Öhrlings PricewaterhouseCoopers AB

Chief Auditor

Bodil Björk born 1959

Authorized Public Accountant

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»The quality of earnings in the Group has improved markedly compared with earlier economic cycles. The operating margin is higher and invoicing and profits are more evenly distributed within the various customer categories.«

Bertil Persson
President & CEO

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