

Press Release

Financial Report 2003 for Beijer Alma AB (publ)

Robust earnings improvement during fourth quarter

- Order bookings during the fourth quarter were MSEK 309.7 (254.4).
- Profit after financial items during the fourth quarter, charged with MSEK 6 in non-recurring expenses, was MSEK 15.0 (-2.4).
- Net revenues for the full year were MSEK 1 154.0 (1 113.0).
- Profit after taxes for the full year was MSEK 7.5 (-84.0).
- Earnings per share after actual taxes were SEK 0.83 (-9.31).
- Cash flow after the year's capital expenditures was MSEK 74.8 (116.2).
- The Board of Directors proposes a dividend of SEK 1.50 per share (1.00)

GROUP

The improvement in order bookings, which began during the second quarter of the year, continued during the rest of the year. Capacity utilization grew gradually during the fall and during the fourth quarter deliveries were beginning to pick up speed. A major part of the increase relates to an increase in demand from customers in the telecom sector, who during the fourth quarter accounted for 26 percent of invoicing.

Full year

Order bookings amounted to MSEK 1 212.9 (1 130.9) and the order backlog increased during the year by MSEK 46 to MSEK 183.7. Net revenues amounted to MSEK 1 154.0 (1 113.0). Profit after financial items was MSEK 18.0 (MSEK 4.8 not including writedown of items affecting comparability). Earnings per share after standard taxes were SEK 1.45 (0.45). Cash flow after capital expenditures was MSEK 74.8 (116.2), equivalent to SEK 8.29 per share (12.88). Interest-bearing net liabilities as of year-end were MSEK 386.9 (462.4) and the net debt equity ratio was 85.7 percent (100.9).

Fourth quarter

Order bookings amounted to MSEK 309.7 (254.4), an increase of 22 percent. Invoicing increased by 18 percent to 315.6 (267.8). Profit after financial items was MSEK 15.0 (-2.4). Costs of MSEK 6.0 were charged to earnings for replacement of the chief executive in a subsidiary. Earnings per share after standard taxes were SEK 1.15 (-0.22). Cash flow after capital expenditures was MSEK 32.6 (30.7).

By the end of the period the available liquidity, defined as liquid funds including unutilized committed credit facilities, was MSEK 275 (274). The equity ratio was 40.1 percent (39.0). The number of employees as of December 31 was 879 persons (909).

SUBSIDIARIES

LESJÖFORS AB (www.lesjoforsab.com) is a full range supplier of standard and specially produced industrial springs, wire and flat strip components. The company is a dominating player in the Nordic Region and one of the larger companies in its sector in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland and Latvia.

For the year, order bookings were MSEK 574.7 (541.5), while net revenues amounted to MSEK 572.3 (546.4). The result after financial items was MSEK 56.2 (46.1). The operating margin was 10.5 percent (9.6).

For the fourth quarter, order bookings were MSEK 134.2 (119.5) and net revenues amounted to MSEK 136.6 (126.3). Profit after financial items was MSEK 11.5 (7.8), while the operating margin reached 8.4 percent (6.5).

Lesjöfors conducts operations in three business areas: Industrial Springs, Chassis Springs and Flat Strip Components. All three business areas increased their invoicing by between four and five percent. Flat Strip Components accounted for the biggest improvement in earnings.

HABIA CABLE AB (www.habia.se) is one of Europe's largest manufacturers of specialty cable for applications in telecommunications, transportation, nuclear power and defense. Research and development is conducted in Sweden, while production facilities are located in Sweden, Germany and China.

For the full year order bookings were MSEK 462.4 (419.0) and net revenues were MSEK 416.8 (400.6). The result after financial items was MSEK -13.4 (0.4). The result has been charged with a probable inventory reduction cost in the amount of MSEK 10.

For the fourth quarter Habia's order bookings were MSEK 127.9 (96.6) and net revenues amounted to MSEK 132.5 (102.0). Profit after financial items was MSEK 10.2 (0.3). Habia began the year with a small backlog of orders, with a resultant low level of capacity utilization in production. Order bookings improved gradually after the first half of the year and during the fourth quarter shipments of product increased markedly. The increase in demand emanates mostly from customers in the telecom sector.

ELIMAG AB (www.elimag.se) conducts high-speed machining of aluminum for customers in telecom and other high-tech sectors.

For the full year Elimag's order bookings were MSEK 71.5 (85.6) and net revenues were MSEK 68.4 (83.7). The result after financial items was MSEK -5.0 (-11.8).

During the fourth quarter order bookings were MSEK 22.3 (19.3), while invoicing was MSEK 20.1 (19.5). Profit after financial items was MSEK 1.0 (-1.5). Elimag experienced increased demand during the past quarter, especially from telecom customers. The improvement in results is nonetheless mainly due to significantly lower costs.

