

Press Release

Interim Report January - March 2004 for Beijer Alma AB (publ)

BEST QUARTERLY RESULT EVER

- All subsidiaries improved order bookings, invoicing and earnings.
- Order bookings during the first quarter were MSEK 375.6 (295.9), an increase by 27 percent.
- Net revenues were MSEK 348.8 (295.9), an increase by 29 percent.
- The result after financial items during the first quarter was MSEK 36.4 (-3.5).
- The result after taxes was MSEK 23.7 (-3.3).
- Earnings per share after actual taxes were SEK 2.49 (-0.37)
- Cash flow after capital expenditures was MSEK 36.9 (14.5)

GROUP

The improvement in demand that began during 2003 has gained momentum. Order bookings and invoicing from customers in the telecom sector have continued to increase. Net revenues from customers in the telecom sector amounted to MSEK 77 (37) and that sector's share of the Group's invoicing was 22 percent (14). The demand situation among other customer groups also improved during the first quarter of the year. All companies in the Group improved order bookings as well as invoicing and results compared to the preceding year.

The Group made substantial capacity investments during the years 2000 and 2001. The increased rate of shipments is now essentially from existing facilities and the level of capital expenditures continues to be low. The number of employees has increased by 22 persons to 901 since the beginning of the year. Most of the increase was of personnel in the low-wage countries of China and Latvia.

Order bookings amounted to MSEK 375.6 (295.9) an increase by 26.9 percent. Net revenues increased by 28.7 percent to MSEK 348.8 (271.1). The result after financial items was MSEK 36.4 (-3.5) and the operating margin was 11.9 percent (1.1). Earnings per share after standard taxes were SEK 2.75 (-0.24). Cash flow after capital expenditures was MSEK 36.9 (14.5). Interest-bearing net liabilities amounted to MSEK 359.9 (456.4). Investments in fixed assets were MSEK 7.7 (3.2).

At the end of the period the equity ratio was 40.8 percent (38.8). Available liquidity, defined as liquid funds including unutilized committed credit facilities, was MSEK 304.9 (278.8). As of March 31 the number of employees was 901 persons (899).

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.

Order bookings at Lesjöfors increased by 16 percent to MSEK 170.2 (146.6). Invoicing reached MSEK 164.7 (139.7), an increase by 17.9 percent. The operating margin was 14.4 percent (9.7). Profit after financial items increased from MSEK 12.2 to MSEK 23.0.

Lesjöfors conducts business in three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. Industrial Springs increased invoicing by 11.4 percent, Flat Strip Components by 25.6 percent and Chassis Springs by 20.2 percent. All business areas posted good and increasing profitability.

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.

Habia's order bookings increased by 36.2 percent to MSEK 145.3 (106.7). Invoicing amounted to MSEK 132.0 (88.7), an increase by 48.8 percent. The operating margin was 12.8 percent (neg.). The result after financial items reached MSEK 15.1 (-8.6).

Habia has experienced a very strong increase in demand from the telecom sector since the middle of last year. The company has increased its sales due to the growth of the market as well as captured market shares. The development among other customer groups was also good, although less dramatically so. The increase in invoicing was handled with fewer employees and by existing facilities.

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

Elimag's order bookings amounted to MSEK 32.7 (16.7), an increase by 95.7 percent. Invoicing increased by 26.8 percent to MSEK 23.4 (18.5). The operating margin was 11.8 percent (neg.). The result after financial items was MSEK 2.2 (-2.3).

Elimag experienced a strong increase in demand, primarily from the telecom sector. This is due to increased activity in the telecom sector and active in-house sales efforts with the goal of broadening the customer base. In Elimag the number of employees increased by four persons since the turn of the year and a few more recruitments are planned to handle the demand situation.

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.

Stafsjö's order bookings increased by 6.1 percent to MSEK 27.4 (25.8). Invoicing was MSEK 28.6 (22.9), an increase by 25.4 percent. The operating margin reached 9.1 percent (4.6) and profit after financial items was MSEK 2.4 (0.9).

Demand from the process industry continues to be good. Much of the internal work is focused on making the products less expensive, primarily by switching from European to Chinese suppliers. This work is progressing according to plan.

