

# ANNUAL REPORT 2011



# BEIJER ALMA – AN INTERNATIONAL INDUSTRIAL GROUP

## Telecom

The Group's companies deliver components for systems manufacturers in the mobile telecom area, as well as for companies that develop and produce mobile telephones.



## Automotive

While operations in the automotive market are dominated by products for the aftermarket for passenger cars and light trucks, deliveries are also made for trucks and other heavy vehicles.



## Defense

Another major market segment is components for the global defense industry, which are used in marine, army and aviation applications.



## Engineering

All of the Group's companies are leading suppliers of products, services and solutions for engineering companies specializing in various niches in this large industrial sector.



## Energy

In the energy sector, the Group's companies sell components to customers involved in energy production and power distribution.



## Infrastructure

Public transport and other types of general communication solutions are also key customer segments.



# BEIJER ALMA

Beijer Alma's proactive and long-term strategy and development initiatives, combined with investments and corporate acquisitions, result in competitive companies in selected market segments. In all segments, the Group companies focus on developing strong relationships with customers that offer growth and profitability. The key criteria for this work are:

- Products and concepts with high customer value.**
- International market coverage.**
- Strong market position in relevant segments.**
- Diversified customer and supplier base.**

Beijer Alma takes a proactive and long-term approach to ownership. The companies in the Group are not developed with the aim of a future exit. Instead, the goal is to develop successful companies with a high level of growth and favorable profitability. Beijer Alma is listed on the NASDAQ OMX Stockholm Mid Cap list (ticker: BEIAb).

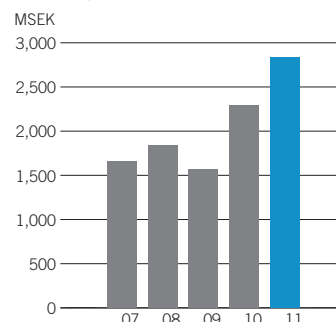
**MSEK 429**  
PROFIT AFTER NET FINANCIAL ITEMS

## NET REVENUES AND PROFIT BY OPERATING SEGMENT 2011

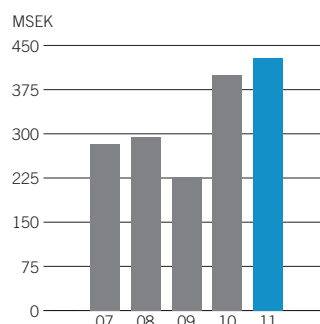
<i>Net revenues</i>					
MSEK	Q4	Q3	Q2	Q1	Total
Lesjöfors	298.6	336.5	370.8	380.1	1,386.0
Habia Cable	165.6	179.6	171.9	151.1	668.2
Beijer Tech	206.5	180.9	199.8	189.9	777.1
Parent Company and Intra-Group	-2.4	0.1	1.1	0.1	-1.1
<b>Total</b>	<b>668.3</b>	<b>697.1</b>	<b>743.6</b>	<b>721.2</b>	<b>2,830.2</b>

<i>Operating profit/loss</i>					
MSEK	Q4	Q3	Q2	Q1	Total
Lesjöfors	76.1	78.8	99.6	97.6	352.1
Habia Cable	12.7	20.2	19.2	3.8	55.9
Beijer Tech	12.0	14.5	16.9	14.4	57.8
Parent Company and Intra-Group	-5.8	-4.5	-9.6	-4.5	-24.4
<b>Consolidated operating profit</b>	<b>95.0</b>	<b>109.0</b>	<b>126.1</b>	<b>111.3</b>	<b>441.4</b>
Net financial items	-3.4	-3.7	-3.0	-2.6	-12.7
<b>Profit after net financial items</b>	<b>91.6</b>	<b>105.3</b>	<b>123.1</b>	<b>108.7</b>	<b>428.7</b>

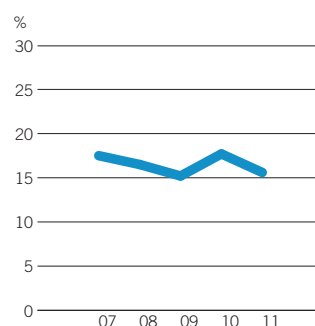
### Invoicing



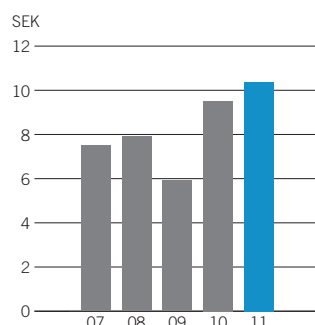
### Profit after net financial items



### Operating margin



### Earnings per share

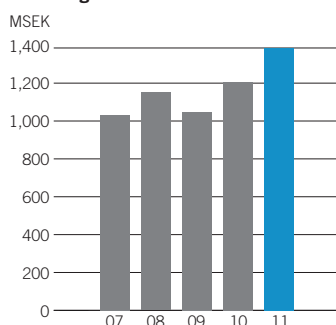


## LESJÖFORS

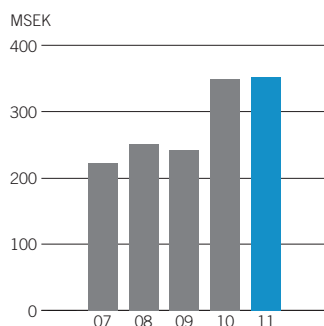
Lesjöfors is an international full-range supplier of industrial springs, wire and flat strip components. The company offers both standard and specially manufactured products. Lesjöfors holds leading positions in the European market and conducts operations in the following business areas:

- **Industrial Springs** – standard industrial springs and customized products
- **Flat Strip Components** – flat strip components and leaf springs
- **Chassis Springs** – aftermarket for passenger cars and trucks

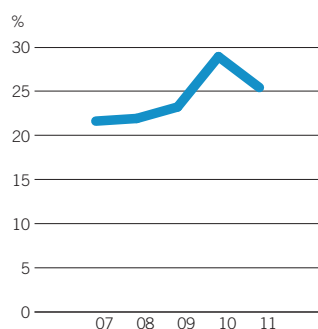
### Invoicing



### Operating profit



### Operating margin

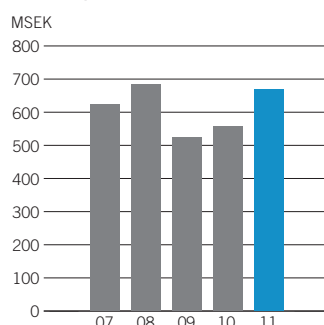


## HABIA CABLE

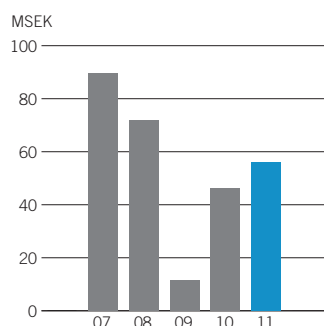
Habia Cable develops, manufactures and sells cables and cable systems for demanding applications. The company is one of the largest players in custom-designed cable in Europe. Habia conducts operations in the following business areas:

- **Radio Frequency & Communication** – mobile telecom
- **High Specification Products** – defense, nuclear power and infrastructure/communications
- **Engineered Cable Solutions** – tools, sensors, power generation and standardized products

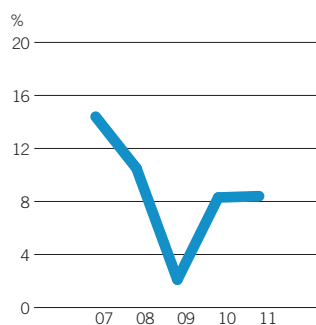
### Invoicing



### Operating profit



### Operating margin

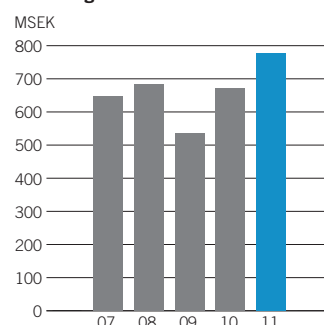


## BEIJER TECH

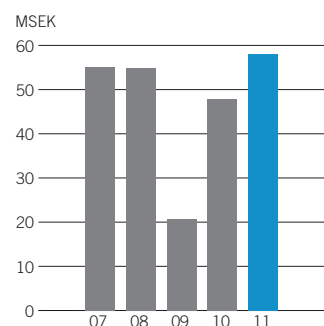
Beijer Tech specializes in industrial trading and represents several of the world's leading manufacturers. The company offers products and solutions in which expertise and products are combined to create value for the customer. Beijer Tech has two business areas:

- **Fluid Technology/Industrial Rubber** – hoses, fittings, rubber sheeting, wear protection and power transmission
- **Industrial Products** – surface treatment, foundries, steelworks and smelters

