

Interim report January - March 2001 for Beijer Alma AB (publ).

- Strong increase in income compared to last year
- Total sales rose by 47 percent to SEK 371.9 m (252.4)
- Sales excluding the recently acquired Elimag rose by 23 percent
- Income after financial items was SEK 25.3 m (17.2)
- Group feels weakening in the telecom sector

GROUP

During the first quarter sales rose by 47 percent to SEK 371.9 m (252.4). Elimag, which was acquired at the beginning of the year, contributed SEK 62.2 m. Excluding Elimag, the increase in sales was 23 percent.

Order bookings amounted to SEK 384.8 m (292.9), an increase of 24 percent. Excluding Elimag, order bookings rose by 6 percent.

Income after financial items rose by 48 percent to SEK 25.3 m (17.2). The operating margin during the period was 8.7 percent (8.4).

The acquisition of Elimag was financed through a non-cash issue of 470,000 class B shares. The number of shares, including outstanding convertible debentures, amounted to 4,705,090 (4,235,090).

Earnings per share after standard tax amounted to SEK 3.92 (2.98), an increase of 32 percent. The equity ratio was 42.1 percent (45.1).

Capital expenditures, excluding company acquisitions, totaled SEK 55.7 m (13.4). Of this amount, SEK 23 m relates to the expansion of Habia's production facility in Söderfors decided on in 2000 and completed during the period. Investments in Elimag amounted to SEK 17 m.

Liquid assets, including bank overdraft facilities not drawn upon, amounted to SEK 199 m (129).

SUBSIDIARIES

Habia Cable AB (www.habia.se) is one of Europe's largest manufacturers of special cables for applications in telecommunications, transportation, nuclear power and defense. Production takes place in Sweden, Germany and China.

During the period sales rose by 97 percent to SEK 132.9 m (67.5). Excluding the German subsidiary Isotec Kabel, which was acquired in April 2000, the increase was 43 percent. Order bookings amounted to SEK 143.4 m (93.1), an increase of 54 percent. Excluding Isotec, the increase was 23 percent. Income amounted to SEK 15.0 m (0.7) and the operating margin was 13.3 percent (2.6).

During the period Habia completed the expansion of its production facility in Söderfors.

Although the order backlog at Habia remains good, several major customers in the telecom sector have indicated that their inventories increased during the first quarter. This is likely to lead to lower deliveries and sales during the second quarter.

Lesjöfors AB (www.lesjoforsab.com) is a full-range supplier of industrial springs, chassis springs and flat strip components in the Nordic region and one of the largest companies in its industry in Europe.

During the period Lesjöfors' sales declined by 6 percent to SEK 154.0 m (164.2). Order bookings decreased by 18 percent to SEK 146.5 m (178.5). Income amounted to SEK 12.8 m (19.3) and the operating margin was 9.6 percent (12.9).

Lesjöfors' operations are divided into three business areas: Industrial Springs, Automotive (chassis springs) and Flat Strip Components. In Industrial Springs and Automotive, operations are developing according to plan, with good profitability. In the Flat Strip Components business area, where a significant portion of production is for the telecom sector, order bookings have been weak. Last year customers built up their inventories, which they are now reducing, resulting in a low order volume. Customers have indicated that the process of inventory reductions will continue until mid-year. To accommodate this situation, Lesjöfors has implemented cost cuts. Among other things, the number of staff has been reduced by about 50, mainly in the Flat Strip Components business area.

Elimag AB (www.elimag.se) specializes in high-speed aluminum machining for the telecom, defense and aerospace industries as well as contract manufacturing in medical technology.

Elimag's net sales rose by 42 percent to SEK 62.2 m (43.7). Order bookings amounted to SEK 74.3 m (35.9), an increase of 107 percent. Income after financial items was SEK 1.9 m (2.6).

Elimag's operations in Gothenburg, which consist of high-speed aluminum machining, developed positively during the period. Elimag is now making substantial investments to further increase its delivery capacity. In its estimation, there is a demand for the expanded capacity now being created. The Stockholm-based contract manufacturing in medical technology is still operating at a loss.

