

Press Information

Financial Report 2001 for Beijer Alma AB (publ)

- Profit after net financial items MSEK 2.0 (110.1)
- Profit after taxes MSEK 12.3 (81.3)
- Earnings per share after standard taxes SEK 0.28 (9.53)
- Fourth quarter result after financial items MSEK –9.2 (35.6)
- A lowering of the dividend from SEK 4.00 to SEK 2.00 is proposed.

GROUP

The fourth quarter was weak in terms of invoicing as well as profit. Total invoicing amounted to MSEK 312 (321), a drop of 3 percent. The drop in continuing operations was 18 percent. The result after financial items was MSEK –9.2 (35.6) for a loss per share of SEK 0.66 (profit of SEK 3.07). Order bookings were slower than invoicing and amounted to MSEK 286 (307) for the quarter, a drop of 7 percent. In continuing operations the drop was 24 percent. Operating cash flow was MSEK 43.

For the full year order bookings decreased by 6 percent to MSEK 1 224. The drop in continuing operations was 16 percent. The order backlog stood at MSEK 187 (256) at year-end. In continuing operations, i.e. not including Elimag, the order backlog was MSEK 153 (256). Invoicing amounted to MSEK 1 320 (1 133), an increase by 16 percent. In continuing operations this meant a decrease of 2 percent. The contraction in the telecom sector impacted the Group severely. In continuing operations sales to this customer group fell by 32 percent, or MSEK 118. The proportion of invoicing outside Sweden was 60 (64) percent.

Profit after financial items amounted to MSEK 2.0 (110.1). Earnings per share after standard taxes were SEK 0.28 (9.53). The equity ratio was 40.7 percent (42.1). The operating margin was 2.4 percent (11.4). Profit after taxes was MSEK 12.3. This result includes a positive effect of MSEK 16 due to the outcome of a tax case.

Investments in fixed assets, not including corporate acquisitions, divestitures and leasing, were MSEK 116 (114). Liquid funds including unutilized committed credit facilities amounted to MSEK 239 (218).

SUBSIDIARIES

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

During the fourth quarter order bookings declined by 33 percent to MSEK 86 (129). Invoicing amounted to MSEK 100 (132), a drop of 24 percent. The result was MSEK –12.7 (20.3). The operating margin during the quarter was –9.3 (16.6) percent. The result for the quarter was charged with costs for personnel cutbacks and other costs of a one-time nature.

For the full year Habia's order bookings declined by 13 percent to MSEK 422 (483). The order backlog declined from MSEK 147 to MSEK 91 during the year.

Habia's invoicing for 2001 was MSEK 455 (400), an increase by 14 percent. The telecom sector accounted for 35 percent of the volume compared to 54 percent in 2000. Profit after financial items was MSEK 1.3 (43.1). The operating margin was 3.2 percent (12.6).

The fourth quarter was very weak for Habia. The telecom sector in particular showed a weaker trend than in prior quarters. Deterioration of the economy in general meant that other customer segments

performed worse than expected as well. The economic downturn in Germany had a negative impact on sales in this for Habia important market.

In response to lower market demand, the company has decided to launch cost saving measures in addition to those implemented during the fourth quarter. A number of salaried employees have been given notice of termination and a three-day work week has been introduced in Germany.

LESJÖFORS AB (www.lesjoforsab.com) is a full-range supplier of industrial springs, chassis springs and flat strip components. The company is a dominating player in the Nordic Region and it is one of the larger companies in its industry in Europe.

During the fourth quarter order bookings were MSEK 124 (154), a decline by 19 percent. Invoicing amounted to MSEK 138 (166), a drop by 17 percent. Profit after financial items was MSEK 5.9 (14.2). The operating margin was 4.4 (9.6) percent.

For the full year Lesjöfors' order bookings declined by 20 percent to MSEK 526 (661). By year's end the order backlog had dropped to MSEK 60 (103).

Invoicing was MSEK 566 (646), a decline by 12 percent. Profit after financial items was MSEK 31.0 (72.7). The operating margin was 6.7 percent (12.4).

Industrial springs accounted for 39 percent (33) of invoicing. The corresponding number for Chassis Springs was 22 percent (21). Flat strip components accounted for 39 percent (46) of invoicing.

Telecom customers accounted for 7 percent (17) of total invoicing. Telecom is the principal customer category of business area Flat Strip Components.