### Invoicing



### Operating profit



### Operating margin



# 2011

**ORDER BOOKINGS INCREASED** 22 percent to MSEK 2,839 (2,321).

**INVOICING ROSE** 24 percent to MSEK 2,830 (2,290).

**PROFIT AFTER NET FINANCIAL ITEMS** amounted to MSEK 429 (399).

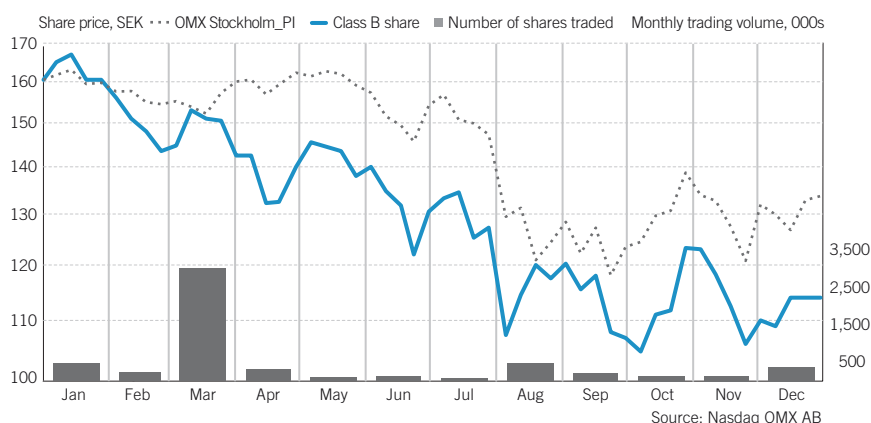
**EARNINGS PER SHARE** totaled SEK 10.38 (9.51).

**THE BOARD OF DIRECTORS PROPOSED AN ORDINARY DIVIDEND** of SEK 6.00 per share (6.00) and an extra dividend of SEK 1.00 per share (1.00).

**LESJÖFORS ACQUIRED** the German spring company Velleuer.

**BEIJER TECH ACQUIRED** the Swedish company Karlebo Gjuteriteknik.

## SHARE PERFORMANCE



## KEY FIGURES

	2011	2010	2009	2008	2007
Net revenues, MSEK	2,830	2,290	1,571	1,836	1,654
Profit after net financial items, MSEK	428.7	398.8	226.5	295.0	282.7
Operating margin, %	15.6	17.7	15.2	16.5	17.5
Dividend per share, SEK	7.00	7.00	5.00	5.00	5.00

## ANNUAL GENERAL MEETING

The Annual General Meeting will take place on Wednesday, March 28, 2012, at 6:00 p.m. in the Main Hall (Stora Salen) of the Uppsala Concert and Conference Hall (Uppsala Konsert & Kongress), Vaksala Torg 1, Uppsala, Sweden. For further information, refer to page 72 or visit [www.beijeralma.se](http://www.beijeralma.se).

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# TEN-YEAR SUMMARY

MSEK	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Net revenues	2,830.2	2,290.1	1,571.2	1,836.3	1,654.4	1,487.8	1,323.1	1,201.6	1,154.0	1,113.0
Operating profit	441.4	406.3	238.2	302.4	289.6	268.4	206.7	166.4	39.7	32.4
Net financial items	-12.7	-7.5	-11.7	-7.4	-6.9	-6.2	-6.9	-11.4	-21.7	-27.6
Profit after net financial items	428.7	398.8	226.5	295.0	282.7	262.2	199.8	155.0	18.0	4.8
Items affecting comparability	-	-	-	-	-	-	-	-	-	-99.9
Profit/loss before tax	428.7	398.8	226.5	295.0	282.7	262.2	199.8	155.0	18.0	-95.1
Tax	-115.8	-112.3	-64.1	-78.3	-77.2	-72.4	-57.8	-39.7	-10.5	11.1
Net profit/loss	312.9	286.5	162.4	216.7	205.5	189.8	142.0	115.3	7.5	-84.0
Non-current assets	927.4	820.3	616.6	657.2	607.8	526.8	558.4	561.3	624.4	657.5
Current assets	1,273.4	1,155.5	773.6	803.6	741.6	691.6	621.7	557.5	502.4	519.0
Shareholders' equity	1,482.9	1,394.5	985.9	959.6	846.7	747.8	708.9	566.4	449.7	458.3
Long-term liabilities and provisions	171.0	140.2	100.0	107.7	68.0	100.9	126.2	169.2	230.2	299.0
Current liabilities	544.2	438.4	301.2	390.2	434.6	369.7	345.0	383.2	446.9	198.3
Total assets	2,200.8	1,975.8	1,390.2	1,460.8	1,349.4	1,218.4	1,180.1	1,118.8	1,126.8	1,176.5
Cash flow after capital expenditures	152.0	168.3	215.8	150.1	120.0	121.0	142.6	197.2	74.8	116.2
Depreciation and amortization	76.3	70.7	71.4	68.2	65.3	68.8	65.2	76.9	89.6	96.6
Net capital expenditures, excluding corporate acquisitions	89.2	55.2	60.5	89.1	79.2	71.0	48.0	48.0	55.1	18.3
Capital employed	1,729.4	1,541.7	1,122.2	1,139.4	1,044.9	932.1	876.3	850.2	909.6	967.9
Net liabilities	-22.5	-91.2	-59.5	18.4	32.8	-6.8	43.0	178.3	386.9	462.4
<i>Key figures, %</i>										
Gross margin	34.8	37.7	36.4	35.3	37.4	37.9	36.8	35.9	28.9	30.7
Operating margin	15.6	17.7	15.2	16.5	17.5	18.0	15.6	13.8	3.4	2.9
Profit margin	15.1	17.4	14.4	16.1	17.1	17.6	15.1	12.9	1.6	0.4
Equity ratio	67	71	71	66	63	61	60	51	40	39
Proportion of risk-bearing capital	70	73	73	68	65	64	62	53	43	43
Net debt/equity ratio	-1.5	-6	-6	2	4	-1	6	31	86	101
Return on shareholders' equity	21.8	24.7	17.2	23.5	25.5	25.9	22.6	22.0	2.9	0.7
Return on capital employed	26.4	30.6	21.2	28.3	29.9	30.0	24.3	19.3	4.5	3.3
Interest-coverage ratio, multiple	27.5	43.3	18.7	21.4	23.6	29.6	24.2	13.2	1.7	1.2
Average number of employees	1,687	1,397	1,146	1,220	1,163	980	907	805	896	940
Earnings per share after tax, SEK	10.38	9.51	5.92	7.90	7.49	6.92	5.17	4.21	0.28	-2.88
Dividend per share, SEK	7.00	7.00	5.00	5.00	5.00	4.00	3.67	1.67	0.50	0.33





## CHAIRMAN'S STATEMENT – A WORD FROM ANDERS WALL

*Despite increasing global turbulence, Beijer Alma continued to display a stable performance. This achievement was attributable to our financial strength, as well as our management capacity, which is one of the key contributing factors behind our success.*

**Beijer Alma has had a strong balance sheet** for many years, which has provided us with security and stability. This is particularly important in periods of turbulence, when the level of risk and uncertainty increases. Such was the case during the dramatic financial crisis of 2008 and again in late 2011, when prospects appeared uncertain – for the near future at least.

In addition to a sense of security, having stable funds also provides us with greater scope to take action. It improves our potential to take an aggressive approach, enabling us, for example, to conduct acquisitions according to our own agenda and requirements.

A good example of this is Beijer Tech. Since the company joined the Group, it has grown enormously – both organically and through supplementary acquisitions, such as its most recent acquisition of the industrial trading company Karlebo.

### MANAGEMENT CAPACITY

When it comes to assets, I would also like to highlight the importance of our Group management and the management teams of our subsidiaries. These people and their outstanding daily efforts are the driving force behind our strong balance sheet, strategic acquisitions and the Group's overall positive performance. We have been praised for our management capacity and Beijer Alma's effective working method is undoubtedly a contributing factor to the company's success.

I am proud of the Group's experience, as well as our ability to take action – both when dealing with problems and when responding to new growth opportunities.

Our strong balance sheet is also directly linked to our dividend policy. We have been able to maintain an attractive dividend level for many years and aim to continue doing so whenever possible in the future. By balancing our dividend policy on the one hand and our financial strength on the other, we aim to deliver clear value for our shareholders over time.

Finally, I would like to thank all of our employees at Beijer Alma for their exceptional work in 2011. Although the immediate future is uncertain, the Group holds strong assets in the form of its capital resources and expertise – assets that provide me with a sense of confidence going forward.



