

## Press Release

# Semi-annual Report January – June 2004 for Beijer Alma AB (publ)

### Record result

- Net revenues during the first six months of the year amounted to MSEK 749.3 (565.1).
- Order bookings were MSEK 784.9 (603.8).
- The result after net financial items was MSEK 92.3 (–7.1, with a provision for inventory reduction of MSEK 10).
- Net result after taxes was MSEK 62.8 (–6.7).
- Earnings per share after taxes were SEK 6.73 (–0.74).
- Cash flow after capital expenditures was MSEK 109.8 (12.3).
- The result after net financial items during the second quarter was MSEK 55.9 (–3.6)

### GROUP

The improvement in market demand, which began to be felt during 2003, was further strengthened. An increase in demand began from customers in the telecom sector, but has gradually spread to a point where it today encompasses most customer groups. All companies in the Group have experienced improved order bookings as well as invoicing and profit. Capacity utilization is currently at a satisfactory level.

Significant investments in capacity were made in the telecom-related production segments during the previous economic boom. It has therefore been possible to handle the higher pace of production essentially utilizing existing facilities, and capital expenditures continue to be at a low level, equivalent to approximately half of depreciation charges. Staffing has increased gradually, however. As of June 30 the number of employees amounted to 938, compared to 879 at the turn of the year. One third of new hiring has been in Latvia and China.

Order bookings increased during the first six months of the year by 30.0 percent to MSEK 784.9 (603.8). Net revenues rose by 32.6 percent to MSEK 749.3 (565.1). The result after financial items was MSEK 92.3 (–7.1). The operating margin was 13.4 percent (0.9). Earnings per share after standard taxes were SEK 7.13 (–0.57).

As mentioned initially, the growth in volume has not entailed significant capital expenditures. Working capital also saw a positive development. Overall, this generated a positive cash flow after capital expenditures of MSEK 109.8 (12.3). As of June 30, 2004 interest-bearing net liabilities amounted to MSEK 278.4 (466.0). Investments in fixed assets amounted to MSEK 22.9 (39.3). The equity ratio as of June 30, 2004 was 43.4 percent (38.1). Available liquidity, defined as liquid funds including unutilized committed credit facilities, was MSEK 338.9 (264.3).

Order bookings during the second quarter were MSEK 409.3 (307.8), an increase by 33.0 percent. Net revenues increased by 35.6 percent to MSEK 400.5 (295.3). The result after net financial items was MSEK 55.9 (–3.6). Earnings per share after standard taxes were SEK 4.32 (–0.29). The operating margin was 14.8 percent (0.7). Cash flow after capital expenditures was MSEK 72.9 (–2.2).

### SUBSIDIARIES

**LESJÖFORS AB** ([www.lesjoforsab.com](http://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.

Order bookings at Lesjöfors increased during the first half of the year by 20.4 percent to MSEK 363.9 (302.2). Invoicing amounted to MSEK 356.3 (297.7), an increase of 19.7 percent. Profit after financial items was MSEK 56.6 (30.3). The operating margin reached 16.2 percent (11.1).

Order bookings during the second quarter were MSEK 193.7 (155.6), an increase by 23.7 percent. Invoicing rose by 21.3 percent to MSEK 191.6 (158.0). The result after financial items was MSEK 33.6 (18.1). The operating margin was 17.8 percent (12.3).

Lesjöfors conducts business in three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. Industrial Springs increased invoicing by 14.7 percent during the first half of the year, Flat Strip Components by 24.1 percent and Chassis Springs by 22.0 percent. All three business areas posted good and increasing profitability.

There were no lasting negative effects on earnings of the fire sustained by the manufacturing unit of Lesjöfors in Vällingby reported in the previous quarterly report. Clean-up and repair work has been completed.