The sharp drop in demand from telecom customers experienced by the company in previous quarters continued during the fourth quarter. Current inventories with systems suppliers are still sufficient to cover most of their shipments to customers, so the need for new production is practically non-existent. Weak market demand in the telecom sector has led to further restructuring of operations and personnel cutbacks after the turn of the year. Other business areas experienced some weakness during the fourth quarter. In these areas we are seeing a modest recovery during January, however.

ELIMAG AB (www.elimag.se) conducts high speed machining operations in aluminum, for, among other, the telecom, defense and aerospace industries, as well as contract manufacture in the area of medical technology.

During the fourth quarter order bookings were MSEK 53 (57), invoicing was MSEK 50 (57) and the result after net financial items was MSEK -6.2 (-1.2).

For the full year Elimag's order bookings were MSEK 186 (180). Invoicing was MSEK 206 (180). The result after net financial items was MSEK -12.9 (-1.9). The largest customer groups were medical technology (44 percent), telecom (27 percent) and defense (24 percent).

Elimag Göteborg was affected by weak demand, especially in the telecom sector. At the prospects of an increase in volume, major investments in plant and equipment were made in the beginning of the year. This led to low capacity utilization during the second half of the year with resultant weak profit performance. Invoicing did increase compared to year before, however, and the company reported a balanced full-year result.

Elimag Stockholm recorded negative operating earnings. The reported result was further hurt by additional restructuring costs and other costs of a one-time character.

AB STAFSJÖ BRUK (www.stafsjo.com) manufactures knife gate valves that are sold globally to the process industry.

During the fourth quarter order bookings were MSEK 22 (24), invoicing was MSEK 23 (24) and profit after financial items was MSEK 1.2 (1.5).

For the full year Stafsjö's order bookings were MSEK 89 (82). Invoicing was MSEK 91 (81). Stafsjö's profit after net financial items was MSEK 4.1 (3.1).

The increase in invoicing and order bookings is primarily due to the fact that Stafsjö's German distributor was acquired late in the year 2000. The past year's measures to lower production costs is the reason for the improvement in earnings.

INVOICED SALES AND RESULT BY COMPANY

INVOICED SALES

MSEK	Full year 2001	Full year 2000	2001 Q 4	2001 Q 3	2001 Q 2	2001 Q 1	2000 Q 4	2000 Q 3	2000 Q 2	2000 Q 1
Habia Cable	454.8	399.5	99.9	105.4	116.6	132.9	131.9	96.9	103.2	67.5
Lesjöfors	566.1	645.9	138.5	128.0	145.6	154.0	165.9	148.7	167.1	164.2
Elimag	205.8	–	50.3	39.3	54.0	62.2	–	–	–	–
Stafsjö Bruk	91.4	81.3	23.3	25.9	19.9	22.3	24.0	18.7	19.6	19.0
Parent Company and consolidation eliminations	2.1	5.8	0.1	0.1	1.4	0.5	–0.8	3.9	1.0	1.7
Group	1 320.2	1 132.5	312.1	298.7	337.5	371.9	321.0	268.2	290.9	252.4

RESULT AFTER FINANCIAL ITEMS

MSEK	Full year 2001	Full year 2000	2001 Q 4	2001 Q 3	2001 Q 2	2001 Q 1	2000 Q 4	2000 Q 3	2000 Q 2	2000 Q 1
Habia Cable	1.3	43.1	–12.7	–0.5	–0.5	15.0	20.3	10.4	11.7	0.7
Lesjöfors	31.0	72.7	5.9	9.2	3.1	12.8	14.2	20.2	19.0	19.3
Elimag	–12.9	–	–6.2	–3.9	–4.7	1.9	–	–	–	–
Stafsjö Bruk	4.1	3.1	1.2	2.7	–0.5	0.7	1.5	1.0	0.2	0.4
Parent Company and consolidation eliminations *	–21.5	–8.8	2.6	–2.0	–17.0	–5.1	–0.4	0.4	–5.6	–3.2
Group	2.0	110.1	–9.2	5.5	–19.6	25.3	35.6	32.0	25.3	17.2
Items affecting comparability	–	9.6	–	–	–	–	0.1	9.5	–	–
Total	2.0	119.7	–9.2	5.5	–19.6	25.3	35.7	41.5	25.3	17.2

* A provision for restructuring costs in the amount of MSEK 10 was charged to earnings during the second quarter of 2001. This provision was reversed by MSEK 2 during the third quarter and by MSEK 5.5 during the fourth quarter. Actual structural costs were charged to earnings in each respective company during the second half of the year.

