October 30, 2002

BEIJER • ALMA

Press Release

Interim Report January – September 2002 for Beijer Alma AB (publ)

- Continued weak demand.
- Profit after financial items, not including items affecting comparability, was MSEK 7.2 (11.2).
- The value of assets and goodwill attributable to Elimag written down by MSEK 99.9.
- Operating cash flow was MSEK 83.6 (–96.9).

GROUP

Net revenues and result

The period was marked by weak order bookings and invoicing. Demand from customers in the telecom sector continues to be very weak, and from other customer segments the flow of orders and invoicing is now weaker than before summer.

For the period January – September net revenues amounted to MSEK 846.7 (1 008.1). In continuing operations the decline was 10 percent. Profit after financial items, not including items affecting comparability, was MSEK 7.2 (11.2). Earnings per share after standard taxes were SEK 0.64 (0.95).

During the third quarter net revenues were MSEK 262.1 (298.7), a decline by 12 percent. In continuing operations the decline was 8 percent. Profit after financial items, not including items affecting comparability, was MSEK 0.9 (5.5).

Capital expenditures during the period January – September were MSEK 14.7 (133.6) and depreciation and amortization were MSEK 73.3 (65.6). After depreciation the capital ratio was 39.1 percent (39.7).

Liquid funds, including unutilized committed credit facilities, stood at MSEK 252.4 (218.7). Operating cash flow amounted to MSEK 83.6 (–96.9) and interest-bearing net liabilities declined by MSEK 84 to MSEK 495.

Charges and structural measures

Elimag AB was acquired in the beginning of 2001 in an effort to focus operations on technically demanding customers with good growth potential. At the time of the acquisition, half of Elimag's sales were to the telecom sector and facilities were expanded to meet customers' capacity requirements.

Despite intensified sales efforts, it has not been possible to compensate for the sharp drop in demand from the telecom sector by sales to other customer groups. Costs have been cut on an ongoing basis to adapt to the weak market. Demand from the telecom sector dropped further during the third quarter and customers now indicate unchanged low volumes going forward.

There is no way of reaching an equilibrium in Elimag by merely continuing to cut personnel expenses and other overhead. The large over-capacity in machinery and equipment means that machine values have to be lowered in order to achieve profitability.

Against this background the Board of Directors has decided to write down the value of fixed assets relating to Elimag by MSEK 94.9 to MSEK 58, and to set aside MSEK 5 for continued cost reduction measures. MSEK 42.8 of the charges relates to remaining goodwill that arose in the acquisition and MSEK 52.1 relates to the value of machinery in Elimag.

The above charges do not affect cash flow, and the future positive effect on earnings is about MSEK 20.

SUBSIDIARIES

LESJÖFORS AB (www.lesjoforsab.com) is a full–range supplier of industrial springs, chassis springs and wire and strip components in the Nordic Region and one of the larger companies in its sector in Europe.

For the period January – September revenues amounted to MSEK 420.1 (427.6), a decline by 2 percent. Profit after financial items was MSEK 38.3 (25.1). Order bookings increased by 5 percent to MSEK 422.0 (401.7).

Lesjöfors' invoicing increased by 2 percent during the third quarter to MSEK 130.0 (128.0). Profit after financial items was MSEK 10.1 (9.2). Order bookings declined by 4 percent to MSEK 122.4 (127.1). The operating margin was 8.9 percent (9.1).

Lesjöfors conducts business in three business areas: Industrial Springs, Automotive and Flat Strip Components. Industrial Springs' invoicing dropped by 3 percent with unchanged good profitability. Chassis springs increased invoicing by 26 percent with an improved operating margin. Flat Strip Components, with sales to, among other, the telecom industry reduced invoicing by 16 percent. Profitability improved, but the business area continued to operate at a loss.

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. Production facilities are located in Sweden, Germany and China.

For the period January – September invoicing was MSEK 300.3 (355.9) and profit after financial items was MSEK 0.1 (14.0). Order bookings amounted to MSEK 322.4 (335.5), a drop of 4 percent.

MSEK 97.4 was invoiced during the third quarter (105.4), a drop of 8 percent. The result after financial items was MSEK –0.7 (–0.5). Order bookings increased by 2 percent to MSEK 95.7 (93.7). The operating margin was 2.3 percent (3.1).