**HABIA CABLE AB** ([www.habia.se](http://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.

Habia's order bookings increased during the first half of the year by 44.5 percent to MSEK 307.3 (212.6). Invoicing amounted to MSEK 283.1 (185.4), an increase by 52.7 percent. The result was MSEK 38.4 (-23.9). The operating margin was 14.7 percent (neg.).

Order bookings during the second quarter were MSEK 162.0 (105.9), an increase by 53.0 percent. Invoicing increased by 56.1 percent to MSEK 151.1 (96.7). The result after financial items was MSEK 23.3 (-15.3 including a provision set aside in the amount of MSEK 10). The operating margin reached 16.3 percent (neg.).

Habia has experienced a very sharp increase in demand from customers in the telecom sector during the past year. Habia is capturing market shares at the same time as markets are showing good growth. Demand from other customer groups is showing a favorable trend.

**ELIMAG AB** ([www.elimag.se](http://www.elimag.se)) conducts high-speed machining of aluminum for customers in telecom and other high-tech sectors.

Elimag's order booking during the first half of the year were MSEK 53.1 (32.9), an increase by 61.4 percent. Invoicing increased by 58.3 percent to MSEK 53.4 (33.8). The result was MSEK 5.4 (-4.4) and the operating margin reached 12.0 percent (neg.).

Order bookings during the second quarter were MSEK 20.4 (16.2). Invoicing amounted to MSEK 30.0 (15.3), while the result after financial items was MSEK 3.2 (-2.1). The operating margin was 12.0 percent.

At Elimag, the efforts continue to broaden the customer base by active sales work. Order bookings were weaker towards the end of the second quarter.

**AB STAFSJÖ BRUK** ([www.stafsjo.com](http://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.

Order bookings during the first half of the year amounted to MSEK 60.4 (54.8), an increase by 10.2 percent. Invoicing increased by 19.5 percent and reached MSEK 56.3 (47.1). Profit after financial items was MSEK 4.1 (1.6). The operating margin was 7.8 percent (4.3).

Order bookings during the second quarter were MSEK 33.0 (29.0). Invoicing amounted to MSEK 27.7 (24.2), with a result after financial items of MSEK 1.6 (0.7). The operating margin was 6.5 percent (3.7).

Demand from the process industry continues to develop in a positive manner. A growing proportion of purchasing is now being sourced in China and certain assembly work will begin there shortly.

## NET REVENUES AND RESULT BY OPERATING SEGMENT

### NET REVENUES

| MSEK   | 2004<br>Q 2  | 2004<br>Q 1  | 2003<br>Q 4  | 2003<br>Q 3  | 2003<br>Q 2  | 2003<br>Q 1  | 2003<br>Full year | 2002<br>Full year |
|--|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|-------------------|
| Lesjöfors  | 191.6        | 164.7        | 136.6        | 138.0        | 158.0        | 139.7        | 572.3             | 546.4             |
| Habia Cable                                      | 151.1        | 132.0        | 132.5        | 98.9         | 96.7         | 88.7         | 416.8             | 400.6             |
| Elimag   | 30.0         | 23.4         | 20.1         | 14.5         | 15.3         | 18.5         | 68.4              | 83.7              |
| Stafsjö Bruk                                     | 27.7         | 28.6         | 26.4         | 21.6         | 24.2         | 22.9         | 95.1              | 81.9              |
| Parent Company and<br>consolidation eliminations | 0.1          | 0.1          | –            | 0.3          | 1.1          | –            | 1.4               | 0.4               |
| <b>Group</b>                                     | <b>400.5</b> | <b>348.8</b> | <b>315.6</b> | <b>273.3</b> | <b>295.3</b> | <b>269.8</b> | <b>1 154.0</b>    | <b>1 113.0</b>    |

