Financial Statement 2000
Beijer Alma AB (publ)

- Profit after financial items, excluding items affecting comparability, was SEK 110.1 (75.7) m.
- Earnings per share: SEK 19.06 (13.30).
- Fourth-quarter profit after financial items was SEK 35.6 (19.8) m.
- Increased dividend of SEK 8.00 (7.00) per share proposed.
- Preferential rights issue of approx. SEK 120 m.
- 2:1 split
- Acquisition of Elimag Industri AB complete.

THE GROUP

The fourth quarter was the best ever for the group in terms of sales and profits, with total sales of SEK 321 (244) m, a 32% increase. The like-for-like gains were 22%. Profit after financial items was SEK 35.6 (19.8) m, up 80%, generating earnings per share of SEK 6.14 (3.43). Order bookings also made robust progress, emerging at SEK 307 (245) m for the quarter, or 25% gains. the like-for-like increase was 16%. This sales growth was possible through gradual capacity increases, mainly the result of Habia's high investment rates.

For the full year, order bookings rose 19% to SEK 1,232 m, a like-for-like increase of 22%. At year-end, Beijer-Alma's order backlog was SEK 256 (164) m. Sales was SEK 1,133 (1,031) m, up 10%. the like-for-like increase was 12%. The share of foreign sales was 64% (53).

Profit after financial items excluding items affecting comparability rose 45% on the previous year, emerging at SEK 110.1 (75.7) m. Items affecting comparability were SEK 9.6 (13.0) m net, and include the present value of surplus consolidation funds from pension fund manager SPP, capital gains from the divestment of the Rånäs operation and expenses for contracted pensions. Earnings per share after standard rate tax but excluding items affecting comparability were SEK 19.06 (13.30). Beijer Alma's equity ratio was 42.1% (48.9); the operating margin increased to 11.4% (8.6).

Investments in fixed assets, excluding acquisitions and divestments, but including leasing, were SEK 144 (70) m. Habia's resolved but as yet un-implemented investments in extended production facilities, to be brought on-stream in February 2001, were some SEK 24 m. Liquid assets including committed credit facilities not drawn down amounted to SEK 218 (191) m.

SUBSIDIARIES

HABIA CABLE AB (www.habia.se) is one of Europe's largest manufacturers of specialist cable for telecom, transportation, nuclear power and defense applications. Production is located in Sweden, Germany and China.

Order bookings rose by 84% **in the fourth quarter,** to SEK 129 (70) m. Excluding German subsidiary Isotec, acquired in the first quarter 2000, the gains were 40%. Sales was up 60% to SEK 132 (83) m. For comparable units, the sales gains amounted to 28%. The subsidiary generated profits of SEK 20.3 (14.9) m; the quarterly operating margin was 16.6% (19.0).

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Decisions were reached regarding major capacity investments in the third quarter, with the intention of responding to firm demand for telecom products. Overall, these investments will increase telecom product capacity nearly threefold from the level on 1 January. The first tranche of this capacity expansion was completed in October, making a positive contribution to output in the fourth quarter. The second tranche is proceeding according to plan, and will be brought on stream in February 2001. In order to meet its staffing requirements in February 2001, the subsidiary hired extensively through autumn 2000, with the resulting training and induction expenses burdening the fourth quarter. Moreover, production in China started up in October.

Business conditions still appear highly favorable, particularly in the telecom sector. Order backlog is extensive, and order bookings remain rapid—moreover, Habia’s major telecom customers project sustained robust growth through 2001.

For the full year, Habia’s order bookings grew by 74% to SEK 483 (278) m. Excluding German cable manufacturer Isotec Kabel GmbH, acquired in April, order bookings were up 31%. The order backlog also grew in the year, from SEK 53 m to SEK 147 m.

Habia's sales in 2000 was SEK 400 (278) m, up 44%; like-for-like gains were 19%. The telecom sector generated 54% of the sales, against 32% in 1999. Habia's profit after financial items was SEK 43.1 (32.2) m, excluding items affecting comparability. The operating margin was 12.6% (12.5).

LESJÖFORS AB (www.lesjoforsab.com) is a full-range provider of industrial springs, chassis springs and flat strip components—Lesjöfors is the Nordic region's predominant player, and a major pan-European player in its sector.