Anders Wall, Chairman of the Board



## CEO'S STATEMENT – A WORD FROM BERTIL PERSSON

*The year 2011 was the strongest to date in Beijer Alma's history, with profit before tax totaling MSEK 429. Despite a challenging global environment, demand was favorable in essentially all of the Group's business areas.*

**The most significant volume increases** were noted during the first three quarters of the year, when the Group's earnings also exceeded the figures for 2010. However, growth in comparable units weakened during the fourth quarter and earnings fell below the levels achieved in the year-earlier period. The Group's combined growth was bolstered by a number of acquisitions. Beijer Tech, which was acquired in 2010, was consolidated on a full-year basis in 2011, compared with only three quarters in the preceding year. Beijer Tech's acquisition of Karlebo Gjuteriteknik AB in the autumn strengthened the company's offering in the Industrial Products business area. In early 2011, Lesjöfors acquired the German spring company Velleuer GmbH & Co KG. All in all, this meant that the Group's invoicing in 2011 increased 24 percent to MSEK 2,830, the highest level to date for Beijer Alma.

### HIGH GROWTH

Lesjöfors's invoicing rose 15 percent to MSEK 1,386 as a result of a combination of organic growth and acquisitions. The acquisition of Velleuer enabled Lesjöfors to establish a local manufacturing operation in Germany, which is currently Europe's largest spring market. Despite an increase in volumes, operating profit for 2011 was largely unchanged and the operating margin declined due to rising price pressure in the all-important chassis springs segment, as well as the fact that Velleuer had weaker margins than Lesjöfors's

other operations.

Habia also noted a sharp increase in demand in 2011. Invoicing rose 20 percent to MSEK 668. While the strongest growth was reported in the telecom segment, the rate of increase was also high in the other business areas. The surge in demand among telecom customers was concentrated to the first half of the year and was presumably largely influenced by customer concerns regarding a material shortage following the natural disaster in Japan in the spring. Although demand declined sharply in this segment late in the year, the early improvement nevertheless resulted in a significant earnings increase in Habia compared with 2010.

Beijer Tech's sales rose 16 percent to MSEK 777, also as a result of organic growth and acquisitions. The increase was evident in both of the Group's business areas. Industrial Products displayed the fastest growth, while Fluid Technology/Industrial Rubber reported the strongest earnings trend. All in all, Beijer Tech's performance in 2011 was positive and I am very pleased with this acquisition, which has contributed to higher earnings per share and helped Beijer Alma achieve a more favorable risk profile.

### UNCERTAIN OUTLOOK

As we enter 2012, the level of risk in the global environment is high. Beijer Alma's all-important European market faces the possibility of a low or perhaps negative growth rate. Many countries are facing major fiscal



problems and the banking sector is under considerable pressure. Given this global scenario our a strong financial position is an important factor in our success. Beijer Alma has a healthy profitability level and robust cash flow. We have maintained a continuously positive cash flow for ten years, which has given us a strong balance sheet. We are thus well equipped to face a weak market trend and will be able to take aggressive action – making investments and acquiring businesses – if and when the time is right. Despite the long-standing strength of our balance sheet, we have also delivered a favorable return on our capital. This has enabled us to pay a high dividend to the company's shareholders, which in turn has helped Beijer Alma deliver a healthy total return over time.

### CREATING CUSTOMER VALUE

I would like to emphasize that all value creation begins with generating value for the Group's customers. Only by meeting this requirement can we deliver strong, long-term profitability and create shareholder value over time. This approach to value creation also serves as the basis for our strategy work. At Beijer Alma, this entails understanding how our Group companies can create value for our customers and how our subsidiaries must think and act to create this value in their daily operations.

Naturally, we are interested in expanding the Group. However, if we are to meet our requirements for strong value creation, growth must be achieved in parallel with a high level of quality. Taking an overly volume-driven approach makes it easy to become involved in operations that focus on large quantities of standard products. The level of value creation in such operations is low, which weakens our chances of receiving adequate payment for our products and services. Based on our experiences, we at Beijer Alma have developed a model to guide our decisions regarding how to invest the Group's resources. The central principle of this model is customer value. Another requirement is that the investments made must provide a strong, international market position. It is also vital that we build businesses with a diversified customer base. This reduces the risk of becoming dependent on individual customers, industries or applications.

During the year, the number of employees in the Group underwent a relatively large upsurge following the acquisition of new companies and a sharp increase in the number of employees in low-cost countries. Most of this increase occurred in China, where

Lesjöfors in particular hired new employees. Habia also increased its number of employees in China. As a result of these changes, nearly 30 percent of the Group's employees worked in low-cost countries at year-end 2011. The corresponding figure ten years ago was 2 percent.

This trend is the result of our conscious efforts to boost the competitiveness of the Group companies in an increasingly globalized market, where the demands on local presence and competitive prices are continuously being intensified. Lesjöfors and Habia currently hold strong market positions in several key areas. This would not have been possible without the investments made in the Group's production facilities in low-cost countries.

### INTERNATIONAL STRENGTH

Having an international presence – including production and sales – is thus crucial for the Beijer Alma Group. Our companies often operate in narrow market niches and the volumes in our Swedish home market are small. This means that long-term expansion will require a broad international presence. Yet our objective for the future remains the same: generate growth in our companies by boosting international sales. As in the past, we will achieve this goal by focusing on acquiring local players. In the mature industries in which we operate, a local presence with established brands is and will remain a prerequisite for success. Examples of this include Lesjöfors's expansion in the UK and Germany, Habia's presence in the German market and Beijer Tech's success in Denmark.

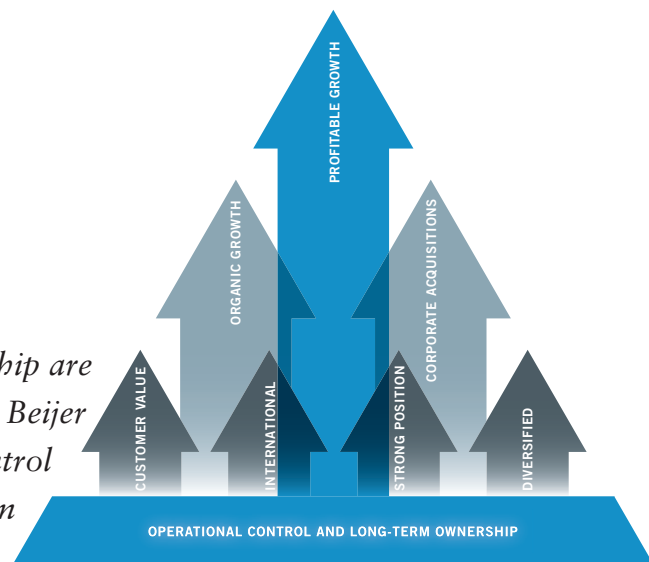
As we now enter 2012, we face a turbulent global situation and demand is expected to decline compared with in 2011 – yet Beijer Alma is well prepared to cope with this eventuality. We will leverage the market situation and our strong financial position to advance our positions in the markets that we consider attractive. We will also make any adjustments we deem necessary to continue achieving optimal results in 2012.



Bertil Persson, President and CEO

## STRATEGY

*Efficient operational control and long-term ownership are the tools used to pave the way for value creation in Beijer Alma. This strategy combines effective business control with attractive products, high quality, investments in manufacturing capacity and international sales.*



**PROFITABLE GROWTH.** Beijer Alma focuses on growth as a means of assuring the Group's expansion and long-term development. To fulfill this goal, growth must be combined with sustainable profitability. This is achieved by ensuring that the companies in the Group offer products and services that generate high customer value and pursue international sales. Beijer Alma contributes business strategies, business control and investment assistance to promote the profitable growth of its subsidiaries.

**ORGANIC GROWTH.** Beijer Alma makes continuous investments in product and market development. This type of growth is prioritized since it often generates high quality and low risk. Organic development also enables existing organizations to be utilized while focusing work on markets and products that are familiar to the Group.

**CORPORATE ACQUISITIONS.** The Group's acquisitions include both new operations and acquisitions that supplement existing subsidiaries. Supplementary acquisitions strengthen the Group in selected markets or specific technology or product areas. The risk involved in supplementary acquisitions is also lower since these acquisitions are performed in familiar markets or areas.

**HIGH CUSTOMER VALUE.** Most of the Group companies' products and services are adapted to meet specific customer needs, which creates higher value for customers. This approach also allows Beijer Alma to avoid volume production of standard products.

**INTERNATIONAL MARKET COVERAGE.** The Group's production companies primarily focus on niche products that are manufactured in small series and generate higher customer value. To achieve growth with this type of product, the companies must have broad international sales.