About 30 percent of Habia Cable's sales go to the telecom sector. The weak telecom market has a negative effect on invoicing, despite the fact that Habia's market shares are rising. Sales to other customer groups remained at approximately the same level as during the preceding year, with some weakening during the third quarter.

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

For the period January – September invoicing was MSEK 64.2 (88.7) and the result after financial items was MSEK –10.3 (2.8). Order bookings dropped by 11 percent to MSEK 68.7 (77.0). Invoicing during the third quarter was MSEK 15.4 (24.9) and the result was MSEK –3.4 (–0.6). Order bookings were MSEK 15.7 (14.6).

The already weak demand from the telecom sector slumped further during the period. Because of this market situation the company suffers from large over-capacity and resulting idle machinery and equipment. It has therefore been decided to write down the book value of machinery by MSEK 52.1.

AB STAFSJÖ BRUK (www.stafsjo.com) manufactures knife gate valves sold to the process industry on a global basis.

For the period January – September invoicing was MSEK 61.7 (68.1) and the result after financial items was MSEK –2.9 (2.9). Order bookings were MSEK 65.0 (66.8).

During the third quarter the company had invoicing of MSEK 19.3 (25.9), while the result after financial items was MSEK –1.0 (2.7). Order bookings were MSEK 20.4 (22.5).

Stafsjö's demand situation continues to be weak due to a low level of capital expenditures in the forest industry.

NET REVENUES AND INCOME BY COMPANY

NET REVENUES

MSEK	2002 Q3	2002 Q2	2002 Q1	2001 Q4	2001 Q3	2001 Q2	2001 Q1
Lesjöfors	130.0	147.1	143.0	138.5	128.0	145.6	154.0
Habia Cable	97.4	107.0	95.9	99.9	105.4	116.6	132.9
Elimag	15.4	19.9	28.9	27.5	24.9	30.8	33.0
Stafsjö Bruk	19.3	22.7	19.7	23.3	25.9	19.9	22.3
Parent Company and consolidation eliminations	–	–	0.3	0.1	0.1	1.4	0.5
The present Group	**262.1**	**296.7**	**287.8**	**289.3**	**284.3**	**314.3**	**342.7**
Divested companies *	–	–	–	22.8	14.4	23.2	29.2
Group	**262.1**	**296.7**	**287.8**	**312.1**	**298.7**	**337.5**	**371.9**

INCOME AFTER FINANCIAL ITEMS

MSEK	2002 Q3	2002 Q2	2002 Q1	2001 Q4	2001 Q3	2001 Q2	2001 Q1
Lesjöfors	10.1	14.2	14.0	5.9	9.2	3.1	12.8
Habia Cable	–0.7	1.8	–1.0	–12.7	–0.5	–0.5	15.0
Elimag	–3.4	–5.7	–1.2	–3.2	–0.6	0.0	3.4
Stafsjö Bruk	–1.0	–1.4	–0.5	1.2	2.7	–0.5	0.7
Parent Company and consolidation eliminations **	–4.1	–5.7	–8.2	2.6	–2.0	–17.0	–5.1
The present Group	**0.9**	**3.2**	**3.1**	**–6.2**	**8.8**	**–14.9**	**26.8**
Divested companies *	–	–	–	–3.0	–3.3	–4.7	–1.5
Writedowns, etc.	–99.9	–	–	–	–	–	–
Total	**–99.0**	**3.2**	**3.1**	**–9.2**	**5.5**	**–19.6**	**25.3**

* Refers to Elimag Stockholm, where the ownership stake has been reduced to 50 percent.

** Result for the second quarter of 2001, charged with a provision for restructuring costs of MSEK 10. This was reversed by MSEK 2 during the third quarter and by MSEK 5.5 during the fourth quarter of 2001. The actual structural costs were charged to each respective company's result during the second half of 2001.

PRESIDENT'S STATEMENT

The weaker flow of new orders that we saw during the second quarter has continued and actually deteriorated further during the third quarter. Virtually all of the Group's businesses suffered from weaker demand. The exception is Lesjöfors, which in business area Chassis Springs is experiencing continued good growth.

The sharpest drop was seen in Elimag, active in high-speed machining in aluminum.