### OPERATING RESULT

| MSEK   | 2004<br>Q 2 | 2004<br>Q 1 | 2003<br>Q 4        | 2003<br>Q 3 | 2003<br>Q 2         | 2003<br>Q 1 | 2003<br>Full year   | 2002<br>Full year |
|--|-------------|-------------|--------------------|-------------|---------------------|-------------|---------------------|-------------------|
| Lesjöfors  | 34.1        | 23.8        | 11.8               | 15.6        | 19.4                | 13.5        | 60.3                | 52.4              |
| Habia Cable                                      | 24.7        | 16.9        | 11.9               | 2.3         | -13.1 <sup>1)</sup> | -6.3        | -5.2 <sup>1)</sup>  | 11.0              |
| Elimag   | 3.6         | 2.8         | 1.7                | -1.0        | -1.3                | -1.4        | -2.0                | -10.2             |
| Stafsjö Bruk                                     | 1.8         | 2.6         | 1.2                | 0.7         | 0.9                 | 1.1         | 3.9                 | -3.8              |
| Parent Company and<br>consolidation eliminations | -5.1        | -4.7        | -7.4 <sup>2)</sup> | -2.4        | -3.7                | -3.8        | -17.3 <sup>2)</sup> | -17.0             |
| <b>Group</b>                                     | <b>59.1</b> | <b>41.4</b> | <b>19.2</b>        | <b>15.2</b> | <b>2.2</b>          | <b>3.1</b>  | <b>39.7</b>         | <b>32.4</b>       |
| Writedowns, etc.                                 | –           | –           | –                  | –           | –                   | –           | –                   | -99.9             |
| <b>Total</b>                                     | <b>59.1</b> | <b>41.4</b> | <b>19.2</b>        | <b>15.2</b> | <b>2.2</b>          | <b>3.1</b>  | <b>39.7</b>         | <b>-67.5</b>      |

<sup>1)</sup> Including a provision in the amount of MSEK 10.

<sup>2)</sup> Including a provision in the amount of MSEK 6.

### RESULT AFTER FINANCIAL ITEMS

| MSEK   | 2004<br>Q 2 | 2004<br>Q 1 | 2003<br>Q 4        | 2003<br>Q 3 | 2003<br>Q 2         | 2003<br>Q 1 | 2003<br>Full year   | 2002<br>Full year |
|--|-------------|-------------|--------------------|-------------|---------------------|-------------|---------------------|-------------------|
| Lesjöfors  | 33.6        | 23.0        | 11.5               | 14.4        | 18.1                | 12.2        | 56.2                | 46.1              |
| Habia Cable                                      | 23.3        | 15.1        | 10.2               | 0.3         | -15.3 <sup>1)</sup> | -8.6        | -13.4 <sup>1)</sup> | 0.4               |
| Elimag   | 3.2         | 2.2         | 1.0                | -1.6        | -2.1                | -2.3        | -5.0                | -11.8             |
| Stafsjö Bruk                                     | 1.6         | 2.4         | 1.1                | 0.5         | 0.7                 | 0.9         | 3.2                 | -4.7              |
| Parent Company and<br>consolidation eliminations | -5.8        | -6.3        | -8.8 <sup>2)</sup> | -3.5        | -5.0                | -5.7        | -23.0 <sup>2)</sup> | -25.2             |
| <b>Group</b>                                     | <b>55.9</b> | <b>36.4</b> | <b>15.0</b>        | <b>10.1</b> | <b>-3.6</b>         | <b>-3.5</b> | <b>18.0</b>         | <b>4.8</b>        |
| Writedowns, etc.                                 | –           | –           | –                  | –           | –                   | –           | –                   | -99.9             |
| <b>Total</b>                                     | <b>55.9</b> | <b>36.4</b> | <b>15.0</b>        | <b>10.1</b> | <b>-3.6</b>         | <b>-3.5</b> | <b>18.0</b>         | <b>-95.1</b>      |

<sup>1)</sup> Including a provision in the amount of MSEK 10.

<sup>2)</sup> Including a provision in the amount of MSEK 6.