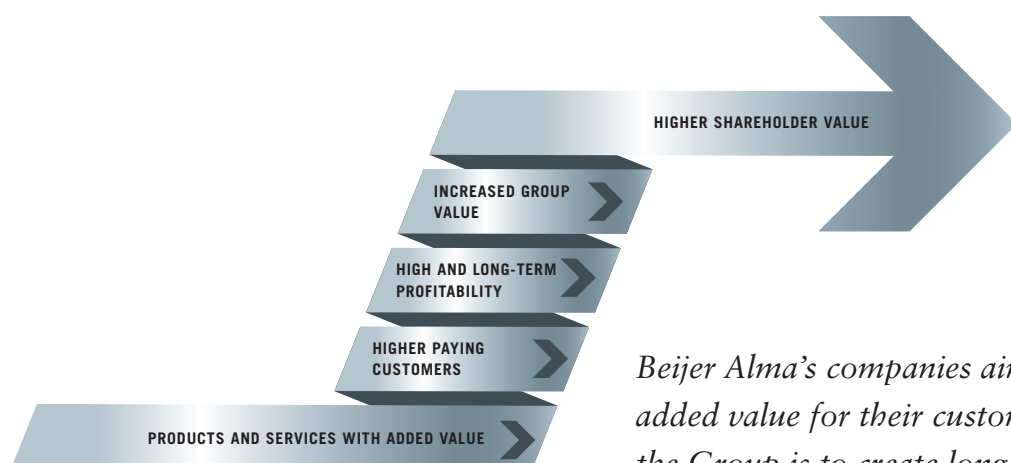
**STRONG MARKET POSITION.** Quality, breadth of product range and a high level of customization enable strong market positions. This allows the Group companies to compete by offering other forms of added value in addition to low prices.

**DIVERSIFIED CUSTOMER AND SUPPLIER BASE.** Beijer Alma strives to achieve a broad customer and supplier base, which reduces the Group's risk and its dependency on individual geographic markets, industries and companies.

**OPERATIONAL CONTROL.** Beijer Alma works closely with the Group companies to set goals, follow up and exercise long-term control. These efforts generally do not involve operational activities, but instead focus on strategic development, acquisitions and investments, thereby providing the Group companies with access to management resources that mid-sized companies often lack.

**LONG-TERM OWNERSHIP.** The concept of a long-term approach is key to Beijer Alma's ownership strategy. The Group companies are not developed with the aim of a future exit. Instead, the goal is to create groups of companies with industrially sound structures that achieve long-term success and in which the rate of growth and profitability is high.

# SHAREHOLDER VALUE



*Beijer Alma's companies aim to deliver strong, clear added value for their customers. This is crucial if the Group is to create long-term shareholder value.*

**Added value** is created through the products and services offered by the companies – products and services that improve, streamline and strengthen operations, generate savings and in other ways enhance customers' businesses. When its companies deliver such added value, the Group is able to improve the margins on its products and services. This boosts profitability, which over time raises the value of the companies and the Group, thus creating increased value for Beijer Alma's shareholders.

## FOCUS ON INDUSTRIAL CUSTOMERS

The companies in the Group work primarily with corporate and industrial customers in what are known as business-to-business transactions. These customers are professional procurers who make rational decisions regarding the procurement of products and services that are expected to create value for their individual operations.

In the consumer market, on the other hand, purchasing decisions are based on other criteria, including fashion, taste and trends. Beijer Alma has elected not to focus on this market, partly because buying behavior is more difficult to predict. Comparatively speaking, the corporate and industrial market is more stable and thus makes it easier for Beijer Alma to build long-term and mutually profitable relationships with customers in this market.

## TWO MAIN AREAS

Beijer Alma focuses on manufacturing and trading – two areas with several common denominators. In both cases, the emphasis is on industrial customers and products, which means that all Group companies

have fundamentally the same market. However, clear differences exist between manufacturing and trading – differences that must be utilized in a manner that bolsters Beijer Alma's long-term growth and profitability.

Compared with manufacturing companies, trading companies are generally less complex. They do not conduct research or development and have no proprietary production capacity, which reduces tied-up capital and the need for large investments. Trading companies are also more easily able to alter their product portfolios, for example, by taking in new products or agencies if demand changes. At the same time, gross margins are often lower for trading companies than for manufacturers. This also results in a slower volume-gearing effect on profit since trading companies cannot create the same leverage that manufacturing companies can when demand increases.

Manufacturing companies have a different structure. Their production processes are often complex and comprise many steps – product development, procurement of raw materials and input goods, manufacturing, quality assurance and so on. They are also exposed to the additional risk that changes in technology could rapidly reduce demand for the company's products. In such cases, adapting operations to the new conditions can be both costly and time consuming. One of the advantages is that manufacturing companies have a greater ability to control their market strategies. In addition, manufacturing companies have relatively high gross margins. By adapting their production processes, such companies are thus able to increase their profit gearing when demand gains momentum.

# THE BEIJER ALMA SHARE

*The Beijer Alma share was listed on the stock exchange in 1987. At year-end 2011, the Group had 4,387 shareholders and a market capitalization of MSEK 3,435. Beijer Alma's dividend policy is that not less than one third of the Group's net profit, excluding items affecting comparability, shall be distributed to the shareholders.*

**The Beijer Alma share is listed** on the NASDAQ OMX Stockholm Mid Cap list.

**At year-end, Beijer Alma's share capital** amounted to MSEK 125.5 (125.5).

**All shares have a quotient value** of SEK 4.17 and entitle the shareholder to equal rights to participation in the company's assets and earnings.

**There are no convertible** subordinated debentures or options outstanding.

**A total of 5,674,526 shares** were traded during the year, corresponding to 21.2 percent of the outstanding Class B shares.

**An average of approximately 22,429 shares** were traded each trading day.

## Per-share data

	2011	2010	2009	2008	2007
Earnings per share based on average number of shares outstanding after 26.3% and 28% standard tax, respectively, SEK	10.49	9.75	6.08	7.74	7.42
After tax, SEK	10.38	9.51	5.92	7.90	7.49
Shareholders' equity per share, SEK	49.22	46.28	35.94	34.98	30.87
Dividend per share, SEK	7.00 <sup>1)</sup>	7.00	5.00	5.00	5.00
Dividend ratio, %	67	74	84	63	67
Dividend yield, %	6.1	4.4	5.5	9.2	7.2
Market price at year-end, SEK	114.00	160.50	91.50	54.50	69.25
Highest market price, SEK	173.50	160.50	92.50	87.50	117.00
Lowest market price, SEK	93.50	91.50	56.00	50.00	63.00
P/E ratio at year-end	11.0	16.9	15.5	6.9	9.2
Cash flow per share, SEK	5.04	5.58	7.87	5.47	2.59
Closing number of shares outstanding	30,131,100	30,131,100	27,431,100	27,431,100	27,431,100
Average number of shares outstanding	30,131,100	29,456,100	27,431,100	27,431,100	27,431,100

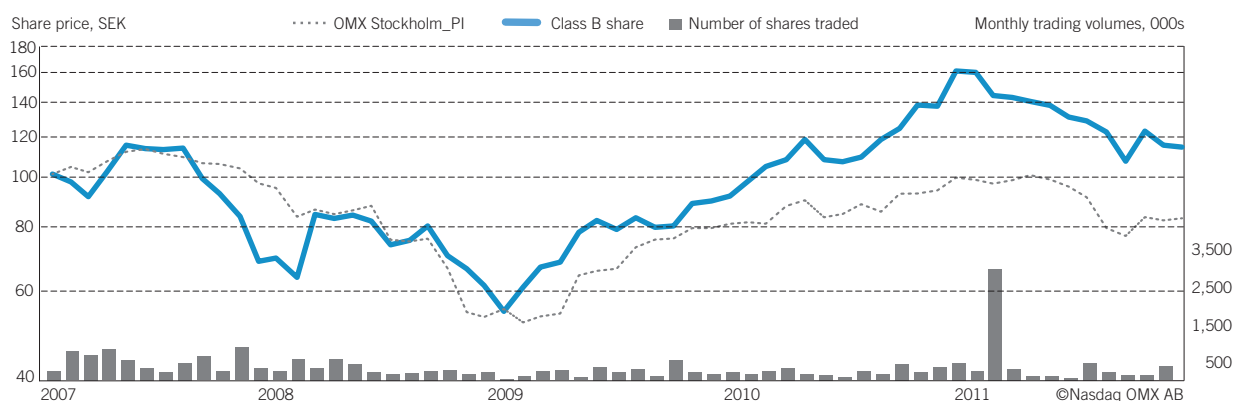
1) Dividend proposed by Board of Directors

## SHARE PERFORMANCE

In 2011, the market price of the Beijer Alma share declined 29 percent. The Stockholm All Share Index fell 17 percent.

The closing price at year-end was SEK 114.00 (160.50), corresponding to a market capitalization of MSEK 3,435.

The highest price was SEK 173.50, which was quoted on January 4. The lowest price was SEK 93.50, which was quoted on August 9.



## OWNERSHIP

The number of shareholders at year-end was 4,387.

Of these shareholders, institutional owners accounted for 64.6 percent of capital and 42.9 percent of votes.

The holdings of foreign shareholders amounted to 7.2 percent of capital and 3.6 percent of votes.