Elimag was acquired in the beginning of 2001. The strategy behind the acquisition was to sharpen the Beijer Alma Group's focus on high-tech customers with good growth potential. With its focus on customers in the telecom and defense industry, Elimag contributed to this strategy.

At the time of the acquisition, the company had about 50 percent of its sales to telecom customers and was in the process of expanding its capacity to meet customer capacity requirements.

Sales to customers in the defense area have developed well, while sales to customers in the telecom industry have deteriorated sharply as a consequence of the weaker overall market for telecom equipment. In addition, Elimag is dependent on Swedish telecom equipment manufacturers. Costs have been lowered continually to meet lower market demand, at the same time as selling efforts have been intensified. The effects of the selling efforts are delayed by the fact that the selling cycles in the sectors where Elimag is active are long, often 6 – 12 months.

In the weak market we are now meeting, the Board of Directors has decided to write off the goodwill that arose in connection with the acquisition, and also to take a one-time charge against the value of machinery and equipment.

As I indicated by way of introduction, Lesjöfors is experiencing very good demand in business area Chassis Springs. The rate of growth in this business segment was 26 percent during the first nine months of the year. The increase in sales is also evenly distributed geographically across Lesjöfors' market area, which is essentially Northern Europe.

The other segments in Lesjöfors show a negative volume development. This is particularly true in business area Flat Strip Components, where telecom customers have failed to display the recovery we had expected for the third quarter.

Habia has seen weaker demand during the fall, both from customers in the traditional industrial segment and from telecom customers. The weakening in traditional industry has been more pronounced, however. The weaker demand situation means that Habia will continue to trim costs, thereby adapting to lower sales volumes.

Stafsjö was negatively affected during the period by the low level of capital spending activity in the pulp and paper industry. New investments in this industry are today made mainly in China, where Stafsjö has a good presence. In the rest of the world existing facilities are maintained, but the level of new capital expenditure is low.

Overall, it will be noted that there are no signals of an imminent turnaround of demand in the near term, neither from telecom customers nor from other customer segments in which Beijer Alma is active. Coming quarters will therefore be marked by continued focus on cost savings and cash flow, as well as on intensified sales efforts. In closing, I wish to point out that the Group, after the charges relating to Elimag, has strong cash flow and a sustained robust financial position.

Uppsala, October 30, 2002

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.

Questions will be answered by:

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Next report date:

Financial Report for 2002, February 6, 2003

SUMMARY STATEMENTS OF INCOME

MSEK	2002 Q3	2001 Q3	2002 Jan.–Sep.	2001 Jan.–Sep.	2001 Full year
Net revenues	262.2	298.7	846.7	1 008.1	1 320.2
Cost of goods sold	–182.7	–217.5	–586.6	–706.7	–937.8
Gross profit	**79.5**	**81.2**	**260.1**	**301.4**	**382.4**
Selling expenses	–45.6	–45.0	–139.0	–150.7	–204.0
Administrative expenses	–26.2	–22.4	–92.8	–117.0	–147.6
Share in result of affiliated company before taxes	0.4	0.8	–0.1	1.1	1.5
Operating profit	**8.1**	**14.6**	**28.2**	**34.8**	**32.3**
Interest income and similar items	0.4	1.3	1.6	2.0	5.4
Interest expense and similar items	–7.6	–10.4	–22.6	–25.6	–35.7
Profit after financial items	**0.9**	**5.5**	**7.2**	**11.2**	**2.0**
Items affecting comparability	–99.9	–	–99.9	–	–
Taxes	13.8	–0.2	11.3	–3.9	10.3
Net result for the period	**–85.2**	**5.3**	**–81.4**	**7.3**	**12.3**