### PRESIDENT'S STATEMENT

The second quarter was a very strong quarter for the Beijer Alma Group. Invoicing and profit reached record-high levels. Order bookings continued to be higher than invoicing, which resulted in a very good backlog of orders at the end of the quarter. The rate of growth also accelerated during the second quarter compared to the first quarter.

In part, the sharp growth in order bookings and invoicing is a result of strong demand from the telecom sector. During the first six months of the year, the telecom sector accounted for 25 percent of the Group's invoicing compared to 19 percent for the full year 2003.

The importance of the recovery in the telecom sector notwithstanding, it is important to point out that the Group's demand is markedly improved in other customer segments as well. Stafsjö's demand is on the rise from customers in the pulp and paper industry in Europe as well as Asia. Lesjöfors is experiencing growth of between 15 and 25 percent in all business areas. Habia is also seeing growth outside the telecom sector.

The recovery in the telecom sector has the effect that those parts of the Group under pressure from weak demand in the market for mobile telecom, now have the greatest rate of growth. This is particularly true of **Habia**. Habia's invoicing during the second quarter grew by 56 percent. Telecom customers account for virtually all of the increase. In the telecom area, Habia has focused its efforts on cable intended for use in base station antennas. Habia is today a world-leader in this segment, capturing market shares from international competitors in recent years. The company's most important geographic areas are Europe and Asia. Demand grew sharply during the first six months of the year in China. As the sole manufacturer of specialty cable to establish production in China, Habia has captured a strong position in that market. Robust volume development in combination with cost-savings reaped in recent years means that Habia now records high profitability. The operating margin was over 16 percent during the second quarter.

**Lesjöfors** shows good growth and high profitability in all business areas. Overall, Lesjöfors showed an operating margin of 18 percent during the second quarter. Flat strip components and the chassis spring business are displaying very high growth rates. In chassis springs Lesjöfors is capturing market shares in the European market. The company is today the market leader in non-OEM springs for passenger cars in Europe. The Lesjöfors Group's healthy risk diversification over a broad spectrum of customers and product areas means stability in terms of volume as well as profitability.

**Elimag** recorded a positive result for the third consecutive quarter. The company experienced strong demand during the first six months of the year. Customers in the telecom sector account for most of the increase. Elimag has a cost structure that makes it highly sensitive to changes in volume. Given the volumes the company has had during the first six months of the year, profitability was high. The operating margin was 12 percent during the period. Demand slackened slightly during the latter part of the second quarter. The third quarter saw a relatively strong beginning, however.

**Stafsjö's** order bookings and invoicing continues to rise. Invoicing during the first six months of the year increased by 19.5 percent compared to the equivalent year-ago period and the company recorded an operating margin of close to 8 percent. Aside from being strong in the Scandinavian market, Stafsjö commands a strong position in the German-speaking parts of Europe and in China. A number of important deals were won in the German market during the latter part of summer. The job of outsourcing components to China continues and a growing proportion of components are now coming from China. Efforts to begin assembly in that country are in progress and operations will start this fall. More and more processing in low-cost countries is important in order to meet the mounting price competition in Stafsjö's product areas.

Efforts have been ongoing in the Beijer Alma Group for several years to lower costs, increase productivity and to improve cash flow. These efforts have led to significantly improved financial ratios. Sharp invoicing growth notwithstanding, it has been possible to keep working capital as well as capital expenditures at low levels. A reduction in capital tied up, in combination with good profitability performance, has helped to generate a positive cash flow. During the first six months of the year cash flow after capital expenditures was MSEK 110. The Group's financial position is now very strong. Compared to the situation at year-end 2001, when the Group's indebtedness was at its peak, net indebtedness has declined by close to MSEK 300 to MSEK 278. This results in a debt equity ratio of 54 percent and an equity ratio of 43 percent.

It may also be noted that a six-month result before taxes of amounting to MSEK 92 is unparalleled for the Beijer Alma Group, being equivalent to what was previously regarded as good result for a full year. The high level of profitability is obviously the result of a favorable demand situation, but also of several year's of efforts to lower costs and improve productivity. Invoicing per employee is today at an all-time high and increased during the first six months of 2004 by 20 percent compared to the first six months of year 2000.