### Shareholders

Name	Total	Number of Class A shares	Number of Class B shares	Number of votes	% of share capital
Anders Wall, with family and companies	3,513,120	1,974,000	1,539,120	21,279,120	11.7
Lannebo Funds	2,286,799	0	2,286,799	2,286,799	7.6
Kjell and Märta Beijer Foundation	1,732,050	0	1,732,050	1,732,050	5.8
Anders Wall Foundations	1,562,160	707,400	854,760	7,928,760	5.2
Svolder AB	1,523,355	0	1,523,355	1,523,355	5.1
Livförsäkrings AB Skandia	1,503,794	0	1,503,794	1,503,794	5.0
Didner & Gerge Fonder AB	1,493,600	0	1,493,600	1,493,600	5.0
Swedbank Robur Funds	1,275,978	0	1,275,978	1,275,978	4.2
AMF – Insurance and Funds	1,000,000	0	1,000,000	1,000,000	3.3
SHB: Odin Sweden Mutual Fund	996,237	0	996,237	996,237	3.3
Fourth AP Fund	798,369	0	798,369	798,369	2.7
Kjell Beijer 80-year Foundation	754,200	0	754,200	754,200	2.5
Handelsbanken Funds	747,656	0	747,656	747,656	2.5
SEB Asset Management S A	650,000	0	650,000	650,000	2.2
Other	10,293,782	648,600	9,645,182	16,131,182	34.2
<b>Total</b>	<b>30,131,100</b>	<b>3,330,000</b>	<b>26,801,100</b>	<b>60,101,100</b>	<b>100.0</b>

Source: Shareholders' register, December 31, 2011 incl. known changes

### Ownership structure

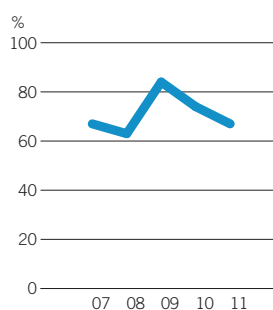
Number of shares	Number of shareholders	% of shareholders	Number of shares	of which, Class A	of which, Class B	% of shares
1–500	2,605	59.4	450,139	0	450,139	1.5
501–5,000	1,517	34.6	2,353,112	1,800	2,351,312	7.9
5,001–10,000	116	2.6	829,640	0	829,640	2.8
10,001–20,000	45	1.0	625,402	28,800	596,602	2.1
20,001–50,000	45	1.0	1,374,541	153,500	1,221,041	4.6
50,001–100,000	23	0.5	1,595,965	318,100	1,277,865	5.3
100,001–	36	0.8	22,902,301	2,827,800	20,074,501	75.9
<b>Total</b>	<b>4,387</b>	<b>100.0</b>	<b>30,131,100</b>	<b>3,330,000</b>	<b>26,801,100</b>	<b>100.0</b>

Source: Shareholders' register, December 31, 2011

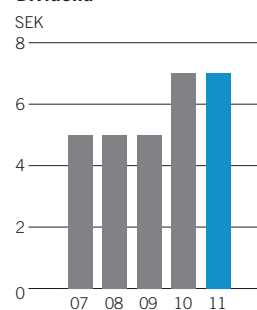
## DIVIDEND POLICY

Beijer Alma's dividend policy stipulates that the dividend shall amount to not less than one third of the Group's net profit, excluding items affecting comparability, although consideration shall always be given to the Group's long-term financing needs.

### Dividend ratio



### Dividend



## ANALYSTS

Company	Analyst	Telephone number
Danske Bank	Carl Gustafsson	+46 8 568 805 23
Remium	Claes Vikbladh	+ 46 8 454 32 94
Carnegie Investment Bank AB	Christian Hellman	+46 8 588 687 28





In the telecom segment, Lesjöfors delivers components to systems suppliers and phone manufacturers. In 2011, the company's operations in China performed strongly.

# LESJÖFORS

*Lesjöfors is an international full-range supplier of industrial springs, wire and flat strip components. The company offers both standard and specially manufactured products. Lesjöfors holds leading position in the Nordic region and is one of the largest players in the European market.*

## BUSINESS AREAS

**Industrial Springs** – standard springs and customized products.

**Flat Strip Components** – flat strip components and leaf springs.

**Chassis Springs** – aftermarket for passenger cars and light trucks.

## SENIOR EXECUTIVES

**Kjell-Arne Lindbäck**, President, born 1952, Degree in Business Administration, Lesjöfors employee since 1997.

**Bertil Persson**, Chairman of the Board.



Kjell-Arne Lindbäck, President

## 2011 IN BRIEF

**Invoicing** amounted to MSEK 1,386 (1,207) and operating profit to MSEK 352 (349).

**Acquisition** of the German spring manufacturer Velleuer.

**Strong performance** in the telecom market in China, including deliveries of iPhone components.

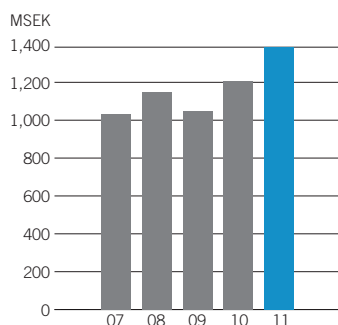
**Establishment** of spring manufacturing operations in China commenced.

**Intense focus on new sales**, which increased the percentage of new transactions compared with the preceding year.

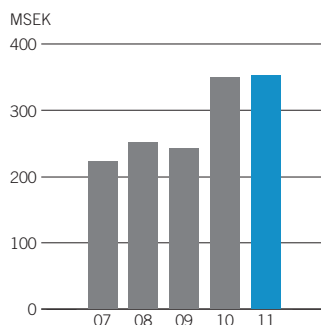
## KEY FIGURES

MSEK	2011	2010	2009	2008	2007
Net revenues	1,386.0	1,206.7	1,046.5	1,151.2	1,032.3
Cost of goods sold	-821.1	-662.4	-624.0	-720.4	-636.9
Gross profit	564.9	544.3	422.5	430.8	395.4
Selling expenses	-121.0	-113.6	-106.5	-104.9	-93.7
Administrative expenses	-91.8	-81.3	-73.1	-74.3	-79.0
Operating profit	352.1	349.4	242.9	251.6	222.7
Operating margin, %	25.4	28.9	23.2	21.9	21.6
Net financial items	-3.9	-4.6	-7.3	-8.0	0.5
Profit after net financial items	348.2	344.8	235.6	243.6	223.2
of which, depreciation and amortization	49.4	43.2	48.2	44.3	41.4
Capital expenditures, excluding corporate acquisitions	59.5	42.9	34.9	57.5	55.4
Return on capital employed, %	43	43	33	37	44
Average number of employees	1,014	770	686	764	743

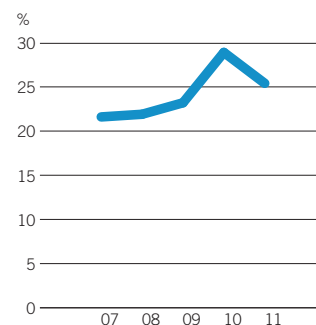
### Invoicing



### Operating profit



### Operating margin



## KEY FACTS ABOUT LESJÖFORS'S SALES

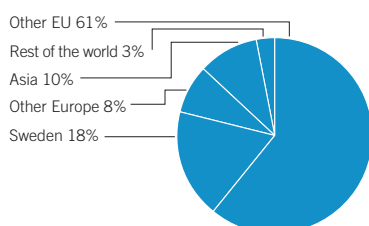
Cover approximately 60 markets, the largest of which are Sweden, the UK, Germany and China. 80 percent of sales are conducted outside Sweden.

Slightly more than 60 percent of sales pertain to customized products.

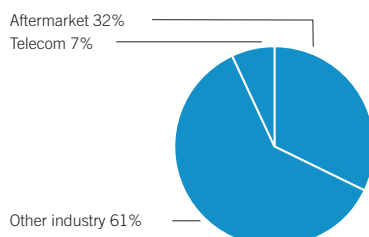
The market share for Industrial Springs in the Nordic region is slightly more than 40 percent.

The market share for Chassis Springs in Europe is about 45 percent.

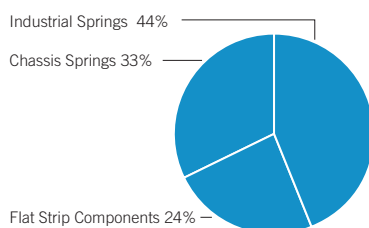
**Geographic distribution of invoicing**



**Distribution of customers by segment**



**Distribution by business area**



## TRENDS IN 2011

Lesjöfors's invoicing in 2011 totaled MSEK 1,386 (1,207), up 15 percent. Operating profit amounted to MSEK 352 (349) and the operating margin was 25 percent (29). Demand was favorable, particularly during the first three quarters of the year. The increase in volume was most evident in Industrial Springs and Chassis Springs, while a weaker trend was reported for Flat Strip Components, particularly for mobile systems in the telecom segment. Meanwhile, Lesjöfors advanced its position in the telecom market in China, where its main focus is mobile phones. Despite the adverse impact of currency effects and increasing price pressure, Chassis Springs defended its market positions. The best-performing markets in 2011 were Scandinavia, the UK, China and Germany. Invoicing amounted to MSEK 607 for Industrial Springs, MSEK 336 for Flat Strip Components and MSEK 443 for Chassis Springs.

