

Press release

Interim report January – September 2006 for Beijer Alma AB (publ)

Continued growth in earnings

- Net revenues were MSEK 1,120.8 (976.5).
- Profit after financial items was MSEK 194.7 (153.5).
- Profit after tax, including capital losses of MSEK -37.3 regarding Elimag, was MSEK 101.5. During the corresponding period in 2005, the result was MSEK 144.8, including capital gains of MSEK 33.6 regarding Stafsjö.
- After-tax earnings per share for continuing operations was SEK 5.06 (4.05).
- Profit after financial items for the third quarter was MSEK 66.8 (57.5).

GROUP

For the thirteenth quarter in a row, Beijer Alma's earnings improved compared with the corresponding quarter in the previous year. Profitability has shown continual improvement over a long period and, in the third quarter, high invoicing in combination with sound cost control produced a record-high operating margin of 19 percent.

During the **January – September** period, order bookings increased by 14.7 percent to MSEK 1,144.7 (997.7). In comparable units, the increase was 9.8 percent. Invoicing was MSEK 1,120.8 (976.5), an increase of 14.8 percent. For comparable units, the increase was 9.7 percent. Profit after financial items was MSEK 194.7 (153.5), equating to after-tax earnings per share of SEK 5.06 (4.05). Exchange rate fluctuations had a positive effect of MSEK 1.6 on profit after financial items. The operating margin was 17.8 percent (16.3). Profit after tax in 2006, including capital losses of MSEK -37.3 referring to the sale of Elimag, was MSEK 101.5. Profit after tax for the corresponding period in 2005 amounted to MSEK 144.8, including capital gains of MSEK 33.6 referring to the sale of Stafsjö.

Investments in tangible fixed assets amounted to MSEK 49.7 (28.9), excluding acquisitions of companies. Cash flow after investments was MSEK 76.1 (124.7). This figure includes cash flow from sold operations in the amounts of MSEK -8.0 and MSEK 60.0. At the end of the period, net interest-bearing liabilities were MSEK 42.1 (68.0). The equity/assets ratio was 57.4 percent (57.5).

During **the third quarter**, order bookings amounted to MSEK 359.4 (332.2), an increase of 8.2 percent. Invoicing increased by 10.2 percent to MSEK 360.5 (327.0). In comparable units, order bookings increased by 2.1 percent and invoicing by 4.4 percent. Profit after financial items reached MSEK 66.8 (57.5). The operating margin was 19.0 percent (18.0). Cash flow after investments amounted to MSEK 43.5 (-3.4).

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 dominant player in the Nordic region and one of the larger companies in Europe in its industry. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Latvia, England and China.

During the **January – September** period, order bookings increased by 23 percent to MSEK 708.2 (577.7). Net revenues were MSEK 697.6 (576.6), an increase of 21 percent. Order bookings for comparable units increased by 14 percent and invoicing by 12 percent. Profit after financial items was MSEK 165.1 (112.2). The operating margin amounted to 23.8 percent (19.6).

During **the third quarter**, order bookings amounted to MSEK 222.5 (180.5), an increase of 23 percent. Invoicing increased by 20 percent, reaching MSEK 217.8 (181.8). In comparable units, the increase in order bookings was 7 percent, while invoicing improved by 3 percent. Profit after financial items was MSEK 50.9 (35.7) and the operating margin was 23.3 percent (19.6).

During the summer, Lesjöfors acquired the English spring manufacturer Harris Springs Ltd, which manufactures and sells springs, primarily for the English market. Revenues in Harris Springs are approximately MSEK 20 per year. In the beginning of September, a third of the shares in the Swedish company Stece AB were acquired. Stece AB is active within both the sheet metal working and spring manufacturing segments. In two years, Lesjöfors plans to acquire all of the spring manufacturing operations, while the sheet metal operations will be taken over by another of Stece's current partners.

HABIA CABLE AB (www.habia.se) is one of Europe's leading manufacturers of specialty cable for applications within telecommunication, transport, nuclear power, defence and other industries. The company has production facilities and conducts research and development in Sweden, and has production facilities in Germany, China and Latvia.

Habia's order bookings during **January–September** were MSEK 436.2 (420.1), an increase of 4 percent. Invoicing increased by 6 percent to MSEK 423.0 (399.4). Profit after financial items was MSEK 45.9 (55.6) and the operating margin was 11.4 percent (14.7).

During **the third quarter**, order bookings were MSEK 136.8 (151.2), a decrease of 10 percent compared with the very strong showing in the corresponding quarter in the previous year. Invoicing decreased by 1 percent to MSEK 142.7 (144.8). Profit after financial items was MSEK 19.1 (25.4) and the operating margin amounted to 13.9 percent (18.2).