AB STAFSJÖ BRUK (www.stafsjo.com) develops, manufactures and markets knife gate valves for the process industry. The company is internationally active with sales offices in Germany and China and a network of sales representatives in some 30 countries.

For the full year order bookings were MSEK 102.8 (84.3), while net revenues reached MSEK 95.1 (81.9). Profit after financial items was MSEK 3.2 (-4.7).

During the fourth quarter order bookings were MSEK 25.0 (18.9). Net revenues were MSEK 26.4 (19.8) and profit after financial items reached MSEK 1.1 (-1.8).

NET REVENUES AND RESULT BY OPERATING SEGMENT

NET REVENUES

MSEK	2003 Full year	2002 Full year	2003 Q 4	2003 Q 3	2003 Q 2	2003 Q 1	2002 Q 4	2002 Q 3	2002 Q 2	2002 Q 1
Lesjöfors	572.3	546.4	136.6	138.0	158.0	139.7	126.3	130.0	147.1	143.0
Habia Cable	416.8	400.6	132.5	98.9	96.7	88.7	102.0	96.9	106.4	95.3
Elimag	68.4	83.7	20.1	14.5	15.3	18.5	19.5	15.4	19.9	28.9
Stafsjö Bruk	95.1	81.9	26.4	21.6	24.2	22.9	19.8	19.3	22.7	19.7
Parent Company and consolidation eliminations	1.4	0.4	–	0.3	1.1	–	0.2	–	–	0.3
Group	1 154.0	1 113.0	315.6	273.3	295.3	269.8	267.8	261.6	296.1	287.2

RESULT AFTER FINANCIAL ITEMS

MSEK	2003 Full year	2002 Full year	2003 Q 4	2003 Q 3	2003 Q 2	2003 Q 1	2002 Q 4	2002 Q 3	2002 Q 2	2002 Q 1
Lesjöfors	56.2	46.1	11.5	14.4	18.1	12.2	7.8	10.1	14.2	14.0
Habia Cable	-13.4 ¹⁾	0.4	10.2	0.3	-15.3 ¹⁾	-8.6	0.3	-0.7	1.8	-1.0
Elimag	-5.0	-11.8	1.0	-1.6	-2.1	-2.3	-1.5	-3.4	-5.7	-1.2
Stafsjö Bruk	3.2	-4.7	1.1	0.5	0.7	0.9	-1.8	-1.0	-1.4	-0.5
Parent Company and consolidation eliminations	-23.0 ²⁾	-25.2	-8.8 ²⁾	-3.5	-5.0	-5.7	-7.2	-4.1	-5.7	-8.2
Group	18.0	4.8	15.0	10.1	-3.6	-3.5	-2.4	0.9	3.2	3.1
Writedowns, etc.	–	-99.9	–	–	–	–	–	-99.9	–	–
Total	18.0	-95.1	15.0	10.1	-3.6	-3.5	-2.4	-99.0	3.2	3.1

¹⁾ Including a provision in the amount of MSEK 10.

²⁾ Including a provision in the amount of MSEK 6.

PRESIDENT'S STATEMENT

The recovery experienced during the third quarter gained momentum during the fourth quarter. Order bookings increased by 22 percent and invoicing grew by 18 percent compared to the corresponding period one year ago. Earlier in the year Group companies, and Habia especially, had experienced a lag in invoicing volume compared to order bookings. Invoicing grew during the fourth quarter, closing the gap to order bookings. The recovery in the Group is all but completely attributable to the telecom sector. Despite few work days, relatively strong invoicing and a good result were recorded during December. This trend continued into the new year. The Group also continues to generate a positive cash flow. For the first quarter cash flow was MSEK 32.6 and for the full year the corresponding figure was MSEK 74.8. The Group has now had a positive cash flow for more than two years, which has resulted in sharply lower indebtedness.

Lesjöfors had a relatively strong fourth quarter. The seasonal downturn in Chassis Springs was partially compensated by Flat Strip Components. Telecom products is the driving force behind the increase in demand for Flat Strip Components. The increase is derived from parts for mobile phone handsets and components for base stations. All business areas in Lesjöfors saw growth in invoicing. Chassis Springs and Flat Strip Components also recorded better results. In Industrial Springs on the other hand, the result deteriorated. This is to a large extent due to one-time effects that will not recur in 2004. For the full year Lesjöfors showed an operating margin of 10.5 percent. A new production unit was started in Liepaja in Latvia during the fourth quarter. The intention is to locate labor-intensive production to this unit.