AB Stafsjö Bruk (www.stafsjo.com) manufactures knife gate valves that are sold globally to the process industry.

Stafsjö Bruk's sales amounted to SEK 22.3 m (19.0). Order bookings totaled SEK 19.9 m (19.7). Income was SEK 0.7 m (0.4). Stafsjö's market remains weak due to the low level of investment in the pulp and paper industry.

SALES AND INCOME BY COMPANY

SALES

SEK m	2001 Q1	2000 Q4	2000 Q3	2000 Q2	2000 Q1
Habia Cable	132.9	131.9	96.9	103.2	67.5
Lesjöfors	154.0	165.9	148.7	167.1	164.2
Elimag	62.2	-	-	-	-
Stafsjö Bruk	22.3	24.0	18.7	19.6	19.0
Parent Company and intra-Group	0.5	-0.8	3.9	1.0	1.7
Group	371.9	321.0	268.2	290.9	252.4

INCOME AFTER FINANCIAL ITEMS

SEK m	2001 Q1	2000 Q4	2000 Q3	2000 Q2	2000 Q1
Habia Cable	15.0	20.3	10.4	11.7	0.7
Lesjöfors	12.8	14.2	20.2	19.0	19.3
Elimag	1.9	-	-	-	-
Stafsjö Bruk	0.7	1.5	1.0	0.2	0.4
Parent Company and intra-Group	-5.1	-0.4	0.4	-5.6	-3.2
Group	25.3	35.6	32.0	25.3	17.2
Items affecting comparability	-	0.1	9.5	-	-
Total	25.3	35.7	41.5	25.3	17.2

ANNUAL GENERAL MEETING

The Annual General Meeting on March 28 approved a dividend of SEK 8. Torsten Ekström stepped down from the Board for age reasons and was replaced by CEO Bertil Persson, who had previously been a deputy member. The other Board members were reelected. The Annual General Meeting approved a 2:1 stock split. In addition, an employee stock option program was approved for senior executives of the Group.

CEO's STATEMENT

The first quarter was significantly better for the Group as a whole than the corresponding period of the previous year. Habia's strong development was the main contributor to the improvement in income, with sales in its Telecom business area showing continued strength.

Habia noted in April, however, that its customers were less willing to take deliveries, as several large customers had built up their inventories during the period. Looking to the second quarter, indications are mixed from Habia's major markets. From China, there are signs of good growth. Habia also anticipates that Brazil will be a stronger market. The U.S. has shown signs of a recovery, while the European market has leveled off. All in all, the second quarter will therefore start weakly.

Lesjöfors' Flat Strip Components business area continues to feel the effects of inventory build-ups among its major telecom customers. The situation is expected to persist during the second quarter. In Flat Strip Components, around 50 employees were laid off in April to adapt costs to the current demand situation. For the chassis and industrial spring operations, which together account for the large part of Lesjöfors' sales, sales and earnings were in line with the previous year, with continued good profitability.

Elimag reported good order bookings and sales in both its Gothenburg and Stockholm operations. The Gothenburg operations are profitable. The Stockholm operations, on the other hand, continue to report a negative income trend, and an action program to reduce costs has begun. One result has been the reduction of a number of employees.

Stafsjö Bruk had, during the first quarter, better sales and income than in the corresponding period of the previous year. The company continues to be adversely affected by a low investment level among customers, mainly in the pulp and paper industry.

The telecom sector is currently distinguished by rapid changes in demand, in part due to previous inventory build-ups among subsystem and system suppliers. The weak demand situation in the sector, in combination with a generally weaker economy, makes it difficult to project developments for the Group as a whole in the quarters ahead.

When demand recovers, however, Beijer Alma will be very well prepared both financially and in terms of capacity.

Habia has a world-leading product portfolio and new, modern production facilities with high capacity.

Lesjöfors, which generates the large share of its sales from profitable markets in its Automotive and Industrial Springs business areas, has the capacity and competence to meet a future increase in demand from the telecom sector.

Elimag also has new production capacity, with good opportunities for future growth.