Habia has stable sales development. There is downward pressure on prices, primarily from within the telecommunications sector, which accounts for approximately 40 percent of Habia's sales. The company is addressing this situation by gradually moving more of the refinement work to low-cost countries. Habia's earnings have been negatively affected by increasing prices for raw materials, primarily copper, which the company has not been able to fully offset.

PARENT COMPANY

The Parent Company is a holding company which conducts no business of its own and has no external invoicing. Operations in the Parent Company during the January–September period have resulted in profit after financial items of MSEK –16.4. The Parent Company has invoiced Group companies for MSEK 9.6. No investments were made.

NET REVENUES AND RESULT BY OPERATING SEGMENT

NET REVENUES

MSEK	2006	2006	2006	2005	2005	2005	2005	2005	2004	2003
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Full-year	Full-year	Full-year
Lesjöfors	217.8	253.7	226.1	186.2	181.8	216.8	178.0	762.8	673.4	572.3
Habia Cable	142.7	140.9	139.4	160.2	144.8	136.5	118.1	559.6	527.0	416.8
Parent Company and consolidation eliminations	0	0.2	0	0.2	0.4	-0.1	0.2	0.7	1.2	1.4
Continuing operations	360.5	394.8	365.5	346.6	327.0	353.2	296.3	1,323.1	1,201.6	990.5
Discontinued operations	0	8.0	15.0	22.0	18.1	50.4	50.1	140.6	221.1	163.5
Total	360.5	402.8	380.5	368.6	345.1	403.6	346.4	1,463.7	1,422.7	1,154.0

OPERATING RESULT

MSEK	2006	2006	2006	2005	2005	2005	2005	2005	2004	2003
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Full-year	Full-year	Full-year
Lesjöfors	50.8	63.9	51.2	31.2	35.7	46.8	30.3	144.0	110.2	60.3
Habia Cable	19.8	13.6	14.7	23.2	26.3	20.2	12.4	82.1	75.1	-5.2
Parent Company and consolidation eliminations	-2.2	-5.5	-6.4	-7.0	-3.3	-5.3	-3.8	-19.4	-19.0	-17.3
Continuing operations	68.4	72.0	59.5	47.4	58.7	61.7	38.9	206.7	166.3	37.8
Discontinued operations	0	-34.9	-2.2	1.0	0.4	32.2	3.4	37.0	19.6	1.9
Total	68.4	37.1	57.3	48.4	59.1	93.9	42.3	243.7	185.9	39.7

PROFIT AFTER FINANCIAL ITEMS

MSEK	2006	2006	2006	2005	2005	2005	2005	2005	2004	2003
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Full-year	Full-year	Full-year
Lesjöfors	50.9	63.3	50.9	31.1	35.7	46.6	29.9	143.3	108.0	56.2
Habia Cable	19.1	12.9	13.9	22.4	25.4	18.9	11.3	78.0	69.5	-13.4
Parent Company and consolidation eliminations	-3.2	-6.0	-7.1	-7.2	-3.6	-5.8	-4.9	-21.5	-22.5	-23.0
Continuing operations	66.8	70.2	57.7	46.3	57.5	59.7	36.3	199.8	155.0	19.8
Discontinued operations	0	-34.9	-2.4	0.8	0.2	31.8	2.9	35.6	17.0	-1.8
Total	66.8	35.3	55.3	47.1	57.7	91.5	39.2	235.4	172.0	18.0

PRESIDENT'S STATEMENT

Operations within Beijer Alma continue to develop well. We have now had thirteen quarters in a row of continuous earnings growth compared with corresponding quarters in previous years. Furthermore, the operating margin for the Group has continuously increased in recent years, reaching 19 percent for the third quarter, an increase of 1 percentage point compared with the corresponding period in the previous year. The high margin is primarily a result of the good profitability of Lesjöfors, but is also due to the fact that Habia, despite downward pressure on prices and increasing raw material prices, was able to achieve an operating margin of 14 percent for the third quarter.

Demand continues to be favorable for the Group's companies. During the first three quarters, Lesjöfors had sales growth of nearly 21 percent, including acquired units, and over 12 percent organic growth.

Habia's invoicing increased by 6 percent during the nine-month period. During the third quarter, however, sales were marginally lower than in the corresponding period in the previous year. This is primarily due to the fact that sales to customers in the telecommunications sector were high during the third quarter in the previous year. The fourth quarter's comparative figures will also be affected by the previous year's strong demand within the telecom area.