## MARKET AND SALES

Lesjöfors is an international full-range supplier of springs, wire and flat strip components. Its product range offers a unique breadth and encompasses both customized and standard components used in everything from household products to high-tech applications. This provides Lesjöfors with a diverse customer mix comprising about 13,000 customers in all major industries.

Another factor contributing to Lesjöfors's success is its market mix, with sales conducted in 60 markets. The company operates some ten

proprietary sales offices. These offices manage the markets in the Nordic region and Western Europe, which account for approximately 90 percent of Lesjöfors's sales volume. In other markets, sales are handled through distributors.

In addition to the company's product range and customer and market mix, Lesjöfors's key competitive advantages are its:

- High level of expertise in spring technology and design
- Cost-effective manufacturing operations
- Efficient distribution and customer service
- Excellent product quality

Through Lesjöfors's standard product range, which encompasses more than 10,000 items, customers have access to a large number of finished products with short lead times. This range fills an important sales function since standard products often pave the way for a more in-depth partnership involving customized products. To the greatest extent possible, Lesjöfors's sales work concentrates on existing customers in order to gradually increase the company's market share among these companies.

In recent years, the Internet has become the preferred platform for marketing and sales. Websites make it easier to communicate with customers, establish contact networks and process and provide information in a reliable manner. Local websites are being developed for an increasing number of markets and will be launched in the UK and Ger-

many in 2012. In parallel with these initiatives, the sales organization is being expanded in Germany and the Russian market, where a sales office was established in 2010.

## OPERATIONS

Lesjöfors has 14 production units in seven countries. In early 2011, Lesjöfors acquired the German company Velleuer, thereby gaining a local production operation in Europe's largest spring market and becoming a leading supplier of springs and pressed components in Germany.

A business-minded approach, decentralization and local base are leading concepts at all Lesjöfors units. The most critical strategic processes are sales and manufacturing and Lesjöfors devotes its expertise, resources and support functions to these areas in order to facilitate and enhance the efficiency of its sales personnel and machine operators.

Equally important is the company's aggressive approach to making investments that increase the level of automation of its manufacturing operations. Since 2006, the share of Lesjöfors's total revenues attributable to personnel costs has decreased approximately 10 percentage points.

Another competitive advantage is Lesjöfors's ability to combine low-cost production with manufacturing operations carried out in the company's other plants. At the end of 2011, about 20 percent of Lesjöfors's manufacturing was conducted in its plants in Latvia and China. The goal is to double this percentage within five years.

All of Lesjöfors's plants have been awarded ISO 9001 quality certification. Several facilities are also certified in accordance with industry-specific quality standards, such as that of the automotive industry. The company's quality procedures are integrated into its daily operations and production systems. The number of errors in Lesjöfors's production operations and those

of its customers has been measured and monitored and the results of this measurement reveal a high quality level. The costs incurred by the company as a result of complaints are low and its delivery service rate is between 97 and 98 percent.

## ENVIRONMENT

Some 85 percent of the production units owned by Lesjöfors AB are currently environmentally certified under ISO 14001.

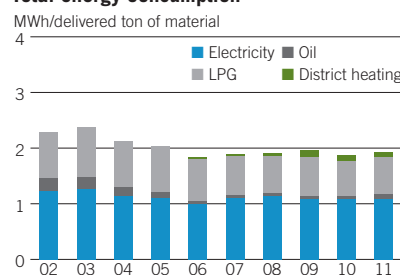
Environmental objectives are established at each individual unit. In 2011, the main focus was on reducing energy consumption and the number of transports.

All units in the Group are C facilities, which means that they have a relatively low environmental impact. Waste from the plants is sorted to achieve the lowest possible environmental impact. The largest combined fractions are wet grinding waste, waste disposal and material waste and 100 percent of material waste is recycled.

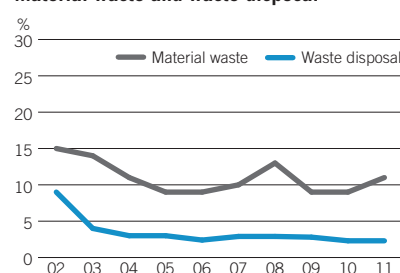
## SOCIAL RESPONSIBILITY

The UN's and OECD's "The Ten Principles" serve as the foundation for Lesjöfors's work in the area of social responsibility. These principles address such issues as human rights, child labor, forced labor, the environment and corruption. Lesjöfors's corporate culture is characterized by a short chain of command. It is based on informal interaction, where sound values are established through daily work

## Total energy consumption



## Material waste and waste disposal



rather than formal rules and regulations. The company's operations take a shared approach to ethical and social issues, for example, in relation to employees, customers, business partners and other external stakeholders. The CEO and local management are responsible for ensuring that this approach is upheld and, when necessary, updated.

## EMPLOYEES

The number of employees increased by 244 to 1,014 (770). A total of 285 people (169) work in the low-cost countries of Latvia and China. The number of employees in Sweden totals 311 (298). Lesjöfors has 169 employees (181) in the UK, 146 (20) in Germany and 65 (66) in Denmark.

## EMPLOYEES, KEY FIGURES

	2011	2010	2009	2008	2007
Average number of employees	1,014	770	686	764	743
of whom, salaried employees	247	200	188	209	202
of whom, collective-agreement employees	767	570	498	555	541
of whom, men	683	541	500	543	547
of whom, women	331	229	186	221	196
of whom, in high-cost countries	729	601	588	633	638
of whom, in low-cost countries	285	169	98	131	105
Number of employees at year-end	1,013	778	646	783	728
Sickness absence, %	2.6	2.9	3.1	3.1	3.4
of which, short-term absence	1.6	1.9	2.0	1.8	2.0
of which, long-term absence	1.0	1.0	1.1	1.3	1.4



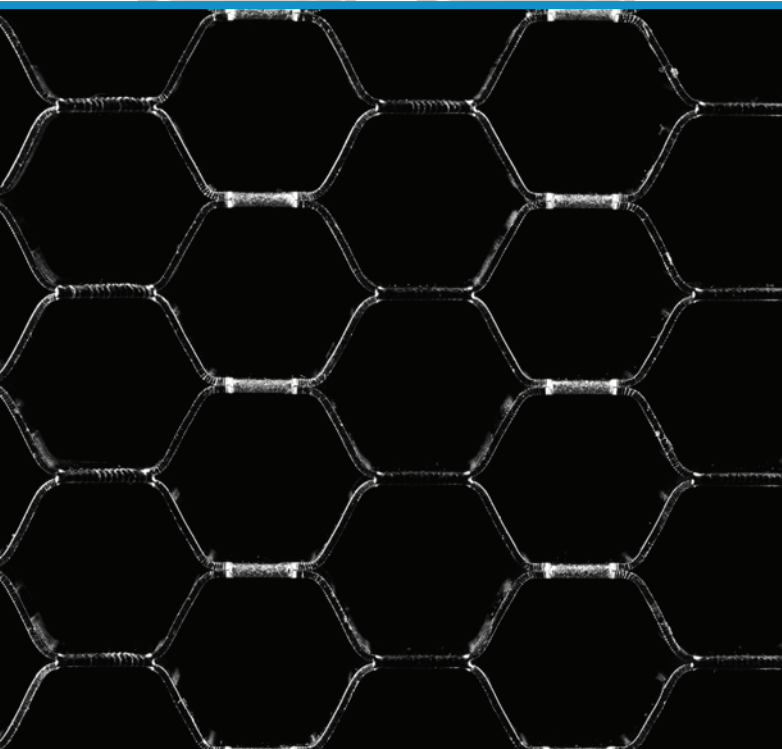


## INDUSTRIAL SPRINGS

These operations include the manufacturing, inventory management and distribution of industrial springs. The broad product range encompasses standard springs and customized products. These products are used in most major industrial sectors, including the power, paper and pulp, offshore, automotive, automation and infrastructure industries.

### CUSTOMER VALUE

Lesjöfors offers a broad product range, high level of quality and excellent service. In many cases, products are customized based on the customer's specific needs, which means that Lesjöfors's capacity for innovation and problem-solving ability are strong success factors.



## FLAT STRIP COMPONENTS

Flat Strip Components specializes in the development and production of components in strip steel. Lesjöfors manufactures stamping and strip components in Sweden, China, Latvia, the UK and Denmark. The company always offers customized technical solutions, regardless of whether the assignment focuses on small production series or highly automated volume products. The aim is to become involved in customer projects at an early stage so as to influence quality and the manufacturing process and thus ensure optimal cost-efficiency.

