

Press Release

Interim Report January – September 2003 for Beijer Alma AB (publ)

Improved demand during third quarter

- Order bookings increased by 19 percent during the third quarter.
- Profit after financial items was MSEK 10.1 (0.9).
- Net revenues January – September were MSEK 842.3 (846.7).
- Result after taxes January – September was MSEK 0.2 (–81.4)
- Earnings per share after actual taxes January – September were SEK 0.08 (–8.37)
- Cash flow January – September was MSEK 44.1 (83.6)

GROUP

The improved demand situation that began during the second quarter of the year continued during the third quarter. Capacity utilization improved gradually for the Group's units and shipments are increasing. Contrary to what was the case at the time of the previous scheduled report, Habia as well as Elimag show marked improvements in capacity utilization. Pricing pressures prevailed again during the third quarter.

January – September

Order bookings during the period were MSEK 903.2 (876.5) and the order backlog has grown by MSEK 56.8 to MSEK 194.5 since year-end. As of September 30, 2002 the order backlog was MSEK 178.9. Net revenues during the nine-month period were MSEK 842.3 (846.7). Profit after financial items was MSEK 3.0 (MSEK 7.2 not including writedowns of fixed assets affecting comparability). Earnings per share after standard taxes amounted to SEK 0.29 (0.64).

Cash flow after capital expenditures was MSEK 44.1 (83.6) for the period, equivalent to SEK 4.90 per share (8.70). Interest-bearing net liabilities at the end of the period stood at MSEK 430.2 (495.2). Since September 30, 2001 interest-bearing net liabilities have declined by MSEK 155, from MSEK 585 to MSEK 430.

Third quarter

Order bookings during the quarter were MSEK 299.4 (252.1), while net revenues amounted to MSEK 274.6, compared to MSEK 260.8 for the corresponding period one year ago. Profit after financial items was MSEK 10.1 (0.9 not including writedowns), equivalent to earnings per share after standard taxes of SEK 0.78 (0.10). Cash flow after capital expenditures was MSEK 31.8 (47.1).

At the end of the period available liquidity, defined as liquid funds including unutilized committed credit facilities, was MSEK 264.3 (252.4). The equity ratio was 38.6 percent (39.1). The number of employees as of September 30, was 874 persons (928).

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 and Finland.

For the period January – September, order bookings were MSEK 440.5 (422.0), while net revenues amounted to MSEK 435.7 (420.1). Profit after financial items was MSEK 44.7 (38.3).

Lesjöfors increased its order bookings during the third quarter to MSEK 138.2 (122.4). Net revenues amounted to MSEK 138.0 (130.0). Profit after financial items amounted to MSEK 14.4 (10.1) and the operating margin was 11.3 percent (8.9).

Lesjöfors conducts business in three business areas: Industrial Springs, Chassis Springs and Flat Strip Components. Industrial Springs and Chassis Springs increased invoicing by 5 percent and record continued good profitability. Flat Strip Components increased invoicing by 2 percent and has reported positive results for the past two quarters.

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 period January – September order bookings were MSEK 334.4 (322.4) and net revenues amounted to MSEK 288.2 (300.2). The result after financial items was MSEK –23.6 (0.1). This result includes a provision for inventory reduction costs of MSEK 10, set aside during the second quarter.

Order bookings increased during the third quarter by 27 percent to MSEK 121.8 (95.7). Net revenues were MSEK 100.2 (97.4). Profit after financial items amounted to MSEK 0.3 (–0.7).

Habia began the year with a low backlog of orders and faced weak demand during the spring. Order bookings improved during the most recent quarter, as did capacity utilization in production. Stronger demand emanates mainly from the telecom sector. Pricing pressures continue, however, which lowers margins.

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

For the period January – September order bookings were MSEK 49.2 (70.8), while net revenues amounted to MSEK 48.3 (66.2). The result after financial items was MSEK –6.0 (–8.9).

Elimag's order bookings amounted to MSEK 16.3 (16.0) during the third quarter and net revenues were MSEK 14.5 (15.4). The result was MSEK –1.6 (–3.4).

Elimag's expanded sales efforts are beginning to bear fruit in the form of a broader customer base with new customers deemed to possess growth potential for the future. Costs are considerably lower than during the preceding year.

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 period January – September, order bookings were MSEK 77.8 (65.4) and net revenues were MSEK 68.7 (61.7). Profit after financial items amounted to MSEK 2.1 (–2.9).

Stafsjö's order bookings during the third quarter were MSEK 22.9 (20.4) and net revenues for the quarter were MSEK 21.6 (19.3). The result was MSEK 0.7 (–1.4).