Habia recorded a strong increase in sales and earnings during the fourth quarter. This is explained in part by growing volumes in the telecom segment and refers to customers who use Habia's cable for manufacturing of base station antennas. The primary source of increase in demand was Germany and China. Habia manufactures cable for telecom applications at the plants in Sweden and China. Capacity utilization grew markedly at the plants there. This enables the company to benefit from the large capital investments made during 2000 and 2001. Habia enters 2004 with improved demand compared to the corresponding year-ago period. Pricing pressures and exchange rate volatility have a negative effect on earnings, but this is more than compensated for by an improvement in overall demand. Further measures are required, however, to improve productivity in the company.

Elimag again showed a positive result for the fourth quarter. The company is benefiting from stronger demand, especially from telecom customers. The company's overhead has also been reduced sharply compared to the preceding year. Increased sales efforts have led to an increased number of requests for quotes. Several competitors have also disappeared from the market in recent years. This means that opportunities are being created for a continued recovery, albeit from low levels.

Stafsjö put in a strong performance during the latter part of the year. Pricing pressures have resulted in lower margins, but lower margins were compensated for by higher volumes and lower overhead. The result was therefore positive during all of the quarters of the year. Stafsjö entered 2004 with a sharply higher order backlog than at the corresponding point in time last year. This means that capacity utilization will be good during the first quarter of 2004.

Overall, it can be said that the Group enters 2004 with a significantly better outlook. Order backlogs are higher and available production capacity is being utilized far more efficiently. Excellent opportunities thus exist for continued earnings increases during 2004.

DIVIDEND PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors proposes a dividend of SEK 1.50 per share (1.00).

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 6:00 p.m., March 17 in Uppsala.

Uppsala, February 13, 2004

BEIJER ALMA AB (publ)

Board of Directors

For further information please contact:

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

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

Next report date:

Quarterly report April 29, 2004

Previous reports are available at Beijer Alma's homepage www.beijer-alma.se under tab Investor Relations.

ACCOUNTING PRINCIPLES

This interim report has been compiled in accordance with recommendation RR 20, Interim reporting, of the Swedish Financial Accounting Standards Council. Beijer Alma implemented the following accounting recommendations from the Swedish Financial Accounting Standards Council effective as of January 1, 2003:

RR 2	Inventories
RR 22	Composition of financial reports
RR 25	Reporting by segment
RR 26	Events after the period under review
RR 27	Financial instruments – information and classification
RR 28	Government support

Implementation of these recommendations had no significant effect on earnings or financial position. In all other respects the same accounting principles have been applied to this interim report as to the most recently presented Annual Report.

SUMMARY STATEMENTS OF INCOME

MSEK	2003 Q 4	2002 Q 4	2003 Full year	2002 Full year	2001 Full year
Net revenues	315.6	267.8	1 154.0	1 113.0	1 320.2
Cost of goods sold	-218.9	-185.7	-821.0	-770.7	-937.8
Gross profit	96.7	82.1	333.0	342.3	382.4
Selling expenses	-42.9	-46.6	-176.0	-185.6	-204.0
Administrative expenses	-34.4	-26.1	-116.2	-118.9	-147.6
Writedowns of fixed assets	-	-	-	-99.9	-
Share in result of associated companies before tax	-0.2	-5.3 ¹⁾	-1.1	-5.4	1.5
Operating result	19.2	4.1	39.7	-67.5	32.3
Interest income and similar items	1.1	1.7	2.8	3.3	5.4
Interest expenses and similar items	-5.3	-8.2	-24.5	-30.9	-35.7
Result after financial items	15.0	-2.4	18.0	-95.1	2.0
Taxes	-7.7	-0.2	-10.5	11.1	10.3
Net result for the period	7.3	-2.6	7.5	-84.0	12.3
Earnings per share before dilution, SEK	0.82	-0.29	0.83	-9.31	1.36
Earnings per share, fully diluted basis, SEK	0.79	-0.25	0.88	-9.31	1.36
Dividend proposed by the Board of Directors/resolved by the Annual General Meeting	-	-	1.50	1.00	2.00
Depreciation and amortization is included in an amount of, MSEK	24.6	23.3	89.6	96.6	86.6

¹⁾ In prior periods during 2002 the corresponding costs have been charged to the Parent Company.