Increased invoicing had a positive effect of 28 percent on earnings during the first nine months of the year. This is lower than the level achieved over the last three years, and is due, in part, to a portion of the growth for the year resulting from corporate acquisitions. The effect on results of the increased invoicing continues to be good in Lesjöfors, amounting to 44 percent during the first nine months of the year. Habia, however, has suffered from increasing raw materials prices, primarily for copper, as well as significant downward pricing pressure from telecom customers. During the most recent quarters, however, prices have been increased to offset the high raw materials prices, which has gradually produced an effect on earnings.

As planned, investments have increased during the year. From having been significantly lower than depreciation for a number of years, investments are now on par with or slightly higher than depreciation. The higher level of investments is primarily a result of the high growth in Lesjöfors, where investments have been made in the past year in, among other things, new production capacity for chassis spring manufacturing. The good growth within the industrial spring area also accounts for somewhat higher investment activity.

Despite the increased investment, cash flow is extremely positive. Cash flow for the quarter amounted to MSEK 44, which means that the balance sheet continues to be strengthened. The net debt/equity ratio, that is, net liabilities as a percentage of equity, is now down to 6 percent. The strong balance sheet will be used to continue expanding the Group through corporate acquisitions in combination with organic growth. The acquisition activities are so far concentrated to Lesjöfors, which, during the last twelve months, has acquired Danfoss spring factory in Denmark, Harris Springs in Great Britain, and 33 percent of the Swedish spring company Stece. Candidates for acquisition are continuously being evaluated, and this should lead to more spring companies being acquired in the future.

The demand situation for the fourth quarter continues to be favorable for Lesjöfors and Habia.

NOMINATION COMMITTEE

As has been stated in an earlier press release, Chairman of the Board and the company's principal owner Anders Wall and Board member Thomas Halvorsen have been appointed to the Nomination Committee in accordance with a decision of this year's Annual General Meeting. Other members of the Nomination Committee have been appointed by a group of the company's major shareholders in joint consultation. These Committee members are: Caroline af Ugglas, Livförsäkrings AB Skandia; Ulf Hedlundh, Svolder AB; and Jan Andersson, Robur Fonder. For the 2007 Annual General Meeting, the Nomination Committee is to present proposals for members of the Board, Chairman of the Board, Chairman of the annual general meeting and remuneration to Board members,.

ANNUAL GENERAL MEETING 2007

The 2007 Annual General Meeting will be held in Uppsala on Wednesday 28 March 2007.

EVENTS AFTER THE END OF THE PERIOD

No special events have taken place after the end of the period.

ACCOUNTING PRINCIPLES

The Group

This interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. The presentation of the interim report follows IAS 34 Interim Financial Reporting, RR 31 Consolidated Interim Reporting, and the Swedish Annual Accounts Act. Accounting principles and terms of calculation are unchanged from those applied in the Annual Report 2005. The accounting has not been affected by new standards adopted during the period.

The Parent Company

The Parent Company, Beijer Alma AB, applies the Swedish Annual Accounts Act and Swedish Financial Accounting Standards Council recommendation RR 32, Accounting for Legal Entities. These accounting principles correspond with those applied in the previous year and with the consolidated accounting principles in applicable parts.

SUMMARY INCOME STATEMENT

MSEK	2006	2005	2006	2005	2005	2004	2003
	Q 3	Q 3	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Net revenues	360.5	327.0	1 120.8	976.5	1,323.1	1,201.6	1,154.0
Cost of goods sold	-223.9	-202.0	-703.6	-608.1	-835.8	-770.5	-821.0
Gross result	136.6	125.0	417.2	368.4	487.3	431.1	333.0
Selling expenses	-40.2	-40.9	-124.7	-126.3	-164.0	-158.4	-176.0
Administrative expenses	-27.9	-25.2	-93.6	-82.5	-116.4	-107.6	-116.2
Share in result of associated company	-0.1	-0.2	1.0	-0.3	-0.2	1.3	-1.1
Operating result	68.4	58.7	199.9	159.3	206.7	166.4	39.7
Interest income and similar items	0.5	0.4	1.2	1.0	1.7	1.3	2.8
Interest expenses and similar items	-2.1	-1.6	-6.4	-6.8	-8.6	-12.7	-24.5
Profit after financial items	66.8	57.5	194.7	153.5	199.8	155.0	18.0
Taxes	-19.1	-15.0	-55.9	-42.3	-57.8	-40.0	-10.5
Net result in continuing operations	47.7	42.5	138.8	111.2	142.0	115.0	7.5
Net result in discontinued operations	0	0.2	-37.3	33.6	34.1	12.2	-
Net result for the period	47.7	42.7	101.5	144.8	176.1	127.2	7.5
Earnings per share in continuing operations							
– before dilution, SEK	1.74	1.55	5.06	4.05	5.17	4.21	-
– after dilution, SEK	1.74	1.55	5.06	4.05	5.17	4.21	-
Earnings per share in discontinued operations							
– before dilution, SEK	-	-	-1.36	1.23	1.25	0.43	-
– after dilution, SEK	-	-	-1.36	1.23	1.25	0.43	-
Reported earnings per share							
– before dilution, SEK	1.74	1.55	3.70	5.28	6.42	4.64	0.28
– after dilution, SEK	1.74	1.55	3.70	5.28	6.42	4.64	0.28
Dividend per share, SEK					3.67	1.67	0.50
Depreciation and amortisation is included in the amount of, MSEK	14.5	14.2	45.9	45.2	71.3	69.4	89.6