Stafsjö's sales showed a good development. A machine tool failure caused certain delays in shipment for the company during the third quarter.

EVENTS AFTER THE END OF THE PERIOD

No events deserving special mention have occurred after the end of the period.

NET REVENUES AND RESULT BY COMPANY

NET REVENUES

MSEK	2003 Q 3	2003 Q 2	2003 Q 1	2002 Q 4	2002 Q 3	2002 Q 2	2002 Q 1
Lesjöfors	138.0	158.0	139.7	126.3	130.0	147.1	143.0
Habia Cable	100.2	98.0	90.0	102.5	97.4	107.0	95.9
Elimag	14.5	15.3	18.5	19.5	15.4	19.9	28.9
Stafsjö Bruk	21.6	24.2	22.9	19.8	19.3	22.7	19.7
Parent Company and consolidation eliminations	0.3	1.1	–	0.2	–	–	0.3
Group	274.6	296.6	271.1	268.3	262.1	296.7	287.8

RESULT AFTER FINANCIAL ITEMS

MSEK	2003 Q 3	2003 Q 2	2003 Q 1	2002 Q 4	2002 Q 3	2002 Q 2	2002 Q 1
Lesjöfors	14.4	18.1	12.2	7.8	10.1	14.2	14.0
Habia Cable	0.3	–15.3 *	–8.6	0.3	–0.7	1.8	–1.0
Elimag	–1.6	–2.1	–2.3	–1.5	–3.4	–5.7	–1.2
Stafsjö Bruk	0.5	0.7	0.9	–1.8	–1.0	–1.4	–0.5
Parent Company and consolidation eliminations	–3.5	–5.0	–5.7	–7.2	–4.1	–5.7	–8.2
Group	10.1	–3.6	–3.5	–2.4	0.9	3.2	3.1
Writedowns, etc.	–	–	–	–	–99.9	–	–
Total	10.1	–3.6	–3.5	–2.4	–99.0	3.2	3.1

* Including a provision in the amount of MSEK 10.

PRESIDENT'S STATEMENT

All Group companies saw improved demand during the third quarter. The improvement emanates largely from telecom-related businesses, but other parts of the Group, such as Stafsjö and the Chassis Springs business of Lesjöfors, also show growing sales volumes. Improved demand in combination with reduced costs in all of the Group's companies has contributed to the improved result. The development in September was particularly positive.

Lesjöfors continues to perform extremely well. The pattern of good growth for Chassis Springs continued. Business area Flat Strip Components has been plagued by problems for several years, primarily because of the weak telecom market. This trend has turned during the past few months and Lesjöfors's volumes of components for base stations have increased. New components for mobile telephone handsets have also contributed positively during the past quarter. Flat Strip Components therefore again show volume growth and a positive result. The industrial spring business displays stable volumes and good profitability. Lesjöfors typically sees a weaker fourth quarter due to a seasonal downturn in the Chassis Springs business. This seasonal effect is likely to be offset by improved demand from telecom customers, however.

Habia's demand increased sharply during the period. Order bookings during the past quarter increased from about MSEK 35 per month to between MSEK 40 and MSEK 45 per month. Most of the increase

was derived from telecom customers. Habia is one of the world's largest suppliers of cable for base station antennas for mobile telephony. The company is meeting with increased demand from most customers in this area, not the least Asia and especially China. Aside from selling to European and American customers in China, Habia has received orders from a large number of local Chinese telecom customers during the year. During the third quarter Habia also won a contract from a major international engineering group. This is expected to contribute at least MSEK 20 million in sales during 2004.

At the outset of 2003, Habia's order backlog was much too low, which hampered production and shipments during the first 7 to 8 months of the year. Improved order bookings have subsequently resulted in a gradually growing backlog of orders. Increased demand during the past two months has meant a bottleneck in manned manufacturing capacity. In the beginning of October, Habia has therefore again increased manning at the plants on a temporary basis to increase capacity in response to stronger demand. The company's profitability is still not satisfactory, however. This is due in part to pricing pressures and unfavorable currency exchange rate movements. In a bid to achieve better profitability and greater flexibility, all new hiring is on a short-term basis. The company enters the fourth quarter with high capacity utilization and excellent prospects to show a significant improvement in invoicing and results.

Also **Elimag** saw increased demand during the third quarter, particularly from the telecom sector and from defense-related customers. The volume increases come mainly from new customers and are probably the result of sharply increased sales efforts during the past several years. The company entered the third quarter with a low order backlog, but improved capacity utilization as well as shipments gradually. By September, volume growth was relatively good and a positive result was generated.