SUMMARY BALANCE SHEETS

MSEK	2003 Dec. 31	2002 Dec. 31	2001 Dec. 31
ASSETS			
Fixed assets			
Intangible fixed assets	90.7	107.7	169.1
Tangible fixed assets	501.5	518.8	640.7
Financial assets	32.2	30.9	29.4
Total fixed assets	624.4	657.4	839.2
Current assets			
Inventories	205.5	251.6	289.5
Receivables	225.9	220.2	268.6
Liquid funds	71.0	47.2	32.0
Total current assets	502.4	519.0	590.1
Total assets	1 126.8	1 176.4	1 429.3
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	112.8	112.8	112.7
Restricted reserves	179.1	185.6	203.6
Unrestricted reserves	152.3	243.9	248.8
Net result for the period	7.5	-84.0	12.3
Total shareholders' equity	451.7	458.3	577.4
Provisions	44.2	50.6	64.3
Long-term liabilities to credit institutions	421.0	469.2	565.4
Current liabilities to credit institutions	29.6	33.1	39.1
Current non-interest-bearing liabilities	180.3	165.2	183.1
Total shareholders' equity and liabilities	1 126.8	1 176.4	1 429.3

SUMMARY STATEMENTS OF CASH FLOW

MSEK	2003 Q 4	2002 Q 4	2003 Full year	2002 Full year	2001 Full year
Cash flow from current operations before change in working capital and capital expenditures	24.1	17.9	99.3	98.4	91.8
Change in working capital, increase (-) decrease (+)	21.0	17.9	26.8	35.7	-36.5
Cash flow from current operations	45.1	35.8	126.1	134.1	55.3
Investment operations	-14.4	-3.2	-51.3	-17.9	-141.0
Cash flow after capital expenditures	30.7	32.6	74.8	116.2	-85.7
<u>Financing operations</u>	<u>-7.8</u>	<u>-7.4</u>	<u>-48.8</u>	<u>-97.8</u>	<u>77.7</u>
Change in liquid funds	22.9	25.2	26.0	18.4	-8.0
Liquid funds at beginning of period	50.3	25.2	47.2	32.0	17.8
Sold cash and exchange rate changes in cash	-2.2	-3.2	-2.2	-3.2	22.2
Liquid funds at end of period	71.0	47.2	71.0	47.2	32.0
Approved but unutilized committed credit facilities	204.4	226.9	204.4	226.9	207.0
Available liquid funds	275.4	274.1	275.4	274.1	239.0

SPECIFICATION OF CHANGE IN SHAREHOLDERS' EQUITY

	2003 Jan. – Dec.	2002 Jan. – Dec.	2001 Jan. – Dec.
Opening shareholders' equity	458.3	577.4	482.3
New issue	-	-	103.6
Dividend paid	-9.0	-18.0	-35.9
Conversion of subordinated debentures	-	0.4	2.7
Translation difference	-5.2	-17.5	12.4
Net result for the period	7.5	-84.0	12.3
Closing shareholders' equity	451.6	458.3	577.4

NUMBER OF SHARES

	2003 Dec. 31	2002 Dec. 31	2001 Dec. 31
Number of shares outstanding	9 023 300	9 023 300	9 018 300
Subordinated debentures outstanding	386 880	386 880	391 880
Personnel options outstanding	200 000	200 000	200 000
Total number of shares outstanding fully diluted basis	9 610 180	9 610 180	9 610 180
Average number of shares outstanding, fully diluted basis	9 610 180	9 610 180	9 610 180

1 110 000 of shares outstanding are class A shares; the remainder is class B shares.
Convertible debentures and personnel options entitle their holders to subscribe for class B shares.

KEY FINANCIAL INDICATORS	2003 Q 4	2002 Q 4	2003 Full year	2002 Full year	2001 Full year
Number of shares outstanding ¹⁾	9 610 180	9 610 180	9 610 180	9 610 180	9 610 180
Net revenues, MSEK	315.6	267.8	1 154.0	1 113.0	1 320.3
Operating result, MSEK	19.2	4.1	39.7	-67.5	32.3
Result before taxes, MSEK	15.0	-2.4	18.0	-95.1	2.0
Earnings per share after actual taxes, SEK	0.79	-0.25	0.88	-8.65	1.46
Earnings per share after 28 % standard taxes, SEK	1.15	-0.22	1.45	0.45 ²⁾	0.28
Cash flow after capital expenditures per share, SEK	3.40	3.61	8.29	12.88	-9.50
Return on equity, %	9.7	neg.	2.9	0.7 ²⁾	0.3
Return on capital employed, %	8.9	3.4	4.5	3.3 ²⁾	3.3
Shareholders' equity per share, SEK	50.06	50.79	50.06	50.79	64.03
Equity ratio, %	40.1	39.0	40.1	39.0	40.4
Debt equity ratio (net), %	85.7	100.9	85.7	100.9	100.4
Liquid assets including committed credit facilities not drawn upon, MSEK	275.4	274.1	274.4	274.1	239.0
Capital expenditures, MSEK	11.1	3.2	55.1	17.9	116.0
Interest coverage ratio	3.8	0.7	1.7	1.2 ²⁾	1.1
Number of employees at end of period	879	909	879	909	1 006

1) Including outstanding subordinated convertible debentures and personnel options. Not including subordinated convertible debentures and personnel options, the number of shares outstanding as of December 31, 2003, was 9 023 300.

2) Not including writedown of fixed assets in September 2002.