PRESIDENT'S STATEMENT

The development during 2001 was a disappointment. After a strong start during the first quarter, demand for telecom products virtually collapsed during the second quarter. The fourth quarter was also marked by extremely weak demand in this segment. In addition hereto, a sharp drop in most other market segments was experienced during the fourth quarter.

Habia has a significantly higher proportion of its sales to telecom customers than other Group companies and was therefore harder hit by the weak performance in this area. During the fourth quarter, demand for specialty cable for telecom applications fell further and capacity utilization at Habia as well as its competitors was therefore very low and this resulted in mounting pricing pressure. Habia also registered a weakening in other customer segments during the fourth quarter.

For Lesjöfors, demand was weaker in the traditional industrial and standard springs segment, which had been relatively stable earlier in the year. The downturn was not as severe as in the telecom-dominated business area Flat Strip Components, however. Lesjöfors has continually adjusted its cost level to achieve balance at prevailing volumes. In the face of weak demand, especially in flat strip components, and major restructuring costs, Lesjöfors achieved a full-year profit of MSEK 31.

Elimag was affected by weak demand as well, especially in the telecom area. The result was also burdened by significant restructuring costs for Elimag Stockholm. For Elimag Göteborg, the outcome during the fourth quarter was slightly better than expected due to specific telecom orders with requirements for prompt delivery during November and December. The Göteborg company increased its invoicing compared to the year before and recorded positive earnings before restructuring costs of a non-recurring character. In view of a generally weak demand situation, I see this as a strong performance.

Despite a relatively low level of capital spending in the paper and pulp industry, Stafsjö displayed stable sales and earnings performance. Pricing pressures on the company's products are severe, so continual production cost adjustments are needed to stay competitive.

In general, it can be said that the operations of our companies today are distinguished by very short lead times and that there is large over-capacity. The opportunity for long-term planning and forward visibility in the market are practically non-existent. Small order backlogs and sharp focus in the market on cash flows lead to lower order volumes on short notice. It appears that the downward trend in the traditional industrial segment has ebbed, but in the telecom sector we are not seeing any signs of improvement. It seems reasonable to expect that the first quarter of 2002 will show continued very weak demand. We will continue to adjust our costs to the present demand situation.

ON THE AGENDA FOR THE ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 6:00 p.m., March 20, in Uppsala.

PROPOSED ALLOCATION OF EARNINGS

The Board of Directors proposes a dividend for the year of SEK 2.00 (4.00) per share.

ELECTION OF DIRECTORS

Shareholders representing a voting majority propose that Marianne Nivert and Johan Norman be elected as new regular directors.

Marianne Nivert is President and CEO of Telia AB.

From 1985, Johan Norman was executive director and one of the principal owners of Segerström & Svensson AB until 2001 when the company was bought out from the stock exchange. Segerström & Svensson's operations has many similarities to those of Beijer Alma.

In order to maintain the number of regular directors on the Board of Directors, Beijer Alma's President and CEO, Bertil Persson, role will change from that of a regular director to alternate director.

Former County Governor Jan-Erik Wikström, a member of the Board of Directors since 1997, leaves the Board of Directors for reasons of age.

Uppsala, February 7, 2002

BEIJER ALMA AB (publ)

Board of Directors

For further information, please contact:

Bertil Persson, President and CEO, tel +46-8-506 427 50, e-mail bertil.persson@beijer-alma.se

Jan Blomén, Chief Financial Officer, tel +46-18-15 71 60, e-mail jan.blomen@beijer-alma.se

Next report:

Quarterly report April 29, 2002

SUMMARY STATEMENTS OF INCOME

MSEK	2001 Q 4	2000 Q 4	2001 Full year	2000 Full year
Net sales	312.1	321.0	1 320.2	1 132.5
Cost of goods sold	-231.1	-207.0	-937.8	-732.8
Gross profit	81.0	114.0	382.4	399.7
Selling expenses	-53.3	-46.0	-204.0	-162.3
Administration expenses	-30.6	-27.4	-147.6	-110.2
Share in result of affiliated company's profit before taxes	0.4	-0.5	1.5	1.9
Operating result	-2.5	40.1	32.3	129.1
Items affecting comparability	-	0.1	-	9.6
Interest income and similar items	3.4	1.2	5.4	2.7
Interest expense and similar items	-10.1	-5.7	-35.7	-21.7
Result after financial items	-9.2	35.7	2.0	119.7
Taxes	14.2	-14.9	10.3	-38.4
Net result for the period	5.0	20.9	12.3	81.3