Uppsala, May 4, 2001

BEIJER ALMA AB (publ)

Bertil Persson
President and CEO

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

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Next report date:

Interim report January-June August 9, 2001.

SUMMARY INCOME STATEMENTS

SEK m	2001 Q1	2000 Q1	2000 Full-year
Net sales	371.9	252.4	1,132.5
Cost of goods sold	-247.6	-168.6	-732.8
Gross income	124.3	83.8	399.7
Selling expenses	-50.6	-36.7	-162.3
Administrative expenses	-41.5	-26.4	-110.2
Share of income in associated companies before tax	0.3	0.5	1.9
Operating income	32.5	21.2	129.1
Items affecting comparability	-	-	9.6
Result from financial assets	0.7	0.5	2.7
Result from financial liabilities	-7.9	-4.5	-21.7
Income after financial items	25.3	17.2	119.7
Tax	-7.1	-4.8	-38.4
Net income for the period	18.2	12.4	81.3

SUMMARY BALANCE SHEETS

SEK m	2001 March 31	2000 March 31	2000 Dec 31
ASSETS			
Fixed assets			
Goodwill	179.3	56.4	130.2
Tangible fixed assets	565.1	373.0	449.0
Financial fixed assets	25.6	14.4	24.6
Total fixed assets	770.0	443.8	603.8
Current assets			
Inventories	304.1	166.0	234.8
Receivables	332.7	257.3	288.5
Liquid assets	40.4	42.7	17.8
Total current assets	677.2	466.0	541.1
Total assets	1,447.2	909.8	1,144.9

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity			
Share capital	112.4	100.6	100.6
Restricted reserves	200.8	103.1	107.0
Unrestricted reserves	278.4	194.4	193.4
Net profit for the period	18.2	12.4	81.3
Total shareholders' equity	609.8	410.5	482.3
Provisions	62.1	45.2	52.1
Long-term liabilities	472.9	256.8	368.9
Current liabilities	302.4	197.3	241.6
Total shareholders' equity and liabilities	1,447.2	909.8	1,144.9

SUMMARY CASH FLOW STATEMENT

SEK m	2001 Q1	2000 Q1	2000 Full-year
Cash flow before change in working capital and capital expenditures (cash earnings)	39.8	26.7	145.7
Change in working capital increase (-) decrease (+) ¹⁾	-52.7	-39.3	-94.8
Cash flow before capital expenditures	-12.9	-12.6	50.9
Capital expenditures ²⁾	-187.7	-13.5	-223.6
Cash flow after capital expenditures	-200.6	-26.1	-172.7
Financial payments ³⁾	223.2	28.8	150.5
Change in liquid assets	22.6	2.7	-22.2
Liquid assets, opening balance	17.8	40.0	40.0
Liquid assets, closing balance	40.4	42.7	17.8
Bank overdraft facilities not drawn upon	158.5	86.1	200.5
Available liquidity	198.9	128.8	218.3

¹⁾ Of the working capital increase, SEK 12 m is due to the acquisition of Elimag.

²⁾ Of the capital expenditures, SEK 131 m relates to the acquisition of Elimag.

³⁾ Of the financial payments, SEK 148 m relates to the acquisition of Elimag.

KEY FIGURES

	2001 Q1	2000 Q1	2000 Full-year
Number of shares*)	4,705,090	4,217,370	4,235,090
Earnings per share after actual tax, SEK**)	3.92	2.98	18.01
Earnings per share after 28% standard tax, SEK **)	3.92	2.98	19.06
Return on equity, %**)	13.4	12.5	17
Return on capital employed, %**)	13.3	13.1	17
Equity per share, SEK	135.7	102.5	119.87
Equity ratio, %	42.1	45.1	42.1
Debt/equity ratio, %	80.6	66.8	81.6
Liquid assets including bank overdraft facilities not drawn upon, SEK	199	129	218
Capital expenditures, SEK	55.7	13.5	114.0
Interest cover, multiple **)	4.2	4.8	6.1

*) Including outstanding convertible debentures.

***) Excluding items affecting comparability.