NET REVENUES AND RESULT BY OPERATING SEGMENT

NET REVENUES

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

OPERATING RESULT

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

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

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

RESULT AFTER FINANCIAL ITEMS

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

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

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

PRESIDENT'S STATEMENT

Since the beginning of 2003 Beijer Alma finds itself in a period of solid recovery. Order bookings and invoicing have increased steadily and order backlogs have also grown during the period. The recovery continued at an accelerated pace during the first quarter this year. Order bookings increased during the quarter by 27 percent compared to the corresponding period one year ago. In terms of profit, the first quarter was the best ever, despite the fact that the first quarter normally is not the seasonally strongest period of the year.

The nature of the recovery has been beneficial to Beijer Alma. The Company's strategy has been to add businesses with good growth potential, especially in the telecom area, to a base of stable industrial companies. Most of the investments made during 2000 and 2001 were in telecom capacity. The combination of savings achieved and restructuring performed in recent years has laid the foundation for the good earnings performance we now witness when market demand once again rises. The increase in demand is especially strong in the telecom segment, which now accounts for 22 percent of the Group's total invoicing. But during the first quarter a clear improvement has been noted also in other business areas.

All of the subsidiaries contributed with good profitability during the year's first quarter. Compared to the corresponding year-ago period, the Group's invoicing increased by MSEK 79. The result before taxes increased by MSEK 39.9, or by 51 percent of the volume increase. This was possible thanks to the major savings achieved in recent years. Improved productivity in the Group meant that the higher volume of invoicing was produced by an unchanged number of employees compared to the preceding year.

Despite a higher invoicing volume, the Group's working capital was lower than at the corresponding point in time last year. Capital expenditures continued to be low, MSEK 7.7 as compared with depreciation during the quarter, which was MSEK 22.4. This resulted in a strongly positive cash flow and a lowering of the net indebtedness.

Lesjöfors put in a very strong performance. For the first quarter Lesjöfors posted the best quarterly result in the Company's history. Invoicing increased by 18 percent, while profit rose by 88 percent. All business areas displayed good growth. Industrial springs grew by 11 percent, Chassis Springs by 20 percent and Flat Strip Components by 26 percent. All business areas in the Lesjöfors Group were also profitable. Flat Strip Components posted the largest profit increase. This is due to the recovery in the telecom sector. The volume of invoiced telecom products more than doubled compared to the year before. Half of telecom sales was of telephone components and half was systems components. The good growth in Chassis Springs is the result of a development that was strong overall in the aftermarket for chassis springs for passenger cars in Europe. Lesjöfors is the leading supplier of non-original-equipment springs in Europe and with its own production and a pan-European distribution network, the company is well positioned to benefit from the positive development of the market. Opportunities are good for Lesjöfors continuing to report good earnings in the coming quarter.

Habia has established itself as the leading supplier in the world of cable for base station antennas. Capital investments made in 2000 and 2001 were aimed at this segment and increased quality as well as capacity. These initiatives now makes it possible for Habia to meet the sharply increased needs of customers. The modern assembly of machinery also allows production of large volumes of consistently high quality with significantly improved productivity compared to previous years. In March, Habia had the highest invoicing ever for a single month. The production volume was affected in a positive direction by the calendar effect which generated a high number of working days during the month. Capacity utilization is now relatively high in the telecom production. The strong recovery had the effect that telecom customers accounted for 37 percent of revenue during the first quarter, as compared with 28 percent during the corresponding period one year ago. Other segments also recovered during the first quarter. Particularly in the previously so weak German market the company experienced an improvement also from customers outside the telecom segment. Despite a high volume of deliveries during the quarter, Habia increased its order backlog by MSEK 13. This means that there are good opportunities for continued high invoicing and a good result during the second quarter.

Elimag posted a positive result for the second consecutive quarter, after several years of losses. Invoicing increased by 27 percent, while order bookings grew by almost 100 percent. Behind this recovery lies

increased demand from telecom customers and new customers in the defense area. In recent years Elimag has conducted active sales and marketing work in an effort to broaden the customer base. These efforts have been successful, which means that the recovery now takes place with a larger number of customers. The company's risk profile is therefore significantly healthier today than when these efforts were initiated. The large savings achieved in recent years mean that the higher rate of invoicing greatly leverages earnings. During the first quarter the company achieved an operating margin of 12 percent. Elimag enters the second quarter with a robust backlog of orders. In order to meet demand in coming months the company has begun to hire new employees. The signals from major customers are positive. Reasons therefore exist to expect continued solid earnings performance during the second quarter.