Order bookings increased to SEK 154 (136) m **in the fourth quarter,** equating to 14% gains. The increase for like-for-like units was 9%. Sales rose to SEK 166 (139) m, up 20%. The like-for-like increase was 15%. Profit after financial items was SEK 14.2 (6.6) m, with the operating margin at 9.6% (5.4).

Danish spring and component manufacturer Buck Jeppesen A/S was acquired in the period, a transaction that consolidates the technology standard of Lesjöfors' existing Danish subsidiary, while also bringing customers in growth spheres, particularly telecom. After the end of the period, Lesjöfors divested its fine blanking operations within Lesjöfors Strip Components, Värnamo, Sweden. This divestment alleviates the group's exposure to the cyclical automotive sector.

For the full year, Lesjöfors' order bookings rose 18% to SEK 661 (562) m—the like-for-like gains were 15%. At year-end, however, order backlog had declined slightly to SEK 103 (107) m.

Sales was SEK 646 (556) m, up 16%. The like-for-like increase was 13%. Profit after financial items excluding items affecting comparability emerged at SEK 72.7 (50.3) m. Lesjöfors' operating margin was 12.4% (10.4).

Industrial springs generated 33% of sales, chassis springs 21% and strip components 46%.

Of total sales, 17% was sourced from telecom customers; this customer category is primarily in the Strip Components business area.

Stockpiling by certain major telecom customers meant the flat strip components business area's order bookings reducing in January 2001. However, this downturn is regarded as temporary, mainly exerting an adverse influence on first-quarter sales and profits.

AB STAFSJÖ BRUK (www.stafsjo.com) manufactures knife gate valves that it sells to the processing industry worldwide.

Order bookings were SEK 24 (22) m **in the fourth quarter;** sales was SEK 24 (22) m and profit after financial items SEK 1.5 (0.9) m. German general agent Firma Kurt Trapp was acquired in the quarter, a transaction intended to consolidate Stafsjö Bruk's presence on the vital German market.

Full-year order bookings were SEK 82 (80) m, while sales was SEK 81 (81) m. Stafsjö Bruk's profit after financial items was SEK 3.1 (1.6) m.

SALES AND PROFITS BY COMPANY

SALES

SEK m	**Full year 2000**	**Full year 1999**	**2000 Q4**	**2000 Q3**	**2000 Q2**	**2000 Q1**	**1999 Q4**	**1999 Q3**	**1999 Q2**	**1999 Q1**
Habia Cable	399.5	277.8	131.9	96.9	103.2	67.5	82.6	61.9	77.5	55.8
Lesjöfors	645.9	556.3	165.9	148.7	167.1	164.2	138.7	124.7	147.2	145.7
Stafsjö Bruk	81.3	81.3	24.0	18.7	19.6	19.0	21.8	17.2	24.0	18.3
Parent company and group-wide	5.8	7.2	-0.8	3.9	1.0	1.7	1.1	3.1	1.1	1.9
Group	**1,132.5**	**922.6**	**321.0**	**268.2**	**290.9**	**252.4**	**244.2**	**206.9**	**249.8**	**221.7**
Divested companies										
G & L Beijer (sold 31 Aug. 99)	-	61.0	-	-	-	-	-	13.6	21.5	25.9
Bierregaard (sold 31 May 99)	-	47.4	-	-	-	-	0.1	0.2	19.4	27.7
Total	**1,132.5**	**1,031.0**	**321.0**	**268.2**	**290.9**	**252.4**	**244.3**	**220.7**	**290.7**	**275.3**