The increase in demand registered by **Stafsjö** during prior quarters continued during the third quarter. Both invoicing and results were negatively affected by a machinery failure, however. Most capital spending projects are in China, but there are also significant capital investments in Brazil. Pricing pressures are still severe, which results in lower margins. The company is implementing a project aimed at lowering production costs by locating component supply in low-cost countries, especially China. This work has been delayed, in part due to the lung disease SARS, but is now again conducted at a satisfactory pace. Result effects of lower component prices will gradually impact earnings during next year.

All in all it can be declared that the Group is experiencing improved demand in all units. This applies in particular to telecom-related business. The aggregate order backlog for the Group rose by close to MSEK 60 during the year. This facilitates long-term planning and improves predictability. To this should be added the effects of cost-containment measures implemented in the Group in recent years. Beijer Alma also continues to enjoy strong cash flow. The focus on cost-efficiency and cash flow continues. The Group therefore sees prospects of recording higher sales volumes and improved earnings during coming quarters.

NOMINATION COMMITTEE

The Annual General Meeting held 2003 resolved to appoint a nomination committee before the Annual General Meeting for 2004. After contacts with major institutional owners, the Board of Directors has decided to entrust the Chairman of the Board of Directors to present a proposed slate of Directors and other related proposals to the Annual General Meeting.

Uppsala, October 29, 2003

BEIJER ALMA AB (publ)

Bertil Persson
President and CEO

Contrary to the semi-annual report, this report has not been subject to review by the Company's auditors.

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Next report date:

Financial Report, February 13, 2004

The Annual General Meeting will be held in Uppsala March 17, 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 report
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 3	2002 Q 3	2003 Jan. – Sep.	2002 Jan. – Sep.	2002 Full year	2001 Full year
Net revenues	274.6	262.2	842.3	846.7	1 115.3	1 320.2
Cost of goods sold	-191.5	-182.7	-606.0	-586.6	-773.0	-937.8
Gross profit	83.1	79.5	236.3	260.1	342.3	382.4
Selling expenses	-42.4	-45.6	-133.1	-139.0	-185.6	-204.0
Administrative expenses	-25.1	-26.2	-81.8	-92.8	-118.9	-147.6
Writedowns of fixed assets	-	-99.9	-	-99.9	-99.9	-
Share in result of associated companies before tax	-0.4	0.4	-0.9	-0.1	-5.4	1.5
Operating result	15.2	-91.8	20.5	-71.7	-67.5	32.3
Interest income and similar items	0.7	0.4	1.7	1.6	3.3	5.4
Interest expenses and similar items	-5.8	-7.6	-19.2	-22.6	-30.9	-35.7
Result after financial items	10.1	-99.0	3.0	-92.7	-95.1	2.0
Taxes	-3.2	13.8	-2.8	11.3	11.1	10.3
Net result for the period	6.9	-85.2	0.2	-81.4	-84.0	12.3
Earnings per share before dilution, SEK	0.76	-8.80	0.02	-8.37	-9.31	1.36
Earnings per share, fully diluted basis, SEK	0.74	-8.80	0.08	-8.37	-9.31	1.36
Amounts of depreciation and amortization included, MSEK	19.4	27.5	65.0	73.3	96.6	86.6

SUMMARY BALANCE SHEETS

MSEK	2003 Sep. 30	2002 Sep. 30	2002 Dec. 31	2001 Dec. 31
ASSETS				
Fixed assets				
Intangible fixed assets	95.1	111.3	107.7	169.1
Tangible fixed assets	508.8	534.7	518.8	640.7
Financial assets	32.2	24.9	30.9	29.4
Total fixed assets	636.1	670.9	657.4	839.2
Current assets				
Inventories	210.7	254.9	251.6	289.5
Receivables	257.0	257.7	220.2	268.6
Liquid funds	50.2	25.2	47.2	32.0
Total current assets	517.9	537.8	519.0	590.1
Total assets	1 154.0	1 208.7	1 176.4	1 429.3

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity				
Share capital	112.8	112.8	112.8	112.7
Restricted reserves	183.7	203.3	185.6	203.6
Unrestricted reserves	148.5	238.1	243.9	248.8
Net result for the period	0.2	-81.4	-84.0	12.3
Total shareholders' equity	445.2	472.8	458.3	577.4
Provisions	49.3	47.6	50.6	64.3
Long-term liabilities to credit institutions	449.5	485.5	469.2	565.4
Current liabilities to credit institutions	24.0	27.8	33.1	39.1
Current non-interest-bearing liabilities	186.0	175.0	165.2	183.1
Total shareholders' equity and liabilities	1 154.0	1 208.7	1 176.4	1 429.3