The Group's customers are currently indicating continued strong demand, although the third quarter is affected seasonally by the vacation period.

**EVENTS AFTER THE END OF THE PERIOD**

No special events have occurred after the end of the period under review.

Uppsala, August 18, 2004

**BEIJER ALMA AB (publ)**

Bertil Persson  
*President & CEO*

*We have reviewed this semi-annual report in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants (FAR). A review is considerably limited in comparison with an audit. Nothing has come to our attention to indicate that the semi-annual report does not comply with the requirements of the stock exchange and annual accounts legislation.*

Uppsala, August 18, 2004

**ÖHRLINGS PRICEWATERHOUSECOOPERS AB**

Hans Lindén  
*Authorized Public Accountant*

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**Next report date:**

Interim Report January – September, October 22, 2004

Previous reports are available at Beijer Alma's homepage [www.beijer-alma.se](http://www.beijer-alma.se) under tab Investor Relations.

**SUMMARY STATEMENTS OF INCOME**

| MSEK  | 2004<br>Q 2  | 2003<br>Q 2 | 2004<br>Six months | 2003<br>Six months | 2003<br>Full year | 2002<br>Full year | 2001<br>Full year |
|---|--------------|-------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| Net revenues  | 400.5        | 295.3       | 749.3              | 565.1              | 1 154.0           | 1 113.0           | 1 320.2           |
| Cost of goods sold  | -261.2       | -217.6      | -492.8             | -411.9             | -821.0            | -770.7            | -937.8            |
| <b>Gross profit</b>   | <b>139.3</b> | <b>77.7</b> | <b>256.5</b>       | <b>153.2</b>       | <b>333.0</b>      | <b>342.3</b>      | <b>382.4</b>      |
| Selling expenses  | -47.0        | -46.1       | -91.9              | -90.7              | -176.0            | -185.6            | -204.0            |
| Administrative expenses   | -32.9        | -29.4       | -64.0              | -56.7              | -116.2            | -118.9            | -147.6            |
| Writedowns of fixed assets                                      | -            | -           | -                  | -                  | -                 | -99.9             | -                 |
| Share in result of associated companies before tax              | -0.3         | 0           | -0.1               | -0.5               | -1.1              | -5.4              | 1.5               |
| <b>Operating result</b>   | <b>59.1</b>  | <b>2.2</b>  | <b>100.5</b>       | <b>5.3</b>         | <b>39.7</b>       | <b>-67.5</b>      | <b>32.3</b>       |
| Interest income and similar items                               | -            | 0.6         | 0.4                | 1.0                | 2.8               | 3.3               | 5.4               |
| Interest expenses and similar items                             | -3.2         | -6.4        | -8.6               | -13.4              | -24.5             | -30.9             | -35.7             |
| <b>Result after financial items</b>                             | <b>55.9</b>  | <b>-3.6</b> | <b>92.3</b>        | <b>-7.1</b>        | <b>18.0</b>       | <b>-95.1</b>      | <b>2.0</b>        |
| Taxes   | -16.8        | 0.2         | -29.5              | 0.4                | -10.5             | 11.1              | 10.3              |
| <b>Net result for the period</b>                                | <b>39.1</b>  | <b>-3.4</b> | <b>62.8</b>        | <b>-6.7</b>        | <b>7.5</b>        | <b>-84.0</b>      | <b>12.3</b>       |
| Earnings per share before dilution, SEK                         | 4.27         | -0.37       | 6.86               | -0.74              | 0.83              | -9.31             | 1.36              |
| Earnings per share fully diluted basis, SEK                     | 4.20         | -0.37       | 6.73               | -0.74              | 0.83              | -9.31             | 1.36              |
| Dividend, SEK   | -            | -           | -                  | -                  | 1.50              | 1.00              | 2.00              |
| Depreciation and amortization is included in an amount of, MSEK | 22.4         | 22.6        | 44.8               | 44.6               | 89.6              | 96.6              | 86.6              |