PROFIT AFTER FINANCIAL ITEMS

SEK m	**Full year 2000**	**Full year 1999**	**2000 Q4**	**2000 Q3**	**2000 Q2**	**2000 Q1**	**1999 Q4**	**1999 Q3**	**1999 Q2**	**1999 Q1**
Habia Cable	43.1	32.2	20.3	10.4	11.7	0.7	14.9	7.1	10.0	0.2
Lesjöfors	72.7	50.4	14.2	20.2	19.0	19.3	6.6	13.3	16.1	14.4
Stafsjö Bruk	3.1	1.6	1.5	1.0	0.2	0.4	0.9	-0.2	1.3	-0.4
Parent company and group-wide	-8.8	-11.7	-0.4	0.4	-5.6	-3.2	-2.6	-2.7	-4.4	-2.0
Group	**110.1**	**72.5**	**35.6**	**32.0**	**25.3**	**17.2**	**19.8**	**17.5**	**23.0**	**12.2**
Items affecting comparability	9.6	13.0	0.1	9.5	-	-	5.3	-	7.7	-
Divested companies										
G & L Beijer (sold 31 Aug. 99)	-	1.5	-	-	-	-	-	0.4	0.2	0.9
Bierregaard (sold 31 May 99)	-	1.7	-	-	-	-	0.2	0.2	0.3	1.0
Total	**119.7**	**88.7**	**35.7**	**41.5**	**25.3**	**17.2**	**25.3**	**18.1**	**31.2**	**14.1**

ACQUISITION OF ELIMAG INDUSTRI AB

In December, Beijer Alma signed a letter of intent regarding an acquisition of Elimag Industri AB, as an element of its efforts to focus the group onto segments with high growth potential, and particularly mobile telecom infrastructure. This acquisition has been effected. The Elimag group comprises two operations: Elimag Gothenburg, a Swedish leader in high-speed aluminium machining with customers in the telecom, aerospace and defense sectors, and Elimag Stockholm, a contract manufacturer, mainly within medical technology. Elimag will comprise an autonomous grouping additional to Habia, Lesjöfors and Stafsjö, forming a foundation for ongoing growth through investments and complementary acquisitions alongside these units. In 2000, the Elimag group's sales was SEK 180 m pro forma, with profit after financial items but before restructuring costs of SEK 4.0 m pro forma (restructuring costs were SEK 9.0 m). Substantial profit gains are expected in 2001.

This acquisition was financed through a non-cash issue of 470,000 class B Beijer Alma shares, targeted at Elimag Industri AB's owners.

PROPOSED DIVIDENDS

The Board is proposing a dividend of SEK 8 (7) per share to the Annual General Meeting.

CEO'S COMMENTS

After a robust fourth quarter, we can conclude that in profit terms, 2000 was the Beijer Alma group's best year ever. This performance has been possible through an extensive investment program rolled out through the year, and our focus on high-growth activities. An increasing sales share to telecom sector customers has been a key factor; here, we mainly invested in capacity to provide components for infrastructure build-outs, and the acquisition of Elimag Industri AB will sharpen this focus still further. Here too, we perceive opportunities of continued expansion through capacity investments and complementary acquisitions. Elimag's focus on production using sophisticated NC/CNC technology accentuates our progress towards the high-technology activities that Beijer Alma wants to concentrate on.

Habia posted almost half its full-year earnings in the fourth quarter, as those investments resolved earlier in the year started to pay off through enhanced production capacity. Habia's sales was also the highest ever, and should now start closing in on order bookings. However, an order backlog covering nearly three months output still remains. The combination of current order bookings and forecasts from major customers indicates that further capacity expansion for telecom products will be necessary through 2001. The first quarter of 2001 will be another strong quarter, while the full-year forecast suggests significant sales and profit growth. We anticipate the sales share of telecom products increasing to from 54% to at least 60% through the year.

Lesjöfors also posted record profits for 2000, a significant portion sourced from the industrial springs and chassis springs business areas. These figures confer healthy stability to the high-growth flat strip components operation, where telecom components generate a fairly high sales share. Overall, telecom customers generated 17% of Lesjöfors' sales in 2000.

Stockpiling by major telecom customers will exert an adverse influence on the flat strip components business area's sales and profits, mainly in the first quarter 2001. We anticipate this effect being temporary, however, while customers' forecasts do indicate an upswing in deliveries once inventory levels have adjusted.

Despite a slack market for the corporation's products, **Stafsjö** succeeded in improving profits on the previous year—the effect of systematic efforts to reduce production costs. Productivity has been increased, while component sourcing has been realigned to new providers in lower-cost countries. In 2001, this corporation will start to see the effects of a more broad-based product selection, conferring a more comprehensive customer offering and enabling sales to new customer groups.