SUMMARY STATEMENTS OF CASH FLOW

MSEK	2003 Q 3	2002 Q 3	2003 Jan. – Sep.	2002 Jan. – Sep.	2002 Full year	2001 Full year
Cash flow from current operations before change in working capital and capital expenditures	27.3	25.9	75.2	75.5	98.4	91.8
Change in working capital, increase (-) decrease (+)	9.8	22.0	5.8	22.8	35.7	-36.5
Cash flow from current operations	37.1	47.9	81.0	98.3	134.1	55.3
Investment operations	-5.3	-0.8	-36.9	-14.7	-17.9	-141.0
Cash flow after capital expenditures	31.8	47.1	44.1	83.6	116.2	-85.7
Financing operations	-15.3	-44.9	-41.0	-90.4	-97.8	77.7
Change in liquid funds	16.5	2.2	3.1	-6.8	18.4	-8.0
Liquid funds at beginning of period	33.8	23.0	47.2	32.0	32.0	17.8
Sold cash and exchange rate changes in cash	-	-	-	-	-3.2	22.2
Liquid funds at end of period	50.3	25.2	50.3	25.2	47.2	32.0
Approved but unutilized committed credit facilities	214.0	227.2	214.0	227.2	226.9	207.0
Available liquid funds	264.3	252.4	264.3	252.4	274.1	239.0

SPECIFICATION OF CHANGE IN SHAREHOLDERS' EQUITY

	2003 Jan. – Sep.	2002 Jan. – Sep.	2002 Jan. – Dec.	2001 Jan.– Dec.
Opening shareholders' equity	458.3	577.4	577.4	482.3
New issue	-	-	-	103.6
Dividend paid	-9.0	-18.0	-18.0	-35.9
Conversion of subordinated debentures	-	0.4	0.4	2.7
Translation difference	-4.3	-5.6	-17.5	12.4
Net result for the period	0.2	-81.4	-84.0	12.3
Closing shareholders' equity	445.2	472.8	458.3	577.4

NUMBER OF SHARES

	2003 Sep. 30	2002 Sep. 30	2002 Dec. 31	2001 Dec. 31
Number of shares outstanding	9 023 300	9 023 300	9 023 300	9 018 300
Subordinated debentures outstanding	386 880	386 880	386 880	391 880
Personnel options outstanding	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
Average number of shares outstanding, fully diluted basis	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	2003	2002	2003	2002	2002	2001
	Q 3	Q 3	Jan. – Sep.	Jan. – Sep.	Full year	Full year
Number of shares outstanding ¹⁾	9 610 180	9 610 180	9 610 180	9 610 180	9 610 180	9 610 180
Net revenues, MSEK	274,6	262,2	842,3	846,7	1 115,3	1 320,3
Operating result, MSEK	15,2	-91,8	20,5	-71,7	-67,5	32,3
Result before taxes, MSEK	10,1	-99,0	3,0	-92,7	-95,1	2,0
Earnings per share after actual taxes, SEK	0,74	-8,80	0,08	-8,37	-8,65	1,46
Earnings per share after 28 % standard taxes, SEK 0,78		0,10 ²⁾	0,29	0,64 ²⁾	0,45 ²⁾	0,28
Cash flow after capital expenditures per share, SEK	3,31	4,90	4,90	8,70	12,09	-8,92
Return on equity, %	6,6	0,5 ²⁾	0,6	1,3 ²⁾	0,7 ²⁾	0,3
Return on capital employed, %	6,8	3,4 ²⁾	3,1	3,6 ²⁾	3,3 ²⁾	3,3
Shareholders' equity per share, SEK	49,34	52,4	49,34	52,4	50,79	64,03
Equity ratio, %	38,6	39,1	38,6	39,1	39,0	40,4
Debt equity ratio (net), %	96,6	104,7	96,6	104,7	100,9	100,4
Liquid assets including committed credit facilities not drawn upon, MSEK	264,3	252,4	264,3	252,4	274,1	239,0
Capital expenditures, MSEK	4,7	-0,2	44,0	14,7	17,9	116,0
Interest coverage ratio	2,7	1,1 ²⁾	1,2	1,3 ²⁾	1,2 ²⁾	1,1
Number of employees at end of period	874	928	874	928	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 September 30, 2003 was 9 023 300.

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