SUMMARY BALANCE SHEETS

MSEK	2006 30 Sep	2005 30 Sep	2005 31 Dec	2004 31 Dec	2003 31 Dec
ASSETS					
Fixed assets					
Intangible fixed assets	78.1	67.1	72.7	71.1	90.7
Tangible fixed assets	418.8	437.5	443.5	467.9	501.5
Financial fixed assets	39.7	25.5	42.2	22.3	32.2
Total fixed assets	536.6	530.1	558.4	561.3	624.4
Current assets					
Inventories	223.7	198.2	222.5	223.1	205.5
Receivables	320.1	325.3	274.8	228.9	225.9
Cash and cash equivalents	148.5	115.0	124.4	105.5	71.0
Total current assets	692.3	638.5	621.7	557.5	502.4
Total assets	1,228.9	1,168.6	1,180.1	1,118.8	1,126.8

MSEK	2006 30 Sep	2005 30 Sep	2005 31 Dec	2004 31 Dec	2003 31 Dec
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	114.3	114.3	114.3	114.3	112.8
Other reserves	166.3	165.1	170.3	158.2	156.6
Retained earnings	323.7	248.2	248.2	166.7	175.1
Net result for the period	101.5	144.8	176.1	127.2	7.2
Total shareholders' equity	705.8	672.4	708.9	566.4	451.7
Long-term liabilities to credit institutions	75.3	107.2	97.2	130.5	184.0
Other long-term liabilities	24.8	27.1	29.0	38.7	44.2
Short-term liabilities to credit institutions	114.9	75.4	69.5	146.0	266.6
Current non-interest-bearing liabilities	308.1	286.5	275.5	237.2	180.3
Total shareholders' equity and liabilities	1,228.9	1,168.6	1,180.1	1,118.8	1,126.8

SUMMARY CASH FLOW STATEMENT

MSEK	2006 Q 3	2005 Q 3	2006 Jan-Sep	2005 Jan-Sep	2005 Full-year	2004 Full-year	2003 Full-year
Cash flow from operating activities before changes in working capital and capital expenditures	73.9	56.7	196.4	156.3	214.8	211.2	99.3
Cash flow from discontinued operations	–	–12.7	–8.0	60.0	61.2	11.6	–
Change in working capital, increase (–) decrease (+)	–2.8	–36.9	–45.8	–59.8	–47.8	4.3	26.8
Cash flow from current operations	71.1	7.1	142.6	156.5	228.2	227.1	126.1
Investment operations	–27.6	–10.5	–66.5	–31.8	–85.6	–36.6	–51.3
Cash flow after capital expenditures	43.5	–3.4	76.1	124.7	142.6	190.5	74.8
Financing operations	–9.7	9.6	–51.4	–118.3	–126.8	–153.3	–48.8
Changes in liquid funds	33.8	6.2	24.7	6.4	15.8	37.2	26.0
Liquid funds at beginning of period	114.2	111.7	124.4	105.5	105.5	71.0	47.2
Sold cash and exchange rate changes in cash	0.5	–2.9	–0.6	3.1	3.1	–2.7	–2.2
Liquid funds at end of period	148.5	115.0	148.5	115.0	124.4	105.5	71.0
Approved but unutilised committed credit facilities	264.0	344.9	264.0	344.9	349.6	309.3	204.4
Available liquid funds	412.5	459.9	412.5	459.9	474.0	414.8	275.4