Overall, I perceive bright prospects for the group's ongoing sales through 2001.

Matters for consideration by the AGM

NEW ISSUE WITH PREFERENTIAL RIGHTS FOR EXISTING SHARE-HOLDERS

The Board has resolved to effect a new issue with preferential rights for the corporation's current shareholders. This issue is conditional on approval by Beijer Alma's Annual General Meeting on 28 March 2001. The intention is that this transaction will raise approximately SEK 120 m.

Beijer Alma shareholders registered on the record day of 2 April 2001 hold the right to subscribe for one new share in the corporation for every five existing shares, at an issue price of SEK 130. Every fifth class A share confers the right to subscribe for one new class A share and every fifth class B share confers the right to subscribe for one new class B share.

In terms of the present number of shares before conversion of outstanding convertible debentures, as well as considering those class B shares resulting from the acquisition Elimag, if fully subscribed, the number of Beijer Alma shares would increase by 898,730 as a consequence of the new issue, comprising 111,000 class A shares and 787,730 class B shares. Subsequently, the total number of shares would amount to 5,392,380. If all convertible debentures were converted to shares before 15 March 2001—i.e. the last day such conversion must be effected in order to participate in the new issue—then, assuming full subscription, the number of Beijer Alma shares would increase by a maximum of 941,018, comprising a maximum of 111,000 class A shares and a maximum of 830,018 class B shares as a consequence of the new issue. Subsequently, the total number of shares would amount to a maximum of 5,646,108.

NEW ISSUE—BACKGROUND AND MOTIVATION

Beijer Alma has concentrated operations during recent years, from a former conglomerate into a pure manufacturing group. During 2000, Beijer Alma mainly comprised the engineering corporations Habia Cable AB, Lesjöfors AB and AB Stafsjö Bruk. Late in the year, Beijer Alma signed a letter of intent regarding the acquisition of Elimag Industri AB. Subsequent to this acquisition, the group comprises four independent subsidiaries.

The acquisition of Elimag has conferred the group with an increasingly pronounced focus on component provision, with the main orientation towards mobile telecom infrastructure. Beijer Alma's concentration on growth areas will imply new and higher standards applying to the group—to become a prominent player in each business area will necessitate high technology standards being satisfied. Moreover, Beijer Alma must be able to satisfy market demands regarding capacity build-outs. Expansion also means a more acute need for working capital. Time becomes a critical variable. Being able to expand capacity fast enough and satisfy challenging demands for expertise are decisive for becoming a leading player.

Globalization is an another unmistakable trend. In order for Beijer Alma companies to be able to secure and maintain leadership as sub-contractors to the major systems providers, it will be necessary for them to have localized production in those regions where the systems providers focus their assembly. In 2000, Habia started up production in China; other group companies will probably follow this trend, starting up production in those regions significant to customers.

Customers' increasing demands on their sub-contractors in terms of technology levels, capacity growth and local presence are expected to elicit restructuring on the sub-contractor level; the market will probably consolidate towards fewer, but larger, players. Through investments and complementary acquisitions, Beijer Alma intends to develop its subsidiaries into internationally successful corporations with high technology standards and sales volumes. The impending new issue will confer Beijer Alma with a strong balance sheet, creating room to maneuver and enhancing the corporation's prospects of making aggressive investments and acquisitions.

NEW ISSUE SCHEDULE

Wednesday 28 March	Beijer Alma's Annual General Meeting
Wednesday 28 March	Last day of trading in the share cum rights to participate in the new issue
Monday 2 April	Record day for participation in the new issue
Wednesday 4 April	Prospectus published
Monday 9 April	Application period and trading in subscription rights begins
Tuesday 24 April	Last day of trading in subscription rights
Friday 27 April	Application period concludes

For this transaction, Alfred Berg Fondkommission AB is Beijer Alma's corporate adviser.

STOCK OPTIONS

The Board is proposing that the Annual General Meeting resolves to issue a debenture of a nominal SEK 1,000 with 100,000 detachable warrants (before the proposed split), targeted at a wholly owned subsidiary. These warrants will confer the right to subscribe for new class B Beijer Alma shares in the period 1 May 2001 - 30 November 2005 for a subscription price corresponding to 105% of the average latest price paid for the share on OM Stockholm Exchange's O-list in the period 29 March - 4 April 2001. This subsidiary will use these warrants as underlying instruments for a stock option program, enabling a limited number of senior group executives to eventually become shareholders of the corporation. The intention is to increase the commitment and motivation of these professionals, while also offering a clear incentive to create value for the corporation's shareholders.