**SUMMARY BALANCE SHEETS**

| MSEK  | 2004<br>June 30 | 2003<br>June 30 | 2003<br>Dec. 31 | 2002<br>Dec. 31 | 2001<br>Dec. 31 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>ASSETS</b>                                     |                 |                 |                 |                 |                 |
| <b>Fixed assets</b>                               |                 |                 |                 |                 |                 |
| Intangible fixed assets                           |                 | 82.6            | 100.2           | 90.7            | 107.7           |
| Tangible fixed assets                             |                 | 488.6           | 522.7           | 501.5           | 518.8           |
| Financial assets                                  |                 | 26.1            | 32.8            | 32.2            | 30.9            |
| <b>Total fixed assets</b>                         |                 | <b>597.3</b>    | <b>655.7</b>    | <b>624.4</b>    | <b>657.4</b>    |
| <b>Current assets</b>                             |                 |                 |                 |                 |                 |
| Inventories                                       |                 | 201.5           | 223.0           | 205.5           | 251.6           |
| Receivables                                       |                 | 300.4           | 247.0           | 225.9           | 220.2           |
| Liquid funds                                      |                 | 84.3            | 33.8            | 71.0            | 47.2            |
| <b>Total current assets</b>                       |                 | <b>586.2</b>    | <b>503.8</b>    | <b>502.4</b>    | <b>519.0</b>    |
| <b>Total assets</b>                               |                 | <b>1 183.5</b>  | <b>1 159.5</b>  | <b>1 126.8</b>  | <b>1 176.4</b>  |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>       |                 |                 |                 |                 |                 |
| <b>Shareholders' equity</b>                       |                 |                 |                 |                 |                 |
| Share capital                                     |                 | 114.3           | 112.8           | 112.8           | 112.8           |
| Restricted reserves                               |                 | 187.9           | 184.7           | 179.1           | 185.6           |
| Unrestricted reserves                             |                 | 149.1           | 151.0           | 152.3           | 243.9           |
| Net result for the period                         |                 | 62.8            | -6.7            | 7.5             | -84.0           |
| <b>Total shareholders' equity</b>                 |                 | <b>514.1</b>    | <b>441.8</b>    | <b>451.7</b>    | <b>577.4</b>    |
| Provisions  |                 | 43.1            | 50.1            | 44.2            | 50.6            |
| Long-term liabilities to credit institutions      |                 | 161.5           | 242.1           | 184.0           | 248.2           |
| Current liabilities to credit institutions        |                 | 194.2           | 250.7           | 266.6           | 254.1           |
| Current non-interest-bearing liabilities          |                 | 270.6           | 174.8           | 180.3           | 165.2           |
| <b>Total shareholders' equity and liabilities</b> |                 | <b>1 183.5</b>  | <b>1 159.5</b>  | <b>1 126.8</b>  | <b>1 176.4</b>  |