Stafsjö continued to record good volume development during the first quarter. As before, it is the capital spending activity in the pulp and paper industry that drives demand for Stafsjö's valves. Invoicing as well as order bookings increased compared to the preceding year. The number of projects in the market is still relatively large. Demand for the company's products is developing well, especially in China and Sweden. However, Stafsjö is encountering competition and severe pricing pressure in the important German market. The market situation points toward continued good earnings performance during the second quarter.

For the Group as a whole, it can be noted that the order backlog grew by almost MSEK 30 despite the high volume of invoicing. This means that outlook for several of the Group's companies has improved further during the quarter. The signals are positive from several important customers, especially in the telecom segment. During the first quarter all of the Group's subsidiaries also experienced improved demand from the other customer segments, which indicates a broader recovery in coming months. This means that the opportunities are good for a continued high rate of invoicing and a good result in coming quarters.

ANNUAL GENERAL MEETING

A resolution was passed by the Annual General Meeting held March 17 declaring a dividend of SEK 1.50 per share. All directors and the alternate were re-elected. The Group's auditor, registered audit firm Öhrlings PricewaterhouseCoopers AB, with Authorized Public Accountant Hans Lindén as chief auditor, was re-elected.

EVENTS AFTER THE END OF THE PERIOD

Lesjöfors' facility in Vällingby in Stockholm was stricken by fire during April. The company's assessment is that invoicing and earnings will not be affected appreciably by the event. Damage as a result of the fire is covered by insurance.

During 1999 Beijer Alma AB issued a subordinated convertible debenture loan to employees of the Group. The last day for conversion was April 22, 2004. After conversion the number of class B shares has increased by 120 400 shares. The total number of shares outstanding now amounts to 9 143 700.

Uppsala, April 29, 2004

BEIJER ALMA AB (publ)

Bertil Persson
President & CEO

This report has not been subject to review by the Company's auditors.

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Next report date:

Quarterly report August 18, 2004

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

SUMMARY STATEMENTS OF INCOME

MSEK	2004 Q 1	2003 Q 1	2003 Full year	2002 Full year	2001 Full year
Net revenues	348.8	269.8	1 154.0	1 113.0	1 320.2
Cost of goods sold	-231.6	-194.3	-821.0	-770.7	-937.8
Gross profit	117.2	75.5	333.0	342.3	382.4
Selling expenses	-44.9	-44.6	-176.0	-185.6	-204.0
Administrative expenses	-31.1	-27.3	-116.2	-118.9	-147.6
Writedowns of fixed assets	-	-	-	-99.9	-
Share in result of associated companies before tax	0.2	-0.5	-1.1	-5.4 ¹⁾	1.5
Operating result	41.4	3.1	39.7	-67.5	32.3
Interest income and similar items	0.4	0.4	2.8	3.3	5.4
Interest expenses and similar items	-5.4	-7.0	-24.5	-30.9	-35.7
Result after financial items	36.4	-3.5	18.0	-95.1	2.0
Taxes	-12.7	0.2	-10.5	11.1	10.3
Net result for the period	23.7	-3.3	7.5	-84.0	12.3
Earnings per share before dilution, SEK	2.49	-0.37	0.83	-9.31	1.36
Earnings per share, fully diluted basis, SEK	2.62	-0.37	0.88	-9.31	1.36
Dividend, SEK	-	-	1.50	1.00	2.00
Depreciation and amortization is included in an amount of, MSEK	22.4	22.0	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	2004 Mar. 31	2003 Mar. 31	2003 Dec.31	2002 Dec. 31	2001 Dec. 31
ASSETS					
Fixed assets					
Intangible fixed assets	87.7	104.5	90.7	107.7	169.1
Tangible fixed assets	493.6	509.0	501.5	518.8	640.7
Financial assets	31.4	30.6	32.2	30.9	29.4
Total fixed assets	612.7	644.1	624.4	657.4	839.2
Current assets					
Inventories	208.2	244.6	205.5	251.6	289.5
Receivables	267.5	236.1	225.9	220.2	268.6
Liquid funds	56.5	33.4	71.0	47.2	32.0
Total current assets	533.2	514.1	502.4	519.0	590.1
Total assets	1 144.9	1 158.2	1 126.8	1 176.4	1 429.3