SPLIT

The Board is proposing that the Annual General Meeting resolves on a 2:1 split, to be effected after the consummation of the aforementioned preferential rights issue. Subsequently, the nominal value of shares will be SEK 12.50.

AUTHORISATION FOR THE NEW ISSUE

The Board is proposing that the Annual General Meeting confers authority to decide on stock issues—in accordance with, or waiving, shareholders' preferential rights—of a maximum of 1,000,000 class B shares (subsequent to the proposed split) or debentures convertible to a maximum of 1,000,000 new class B shares (subsequent to the proposed split), although not implying an increase of share capital exceeding an aggregate total of SEK 12,500,000, in the period until the next Annual General Meeting. this authorization is intended to facilitate corporate acquisitions.

Uppsala, Sweden, 14 February 2001

BEIJER ALMA AB (publ)

The Board

Any questions should be addressed to:

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SUMMARY INCOME STATEMENT

SEK m	2000 Q4	1999 Q4	2000 full year	1999 full year
Sales	321.0	244.3	1,132.5	1,031.0
Cost of goods sold	-207.0	-162.2	-732.8	-697.1
Sales costs	-46.0	-35.0	-162.3	-144.0
Administrative costs	-27.4	-23.3	-110.2	-102.3
Shares in associated companies	-0.5	-1.2	1.9	0.7
Operating profit	**40.1**	**22.6**	**129.1**	**88.3**
Items affecting comparability	0.1	5.3	9.6	13.0
Net financial position	-4.5	-2.6	-19.0	-12.6
Profit after financial items	**35.7**	**25.3**	**119.7**	**88.7**
Tax	-14.9	-15.8	-38.4	-33.5
Net profit	**20.8**	**9.5**	**81.3**	**55.2**

SUMMARY BALANCE SHEET

SEK m	2000 31 Dec	1999 31 Dec
Assets		
Fixed assets	603,8	444,6
Current assets exc. cash and bank balances	523,3	384,1
Cash and bank balances	17,8	40,0
Total assets	**1,144.9**	**868.7**
Liabilities and shareholders' equity		
Shareholders' equity	482.3	424.7
Provisions	52.1	45.3
Long-term liabilities	368.9	201.4
Current liabilities	241.6	197.3
Total liabilities and shareholders' equity	**1,144.9**	**868.7**

SUMMARY CASH FLOW STATEMENT

SEK m	2000 Q4	1999 Q4	2000 full year	1999 full year
Cash flow before change in working capital and investments (cash earnings)	38.4	23.1	145.7	109.9
Increase (-)/decrease (+) in working capital	-13.0	8.5	-94.8	-0.7
Cash flow before investments	25.4	31.6	50.9	109.2
Investments	-60.0	-26.3	-223.6	-58.5
Cash flow after investments	-34.6	5.3	-172.7	50.7
Financial payments	37.5	-15.6	150.5	-38.6
Change in liquid assets	**2.9**	**-10.3**	**-22.2**	**12.1**

KEY FIGURES

	2000 Q4	1999 Q4	2000 full year	1999 full year
No. of shares*	4,235,090	4,235,090	4,235,090	4,164,210
Earnings per share after tax paid, SEK**	5.80	2.98	18.01	11.18
Earnings per share after 28% standard rate tax, SEK**	6.14	3.43	19.06	13.30
Return on equity, %**	22	14	17	13
Return on capital employed, %**	19	14	17	14
Shareholders' equity per share, SEK	119.87	105.59	119.87	105.59
Equity-assets ratio, %	42	49	42	49
Debt-equity ratio, %	74	52	74	52
Liquid assets inc. un-utilized credit facilities, SEK m	218	191	218	191
Investments, SEK m	54	12	114	70
Interest cover, multiple**	7.3	5.3	6.1	6.0

* Including outstanding convertible subordinated debentures.
** Excluding items affecting comparability.