**SUMMARY STATEMENTS OF CASH FLOW**

| <b>MSEK</b>   | <b>2004</b>  | <b>2003</b> | <b>2004</b>       | <b>2003</b>       | <b>2003</b>      | <b>2002</b>      | <b>2001</b>      |
|---|--------------|-------------|-------------------|-------------------|------------------|------------------|------------------|
|   | <b>Q 2</b>   | <b>Q 2</b>  | <b>Six months</b> | <b>Six months</b> | <b>Full year</b> | <b>Full year</b> | <b>Full year</b> |
| Cash flow from current operations before change in working capital and capital expenditures | 65.4         | 29.2        | 112.8             | 47.9              | 99.3             | 98.4             | 91.8             |
| Change in working capital, increase (-) decrease (+)  | 18.5         | -3.0        | 14.8              | -4.0              | 26.8             | 35.7             | -36.5            |
| Cash flow from current operations   | 83.9         | 26.2        | 127.6             | 43.9              | 126.1            | 134.1            | 55.3             |
| Investment operations   | -11.0        | -28.4       | -17.8             | -31.6             | -51.3            | -17.9            | -141.0           |
| Cash flow after capital expenditures  | 72.9         | -2.2        | 109.8             | 12.3              | 74.8             | 116.2            | -85.7            |
| <u>Financing operations</u>   | <u>-45.1</u> | <u>2.6</u>  | <u>-96.5</u>      | <u>-25.7</u>      | <u>-48.8</u>     | <u>-97.8</u>     | <u>77.7</u>      |
| <b>Change in liquid funds</b>   | <b>27.8</b>  | <b>0.4</b>  | <b>13.3</b>       | <b>-13.4</b>      | <b>26.0</b>      | <b>18.4</b>      | <b>-8.0</b>      |
| Liquid funds at beginning of period   | 56.5         | 33.4        | 71.0              | 47.2              | 47.2             | 32.0             | 17.8             |
| Sold cash and exchange rate changes in cash   | -            | -           | -                 | -                 | -2.2             | -3.2             | 22.2             |
| Liquid funds at end of period   | 84.3         | 33.8        | 84.3              | 33.8              | 71.0             | 47.2             | 32.0             |
| Approved but unutilized committed credit facilities   | 254.6        | 230.5       | 254.6             | 230.5             | 204.4            | 226.9            | 207.0            |
| Available liquid funds  | 338.9        | 264.3       | 338.9             | 264.3             | 275.4            | 274.1            | 239.0            |

**SPECIFICATION OF CHANGE IN SHAREHOLDERS' EQUITY**

|                                       | <b>2004</b>      | <b>2003</b>      | <b>2003</b>      | <b>2002</b>      | <b>2001</b>      |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                       | <b>Jan.-Jun.</b> | <b>Jan.-Jun.</b> | <b>Jan.-Dec.</b> | <b>Jan.-Dec.</b> | <b>Jan.-Dec.</b> |
| <b>Opening shareholders' equity</b>   | <b>451.7</b>     | <b>458.3</b>     | <b>458.3</b>     | <b>577.4</b>     | <b>482.3</b>     |
| New issue                             | -                | -                | -                | -                | 103.6            |
| Dividend paid                         | -13.5            | -9.0             | -9.0             | -18.0            | -35.9            |
| Conversion of subordinated debentures | 10.3             | -                | -                | 0.4              | 2.7              |
| Translation difference                | 2.8              | -0.8             | -5.1             | -17.5            | 12.4             |
| Net result for the period             | 62.8             | -6.7             | 7.5              | -84.0            | 12.3             |
| <b>Closing shareholders' equity</b>   | <b>514.1</b>     | <b>441.8</b>     | <b>451.7</b>     | <b>458.3</b>     | <b>577.4</b>     |

**NUMBER OF SHARES**

|   | <b>2004</b>    | <b>2003</b>    | <b>2003</b>    | <b>2002</b>    | <b>2001</b>    |
|---|----------------|----------------|----------------|----------------|----------------|
|   | <b>Jun. 30</b> | <b>Jun. 30</b> | <b>Dec. 31</b> | <b>Dec. 31</b> | <b>Dec. 31</b> |
| Number of shares outstanding                              | 9 143 700      | 9 023 300      | 9 023 300      | 9 023 300      | 9 018 300      |
| Subordinated debentures outstanding                       | -              | 386 880        | 386 880        | 386 880        | 391 880        |
| Personal options outstanding                              | 200 000        | 200 000        | 200 000        | 200 000        | 200 000        |
| Total number of shares outstanding, fully diluted basis   | 9 343 700      | 9 610 180      | 9 610 180      | 9 610 180      | 9 610 180      |
| Average number of shares outstanding, fully diluted basis | 9 343 700      | 9 610 180      | 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. Personnel options entitle their holders to subscribe for class B shares.