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity					
Share capital	112.8	112.8	112.8	112.8	112.7
Restricted reserves	186.7	186.1	179.1	185.6	203.6
Unrestricted reserves	143.5	153.2	152.3	243.9	248.8
Net result for the period	23.7	-3.3	7.5	-84.0	12.3
Total shareholders' equity	466.7	448.8	451.7	458.3	577.4
Provisions	43.8	53.9	44.2	50.6	64.3
Long-term liabilities to credit institutions	165.0	243.9	184.0	248.2	312.3
Current liabilities to credit institutions	244.3	238.7	266.6	254.1	292.2
Current non-interest-bearing liabilities	225.1	172.9	180.3	165.2	183.1
Total shareholders' equity and liabilities	1 144.9	1 158.2	1 126.8	1 176.4	1 429.3

SUMMARY STATEMENTS OF CASH FLOW

MSEK	2004 Q 1	2003 Q 1	2003 Full year	2002 Full year	2001 Full year
Cash flow from current operations before change in working capital and capital expenditures	47.4	18.7	99.3	98.4	91.8
Change in working capital, increase (-) decrease (+)	-3.7	-1.0	26.8	35.7	-36.5
Cash flow from current operations	43.7	17.7	126.1	134.1	55.3
Investment operations	-6.8	-3.2	-51.3	-17.9	-141.0
Cash flow after capital expenditures	36.9	14.5	74.8	116.2	-85.7
<u>Financing operations</u>	<u>-51.4</u>	<u>-28.3</u>	<u>-48.8</u>	<u>-97.8</u>	<u>77.7</u>
Change in liquid funds	-14.5	-13.8	26.0	18.4	-8.0
Liquid funds at beginning of period	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	56.5	33.4	71.0	47.2	32.0
Approved but unutilized committed credit facilities	248.4	245.4	204.4	226.9	207.0
Available liquid funds	304.9	278.8	275.4	274.1	239.0

SPECIFICATION OF CHANGE IN SHAREHOLDERS' EQUITY

	2004 Jan.-Mar.	2003 Jan.-Mar.	2003 Jan.-Dec.	2002 Jan.-Dec.	2001 Jan.-Dec.
Opening shareholders' equity	451.7	458.3	458.3	577.4	482.3
New issue	-	-	-	-	103.6
Dividend paid	-13.5	-9.0	-9.0	-18.0	-35.9
Conversion of subordinated debentures	-	-	-	0.4	2.7
Translation difference	4.8	2.8	-5.1	-17.5	12.4
Net result for the period	23.7	-3.3	7.5	-84.0	12.3
Closing shareholders' equity	466.7	448.8	451.7	458.3	577.4

NUMBER OF SHARES

	2004 Mar. 31	2003 Mar. 31	2003 Dec. 31	2002 Dec. 31	2001 Dec. 31
Number of shares outstanding	9 023 300	9 023 300	9 023 300	9 023 300	9 018 300
Subordinated debentures outstanding	386 880	386 880	386 880	386 880	391 880
Personnel options outstanding	200 000	200 000	200 000	200 000	200 000
Total number of shares outstanding, fully diluted basis	9 610 180	9 610 180	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	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

	2004	2003	2003	2002	2001
	Q 1	Q 1	Full year	Full year	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	348.8	269.8	1 154.0	1 113.0	1 320.3
Operating result, MSEK	41.4	3.1	39.7	-67.5	32.3
Result before taxes, MSEK	36.4	-3.5	18.0	-95.1	2.0
Earnings per share after actual taxes, SEK	2.49	-0.37	0.88	-9.31	1.36
Earnings per share after 28 % standard taxes, SEK	2.75	-0.24	1.45	0.45 ²⁾	0.28
Cash flow after capital expenditures per share, SEK	4.30	1.61	8.29	12.88	-9.50
Return on equity, %	22.8	neg.	2.9	0.7 ²⁾	0.3
Return on capital employed, %	18.6	1.5	4.5	3.3 ²⁾	3.3
Shareholders' equity per share, SEK	51.71	49.74	50.06	50.79	64.03
Equity ratio, %	40.8	38.8	40.1	39.0	40.4
Debt equity ratio (net), %	77.1	102.7	85.7	100.9	100.4
Liquid assets including committed credit facilities not drawn upon, MSEK	304.9	278.8	274.4	274.1	239.0
Capital expenditures, MSEK	7.7	3.2	55.1	17.9	116.0
Interest coverage ratio	7.8	0.5	1.7	1.2 ²⁾	1.1
Number of employees at end of period	901	899	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 March 31, 2004, was 9 023 300.

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.

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