SUMMARY BALANCE SHEETS

MSEK	2001 Dec. 31	2000 Dec. 31
ASSETS		
Fixed assets		
Goodwill	169.1	130.2
Tangible fixed assets ¹⁾	640.7	449.0
Financial assets	20.1	24.6
Total fixed assets	829.9	603.8
Current assets		
Inventories	289.5	234.8
Receivables	268.5	288.5
Cash and bank deposits	32.0	17.8
Total current assets	590.0	541.1
Total assets	1 419.9	1 144.9
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	112.7	100.6
Restricted reserves	204.2	107.0
Unrestricted reserves	248.2	193.4
Net profit for the period	12.3	81.3
Total shareholders' equity	577.4	482.3
Provisions	54.9	52.1
Long-term interest-bearing liabilities ¹⁾	565.4	368.9
Short-term interest-bearing liabilities	39.1	17.2
Short-term non-interest-bearing liabilities	183.1	224.4
Total shareholders' equity and liabilities	1 419.9	1 144.9

MSEK 72.3 in contingent liabilities were added in connection with the acquisition of Elimag Industri AB.

¹⁾ The amounts for tangible fixed assets and long-term interest-bearing liabilities include financial leasing in an amount of MSEK 58.9.

SUMMARY STATEMENTS OF CASH FLOW

MSEK	2001	2000	2001	2000
	Q 4	Q 4	Full year	Full year
Cash flow before change in working capital and capital expenditures (cash earnings)	22.3	38.4	99.1	145.7
Change in working capital (–) decrease (+)	29.6	–12.0	–36.5	–63.9
Operating cash flow before capital expenditures	51.9	26.4	62.6	81.8
Capital expenditures	–8.4	–54.0	–116.0	–113.6
Operating cash flow after capital expenditures	43.5	–27.6	–53.4	–31.8
Non-operative cash flow ¹⁾	–52.2	–7.0	–213.9	–140.9
Financial payments	14.0	37.5	281.5	150.5
Change in liquid funds	5.3	2.9	14.2	–22.2
Liquid funds at beginning of year	26.7	14.9	17.8	40.0
Liquid funds at year-end	32.0	17.8	32.0	17.8
Approved but unutilized committed credit facilities	207.0	200.5	207.0	200.5
Available liquidity	239.0	218.3	239.0	218.3

¹⁾ Refers to effects of corporate acquisitions, foreign exchange effects and financial leasing.

SPECIFICATION OF CHANGES IN SHAREHOLDERS EQUITY**Shareholders' equity**

December 31, 2000	482.3
New issue in connection with acquisition of Elimag Industri AB	103.6
Conversion of subordinated debenture loan	2.7
Dividend paid	–35.9
Translation difference	12.4
Net profit for the period	12.3
December 31, 2001	577.4

KEY FINANCIAL INDICATORS

	2001	2000	2001	2000
	Q 4	Q 4	Full year	Full year
Number of shares outstanding*)	9 610 180	8 470 180	9 610 180	8 470 180
Earnings per share after current taxes, SEK**)	0.55	2.90	1.46	9.01
Earnings per share after 28% standard taxes, SEK**)	–0.66	3.07	0.28	9.53
Return on shareholders' equity, %**)	neg.	22	0.3	17.5
Return on capital employed, %**)	0.3	19	3.3	17.3
Shareholders' equity per share, SEK	64.03	59.94	64.03	59.94
Equity ratio, %	41	42	41	42.1
Debt equity ratio, %	94.5	81.6	94.5	81.6
Liquid funds not including unutilized committed credit facilities, MSEK	239.0	218.3	239.0	218.3
Capital expenditures, MSEK	8.4	54.0	116.0	114.0
Times interest earned **)	0.1	7.3	1.1	6.1

*) Including outstanding convertible subordinated debentures and personnel options, and restated for split 2:1.

**) Not including items affecting comparability for year 2000.

ACCOUNTING PRINCIPLES

The same accounting principles and bases of calculation have been applied as were used in the most recent Beijer-Alma annual report.