SUMMARY BALANCE SHEETS

MSEK	2002 Sep. 30	2001 Sep. 30	2001 Dec. 31
ASSETS			
Fixed assets			
Intangible fixed assets	111.3	173.9	169.1
Tangible fixed assets	534.7	598.7	640.7
Financial assets	24.9	17.1	20.1
Total fixed assets	**670.9**	**789.7**	**829.9**
Current assets			
Inventories	254.9	300.4	289.5
Receivables	257.7	313.0	268.5
Liquid funds	25.2	26.7	32.0
Total current assets	**537.8**	**640.1**	**590.0**
Total assets	**1 208.7**	**1 429.8**	**1 419.9**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	112.8	112.4	112.7
Restricted reserves	203.3	196.5	204.2
Unrestricted reserves	238.1	251.0	248.2
Net result for the period	–81.4	7.3	12.3
Total shareholders' equity	**472.8**	**567.2**	**577.4**
Provisions	47.6	61.4	54.9
Long–term liabilities to credit institutions	485.5	552.4	565.4
Current liabilities to credit institutions	27.8	26.8	39.1
Current non–interest–bearing liabilities	175.0	222.0	183.1
Total shareholders' equity and liabilities	**1 208.7**	**1 429.8**	**1 419.9**

SUMMARY STATEMENTS OF CASH FLOW

MSEK	2002 Q3	2001 Q3	2002 Jan.–Sep.	2001 Jan.–Sep.	2001 Full year
Cash flow before change in working capital and capital expenditures (cash earnings)	25.9	26.7	75.5	76.8	99.1
Change in working capital increase (–) decrease (+)	22.0	–11.0	22.8	–66.1	–36.5
Operative cash flow before capital expenditures	47.9	15.7	98.3	10.7	62.6
Capital expenditures	–0.8	–21.8	–14.7	–107.6	–116.0
Operative cash flow after capital expenditures	47.1	–6.1	83.6	–96.9	–53.4
Non–operative cash flow [1]	–22.9	–17.8	10.7	–161.7	–213.9
Financial payments	–22.0	13.4	–101.1	267.5	281.5
Change in liquid funds	**2.2**	**–10.5**	**–6.8**	**8.9**	**14.2**
Liquid assets, opening balance	23.0	37.2	32.0	17.8	17.8
Liquid assets, closing balance	25.2	26.7	25.2	26.7	32.0
Unutilized committed credit facilities	227.2	192.0	227.2	192.0	207.0
Available liquidity	252.4	218.7	252.4	218.7	239.0

1) Refers to effects of corporate acquisitions, foreign exchange effects and financial leasing.

SPECIFICATION OF CHANGE IN SHAREHOLDERS' EQUITY

	Share capital	
	Dec. 31, 2001	**Dec. 31, 2000**
	577.4	**482.3**
Dividend paid	–18.0	–36.0
New issue	–	103.6
Conversion of subordinated debentures	0.4	2.7
Translation difference	–5.6	12.5
Net result for the period	–81.4	12.3
Sep. 30, 2002 and Dec. 31, 2001, respectively	**472.8**	**577.4**

KEY FINANCIAL INDICATORS

	2002 Q3	2001 Q3	2002 Jan.–Sep.	2001 Jan.–Sep.	2001 Full year
Number of shares outstanding *)	9 610 180	9 610 180	9 610 180	9 610 180	9 610 180
Earnings per share after actual taxes, SEK	–8.80	0.59	–8.37	0.87	1.46
Earnings per share after 28% standard taxes, SEK **)	0.10	0.45	0.64	0.95	0.28
Return on equity, % **)	0,5	2,9	1,3	2,0	0,3
Return on capital employed, % **)	3.4	5.4	3.6	4.8	3.3
Shareholders' equity per share, SEK	52.40	63.10	52.40	63.10	64.03
Equity ratio, %	39.1	39.7	39.1	39.7	41.0
Debt/equity ratio, %	104.7	98.7	104.7	98.7	100.4
Liquid assets including committed credit facilities not drawn upon, MSEK	252.4	218.7	252.4	218.7	239.0
Capital expenditures, MSEK	–0.2	133.6	14.7	133.6	116.0
Interest coverage ratio **)	1.1	1.6	1.3	1.4	1.1

*) 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, 2002 was 9 023 300.

**) Not including items affecting comparability.

ACCOUNTING PRINCIPLES

Beijer Alma implemented the following accounting recommendations from the Swedish Financial Accounting Standards Council effective as of January 1, 2002:

RR 1:00	Consolidated accounting
RR 15	Intangible fixed assets
RR 16	Provisions, contingent liabilities and contingent assets
RR 17	Writedowns
RR 21	Borrowing costs
RR 23	Information on closely related parties

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.