### CUSTOMER VALUE

Customers are offered a high level of technological competence, advanced tool development, short lead times, low-cost production in Latvia and China and excellent customer service.



## CHASSIS SPRINGS

Chassis Springs offers the market's broadest range of proprietary and quality-assured vehicle springs for European and Asian passenger cars and light trucks. Lesjöfors is unique in this industry since the company is a manufacturer that and controls the entire value chain – from design to manufacturing, inventory management, logistics and service.

### CUSTOMER VALUE

Lesjöfors creates customer value through its proprietary manufacturing operations, breadth of product range, high level of availability, short lead times, low distribution costs and efficient customer support.



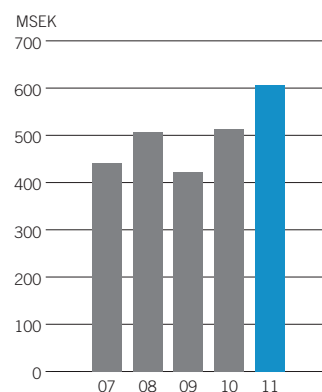
### CUSTOMERS AND COMPETITORS

Lesjöfors's broad customer mix provides a favorable risk spread. The company's main competitors in the Nordic region are Spinova, Ewes, Meconet and Hagens Fjädrar. Germany's spring industry comprises approximately 200 companies and the UK's about 100. Many of these companies are small-scale businesses.

### MARKET AND SALES

The company's principal markets are the Nordic region, the UK, the Benelux countries and Germany, where Lesjöfors significantly strengthened its position following the acquisition of Velleuer. Sales rose in several markets, particularly during the first three quarters of the year and primarily among existing customers. The market segments that reported the strongest performance were trucks and construction machinery. The establishment of spring manufacturing operations commenced in China during the year. Sales in Industrial Springs for 2011 amounted to MSEK 607 (514).

### Invoicing



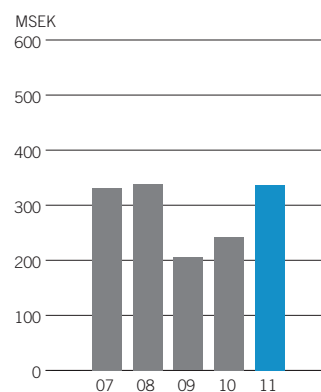
### CUSTOMERS AND COMPETITORS

Lesjöfors's principal customer segments in this business area are the telecom, electronics, automotive and medical industries. The competition scenario is largely the same as for Industrial Springs.

### MARKET AND SALES

The principal markets in this business area are the Nordic region, Germany, the UK and China. Demand from manufacturers of mobile systems in the telecom segment was relatively weak in 2011, partly because many customers opted to adjust their inventories. At the same time, demand for mobile phone components increased. Stronger demand was also noted in the automotive industry, where a positive trend was reported for the year. The telecom segment boosted the company's volumes in China, where Lesjöfors has grown significantly in recent years and is now a supplier to most major mobile phone manufacturers. Sales in Flat Strip Components for 2011 amounted to MSEK 336 (243).

### Invoicing



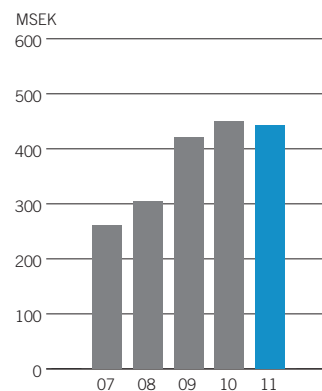
### CUSTOMERS AND COMPETITORS

Chassis Springs' products are sold in more than 50 markets. The company's customers in this business area are nationwide distributors of automotive spare parts and its main competitors are Suplex, K+F and Kayaba.

### MARKET AND SALES

Lesjöfors holds a leading position in Europe, with a market share valued at more than 45 percent. Its largest markets are Scandinavia, the UK, Germany and Eastern Europe, which jointly account for about 80 percent of the company's sales volume. Sales continued to increase in these principal markets during the year, primarily among existing customers, and Lesjöfors was particularly successful in boosting its market shares in Central Europe. At the same time, the company's earnings were impacted adversely by currency effects and increasing price pressure. Sales in Chassis Springs for 2011 amounted to MSEK 443 (450).

### Invoicing



# Growth in telecom

*China has become a hub for Lesjöfors's telecom operations and growth has been substantial. Investments in local entrepreneurship, a high degree of customization and a network of partners are the secrets behind this success, and also make Lesjöfors more flexible and effective.*



Speed and intuition are two key qualities when manufacturing components for telecom customers. Few other industries can claim such a high pace of innovation or development. And to achieve profitability in projects, it is important to have a production apparatus that can handle rapid transitions.

"We have, or have had, all of the well-known phone manufacturers as our customers. In one telecom

project, we might produce up to ten different components, such as antennas and cosmetic details, but also the carrier, which is the core of the phone," says Mikael Andersson, who, together with local President David Qu, is responsible for Lesjöfors's operations in China.

In many ways, what really sets the tempo in this market is that mobile phones are now a fashion accessory. End customers want the latest model with the most up-to-date design and technical features.

"There used to be fewer models on the market and their life span was about two years. Now we are talking shorter life spans and far more models," says Mikael Andersson. "Accordingly, our projects have to start efficiently to quickly deliver the volumes demanded."

## NETWORK BUILDS COMPETITIVENESS

Lesjöfors's Chinese telecom manufacturing operations have grown substantially in recent years and employ about 200 people. Lesjöfors's strengths are its combined Chinese and Swedish management, highly automated processes, cutting-edge technological solutions and an ability to find the right partners.

"Our network of partners gives us shorter lead times and access to a range of specialists – depending on

our needs," emphasizes David Qu, President of Lesjöfors China Ltd. "If we include this network, our telecom manufacturing operations employ about 5,000 people in China."

"Our customers consider us a turnkey supplier, but we have chosen to focus on our own core competencies, while other areas, such as surface treatment, are handled by our partners," continues David Qu. "This network is something that we can also utilize in our other customer segments."

## RAPID DECISION-MAKING PROCESSES

It is not unusual for Mikael and David to receive enquiries in the morning and find themselves on a plane just a few hours later to meet a customer for further discussion. The decision-making process is short and Lesjöfors's manufacturing processes usually last for just a few months.

"Since lead times are short, it is vital that our partners receive the correct information so that we can handle the deliveries," says Mikael Andersson. "Developing new tools for a project might only take one to two weeks. That's a record in our industry."

"We have to be flexible in terms of capacity, but also have good control and keep a business-like approach in our projects," says

Mikael Andersson. “This type of preparedness applies to our entire organization since staffing, finances and all other areas must adapt in pace with changes to projects.”

#### NEW INVESTMENTS

In late autumn in 2011, Lesjöfors in China worked on eight different telecom projects, comprising approximately 40 components. One particularly prestigious project was the iPhone 4S.

“Lesjöfors worked on the iPhone 4S for about a year before it was released. We were heavily involved in developing the mechanics of the phone, such as adapting the details so that they are producible and can be manufactured in sufficient volumes,” says Mikael Andersson.



## Future focus on springs

When the company's operations in China were established, Lesjöfors mainly delivered components to systems manufacturers, such as Ericsson. The customer base was later extended to also include major mobile phone manufacturers.

“Much of the work in the beginning was handled by our Scandinavian employees. The key people now are local Chinese employees, who have established a strong entrepreneurship in Changzhou,” says Kjell-Arne Lindbäck, President of Lesjöfors.

Once a minor part of the Group, Lesjöfors China is now one of its largest separate units. The division's technical expertise has constantly

increased and several designers and project managers now work full time on the development of new projects and tools.

#### PROMOTING CREATIVITY

A short chain of command and proximity to customers and the market are fundamental. Lesjöfors has found that this working method increases commitment and promotes creativity.

“Local entrepreneurship has been a significant driving factor contributing to the development of new production methods and strong relationships with subcontractors and partners. All of this has benefitted

development in Changzhou,” says Kjell-Arne Lindbäck.

#### BROADER OPERATIONS

Lesjöfors is now taking the next step in the development of its Chinese operations by also investing in wire spring production. Within a few years, Kjell-Arne Lindbäck predicts that new operations will account for approximately 50 percent of the volumes in China.

“We now have the expertise, technological infrastructure and business models in place. This means we can offer more services to our European customers with operations in China.”





Demand in the nuclear power market is increasing. Habia produces cables used inside reactor containments, including cables for various types of measuring and control equipment.

# HABIA CABLE

*Habia Cable is one of Europe's largest manufacturers of custom-designed cables and cable systems for demanding applications. The company's products are sold in approximately 50 markets.*

## BUSINESS AREAS

**Radio Frequency & Communication** – mobile telecom.

**High Specification Products** – defense, nuclear power, infrastructure/transport.

**Engineered Cable Solutions** – tools, sensors, power generation, standard products.

## SENIOR EXECUTIVES

**Carl Modigh**, President, born 1972, Degree in Engineering and Executive Master of Business Administration, Habia employee since 2006, President since 2011.