**KEY FINANCIAL INDICATORS**

|  | <b>2004</b> | <b>2003</b> | <b>2004</b>       | <b>2003</b>       | <b>2003</b>      | <b>2002</b>        | <b>2001</b>      |
|--|-------------|-------------|-------------------|-------------------|------------------|--------------------|------------------|
|  | <b>Q 2</b>  | <b>Q 2</b>  | <b>Six months</b> | <b>Six months</b> | <b>Full year</b> | <b>Full year</b>   | <b>Full year</b> |
| Number of shares outstanding <sup>1)</sup>                               | 9 343 700   | 9 610 180   | 9 343 700         | 9 610 180         | 9 610 180        | 9 610 180          | 9 610 180        |
| Net revenues, MSEK   | 400.5       | 295.3       | 749.3             | 565.1             | 1 154.0          | 1 113.0            | 1 320.3          |
| Operating result, MSEK   | 59.1        | 2.2         | 100.5             | 5.3               | 39.7             | -67.5              | 32.3             |
| Result before taxes, MSEK  | 55.9        | -3.6        | 92.3              | -7.1              | 18.0             | -95.1              | 2.0              |
| Earnings per share after actual taxes, SEK                               | 4.20        | -0.37       | 6.73              | -0.74             | 0.83             | -9.31              | 1.36             |
| Earnings per share after 28 % standard taxes, SEK                        | 4.32        | -0.25       | 7.13              | -0.49             | 1.45             | 0.45 <sup>2)</sup> | 0.28             |
| Cash flow after capital expenditures per share, SEK                      | 7.97        | -0.24       | 12.01             | 1.36              | 8.29             | 12.88              | -9.50            |
| Return on equity, %  | 32.8        | neg.        | 27.5              | neg.              | 2.9              | 0.7 <sup>2)</sup>  | 0.3              |
| Return on capital employed, %  | 26.9        | 1.2         | 22.6              | 1.3               | 4.5              | 3.3 <sup>2)</sup>  | 3.3              |
| Shareholders' equity per share, SEK                                      | 56.22       | 48.96       | 56.22             | 48.96             | 50.06            | 50.79              | 64.03            |
| Equity ratio, %  | 43.4        | 38.1        | 43.4              | 38.1              | 40.1             | 39.0               | 40.4             |
| Debt equity ratio (net), %   | 54.2        | 105.5       | 54.2              | 105.5             | 85.7             | 100.9              | 100.4            |
| Liquid assets including committed credit facilities not drawn upon, MSEK | 338.9       | 264.3       | 338.9             | 264.3             | 274.4            | 274.1              | 239.0            |
| Capital expenditures, MSEK   | 15.2        | 36.1        | 22.9              | 39.3              | 55.1             | 17.9               | 116.0            |
| Interest coverage ratio  | 17.9        | 0.4         | 11.7              | 0.5               | 1.7              | 1.2 <sup>2)</sup>  | 1.1              |
| Number of employees at end of period                                     | 938         | 877         | 938               | 877               | 879              | 909                | 1 006            |

1. For periods during 2004, including personnel options outstanding. Not including personnel options, the number of shares outstanding as of June 30, 2004 was 9 143 700. For other periods, also including personnel options outstanding.

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

**ACCOUNTING PRINCIPLES**

This interim report has been compiled in accordance with recommendation RR 20, Interim reporting, of the Swedish Financial Accounting Standards Council. From January 1, 2004 Beijer Alma applies the Council's recommendation RR 29, Compensation to employees.

The implementation has had no significant effect on the result or financial position. No assessment can be made currently, however, of the effect of implementing RR 29 with respect to ITP plans because Alecta is still not in a position to provide the needed basic data.

In all other respects the same accounting principles have been applied to this interim report as to the most recently presented annual report.