SPECIFICATION OF RESULT IN DISCONTINUED OPERATIONS

MSEK	2006 Q 3	2005 Q 3	2006 Jan-Sep	2005 Jan-Sep	2005 Full-year	2004 Full-year
Capital gain/loss	–	–	–32.5	31.1	31.1	–
Sales revenue	–	18.1	23.0	71.1	93.1	221.1
Expenses	–	–17.9	–28.6	–67.4	–88.6	–204.1
Profit before taxes	–	0.2	–38.1	34.8	35.6	17.0
Taxes	–	–	0.8	–1.2	–1.5	–4.8
Profit after taxes	0	0.2	–37.3	33.6	34.1	12.2

SPECIFICATION OF CHANGE IN SHAREHOLDERS' EQUITY

MSEK	2006 Jan-Sep	2005 Jan-Sep	2005 Full-year	2004 Full-year	2003 Full-year
Opening shareholders' equity	708.9	566.4	566.4	451.7	458.3
Effect of IFRS	–	3.7	3.7	–2.0	–
Dividend paid	–100.6	–45.7	–45.7	–13.5	–9.0
Conversion of subordinated loan	–	–	–	10.2	–
Foreign exchange effect in forward contracts in accordance with IAS 39	–	–9.5	–5.1	–	–
Translation difference	–	12.7	13.5	–7.2	–5.1
Net result for the period	–	144.8	176.1	127.2	7.5
Closing shareholders' equity	608.3	672.4	708.9	566.4	451.7

Specification of shareholders' equity for the period	Share capital	Other reserves	Retained earnings	Result for the period	Total
31 December 2005	114.3	170.3	248.2	176.1	708.9
Transfer of result for the period	–	–	176.1	–176.1	0
Dividend paid	–	–	–100.6	–	–100.6
Change in value of hedging reserve	–	2.8	–	–	2.8
Tax on hedging reserve	–	–0.8	–	–	–0.8
Translation differences	–	–6.0	–	–	–6.0
Net result for the period	–	–	–	101.5	101.5
30 September 2006	114.3	166.3	323.7	101.5	705.8

NUMBER OF SHARES

	2006 30 Sep	2005 30 Sep	2005 31 Dec	2004 31 Dec	2003 31 Dec
Number of shares outstanding	27,431,100	27,431,100	27,431,100	27,431,100	27,069,900
Subordinated debentures outstanding	–	–	–	–	1,160,640
Personnel options outstanding	–	–	–	–	600,000
Total number of shares outstanding, fully diluted basis	27,431,100	27,431,100	27,431,100	27,431,100	28,830,540
Average number of shares outstanding, fully diluted basis	27,431,100	27,431,100	27,431,100	27,431,100	28,830,540

3,330,000 of the total number of shares outstanding are class A shares and the remainder are class B shares.

KEY FINANCIAL INDICATORS

	2006	2005	2006	2005	2005	2004	2003
	Q 3	Q 3	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Number of shares outstanding	27,431,100	27,431,100	27,431,100	27,431,100	27,431,100	27,431,100	28,830,540
Net revenues, MSEK	360.5	327.0	1,120.8	976.5	1,323.1	1,201.6	1,154.0
Operating result, MSEK	68.4	58.7	199.9	159.3	206.7	166.4	39.7
Result before taxes, MSEK	66.8	57.5	194.7	153.5	199.8	155.0	18.0
Earnings per share after actual taxes, SEK	1.74	1.55	5.06	4.05	5.17	4.21	0.28
Earnings per share after 28% standard taxes, SEK	1.75	1.51	5.11	4.03	5.25	4.07	0.49
Cash flow after capital expenditures per share, SEK	1.59	-0.12	2.78	4.55	5.20	6.94	2.76
Return on equity, %	28.2	25.5	26.4	23.8	22.6	22.0	2.9
Return on capital employed, %	31.5	28.2	30.3	25.2	24.3	19.3	4.5
Shareholders' equity per share, SEK	25.73	24.51	25.73	24.51	25.84	20.65	16.61
Equity ratio, %	57.4	57.5	57.4	57.5	60.1	50.6	39.9
Debt/equity ratio (net), %	6.0	10.1	6.0	10.1	6.1	31.5	86.1
Liquid funds including committed credit facilities not drawn upon, MSEK	412.5	459.9	412.5	459.9	474.0	414.8	274.4
Capital expenditures, MSEK	13.7	8.7	49.7	28.9	48.0	48.0	55.1
Interest coverage ratio	32.1	32.6	31.3	20.6	21.3	11.7	1.7
Number of employees at end of period	987	865	987	865	904	805	879

Uppsala, 24 October 2006

BEIJER ALMA AB (publ)

Bertil Persson
President & CEO

This interim report has not been audited by the company's auditors.

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Next report date:

Year-end report, 8 February 2007

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