**Bertil Persson**, Chairman of the Board.



Carl Modigh, President

## 2011 IN BRIEF

**Invoicing** amounted to MSEK 668 (558) and operating profit to MSEK 56 (46).

**Strong demand** in the telecom and industrial sectors during the first three quarters of the year.

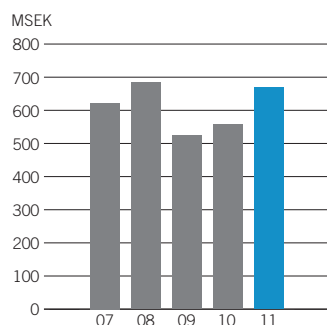
**The company's expansion** of its production capacity for telecom cables in China continued as planned during the spring.

**A material shortage** occurred following the earthquake in Japan. On the whole, Habia was able to fulfill its delivery obligations despite this shortage.

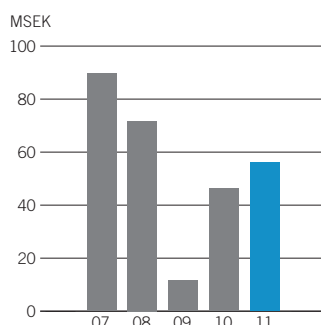
## KEY FIGURES

MSEK	2011	2010	2009	2008	2007
Net revenues	668.2	558.1	522.6	684.9	622.0
Cost of goods sold	-469.0	-391.3	-374.9	-467.2	-398.9
Gross profit	199.2	166.8	147.4	217.7	223.1
Selling expenses	-78.5	-64.2	-84.2	-89.2	-84.4
R&D	-16.2	-14.1	-13.9	-15.4	-12.5
Administrative expenses	-48.6	-42.3	-37.8	-41.3	-36.5
Operating profit	55.9	46.2	11.5	71.8	89.7
Operating margin, %	8.4	8.3	2.2	10.5	14.4
Net financial items	-6.3	-3.3	-3.9	-7.5	-3.4
Profit after net financial items	49.6	42.8	7.6	64.3	86.3
of which, depreciation and amortization	20.3	22.2	24.5	23.4	23.6
Capital expenditures, excluding corporate acquisitions	22.4	10.1	25.6	30.6	23.5
Return on capital employed, %	15	14	3	20	34
Average number of employees	466	433	455	452	415

### Invoicing



### Operating profit



### Operating margin





## KEY FACTS ABOUT HABIA'S SALES

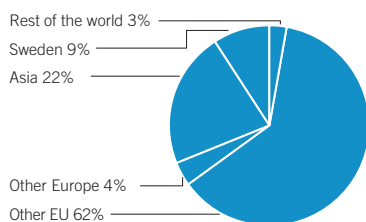
Encompass about 50 markets.

More than 90 percent of sales are conducted outside Sweden.

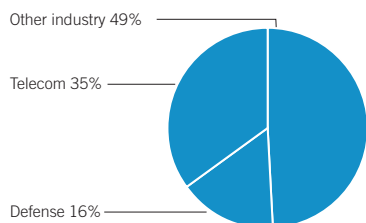
About 90 percent pertain to customized products.

The largest segment is the industrial sector, which accounted for 49 percent of sales in 2011.

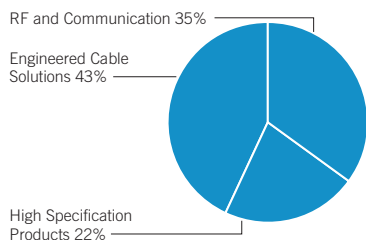
**Geographic distribution of invoicing**



**Distribution of customers by segment**



**Distribution by business area**



## TRENDS IN 2011

Habia Cable's invoicing totaled MSEK 668 (558). Operating profit amounted to MSEK 56 (46) and profit after net financial items to MSEK 50 (43). Demand in the telecom and industrial segments increased sharply in the first three quarters of the year. This growth was attributable to a clear economic recovery and increased orders during the second quarter as customers attempted to ensure their deliveries following the earthquake in Japan. Despite major disruptions in the supply chain for fluoropolymers, Habia was generally successful in fulfilling its delivery obligations thanks to its quick actions and well-established supply channels.

With the exception of the UK, positive trends were noted in all principal geographic markets, namely Germany, France, the Nordic region and Asia. In 2011, Habia achieved a higher degree of manufacturing coordination in its three plants than in previous years and was able to utilize the Group's full capacity. The past year was characterized by sharp price increases for input materials, particularly plastics, which had a negative impact on Habia's margins.

## MARKET AND SALES

Habia Cable is an innovator in the design and manufacturing of custom-designed cables and cable harnesses. The company's products are made from high-performance materials and are used in demanding applications in such sectors as

telecom, defense and nuclear power and other industrial segments with rigorous performance demands. For example, cable harnesses must be able to withstand high and low temperatures, radioactivity, vibrations and extensive bending. Another distinguishing feature is the company's high rate of customization, which enables Habia to contribute innovative technical solutions to meet the needs of the individual customer. Habia's other competitive advantages include its:

- High level of technical know-how
- Cost-efficient solutions that meet its customers' strict technical demands
- Flexible production operations
- Global service

Habia's market and sales organization focuses on approximately 200 of the company's largest customers whose technological requirements are particularly advanced. These customers currently account for about 80 percent of Habia's sales. Work is organized according to geographic sales regions distributed among 13 countries in Europe and Asia. The company's key markets are Germany, the Nordic region, other Western European countries, China, Hong Kong, South Korea and India.

Habia's sales personnel and design engineers are jointly responsible for the company's market-related work, which makes it easier to match the customer's needs with the right technical solutions

in a comprehensive manner. Sales of standard products are managed through phone and catalog sales and local partners.

The cable market is fragmented. In Europe, the market niche for custom-designed cables is valued very roughly at approximately EUR 1 billion. While Habia's share in the defense, nuclear power and industrial segments is estimated at between 5 and 10 percent, the company holds a world-leading position in the telecom market. Habia's market share in the area of cables for base-station antennas is about 40 percent.

## OPERATIONS

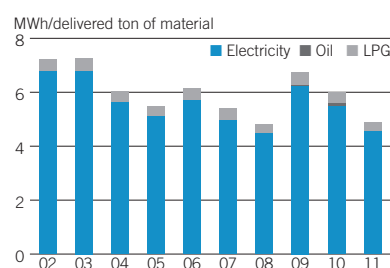
Habia has production facilities in Sweden, China, Germany and Poland. A comparatively large share of the company's manufacturing operations pertains to customized products, which are produced in relatively small volumes. The Swedish plant in Söderfors remains the largest facility and accounted for nearly 45 percent of Habia's production volume in 2011. All of the plants increased their production volumes during the year. Access to low-cost production has become a prerequisite for ensuring the company's competitiveness in the telecom market. Habia is the only cable company in the Western world with its own manufacturing facility for the telecom segment in a low-cost country.

In addition to expanding the capacity of its Chinese plant, Habia made several smaller investments in 2011, focusing on quality and productivity-enhancement measurements. Habia's quality work prioritizes such areas as product quality, delivery times and delivery precision. In terms of product quality, the company currently has a target fulfillment rate of 99.4 percent of orders without complaint. This is a highly competitive figure for a company that specializes in customized products

in relatively small series.

All of Habia's production facilities have been awarded ISO 9001 quality certification. Several of its plants and products are also certified in accordance with customer and industry standards, such as those of Underwriters Laboratories (UL) and Det Norske Veritas (DNV). Many of Habia's customers also conduct their own annual quality audits.

## Total energy consumption



## Material waste and waste disposal



## ENVIRONMENT

Habia's Swedish operations have been certified under ISO 14001 since 2000. This influences the company's environmental efforts and serves as a foundation for identifying environmental issues and shaping the environmental objectives that the company strives to

fulfill. In 2011, Habia's environmental program focused on reducing scrap and material waste from production. Other prioritized areas included reducing electricity consumption and increasing recycling of construction plastics.

The production facility in Söderfors is a Class B operation with a production permit issued by the County Administrative Board. This permit regulates the consumption of industrial gasoline, which is used in one of the plant's processes, as well as the purification of volatile organic compounds, known as VOC emissions, which are formed during these processes.

## SOCIAL RESPONSIBILITY

Habia's work in the area of social responsibility is based on the UN's and OECD's "The Ten Principles," which address such issues as human rights, child labor, forced labor, the environment and corruption. The company also follows three governing values: Transparency, Reliability and Integrity. These values serve as a guide for all internal and external work. They are discussed regularly during management and employee meetings, conferences and training programs and updated when necessary.

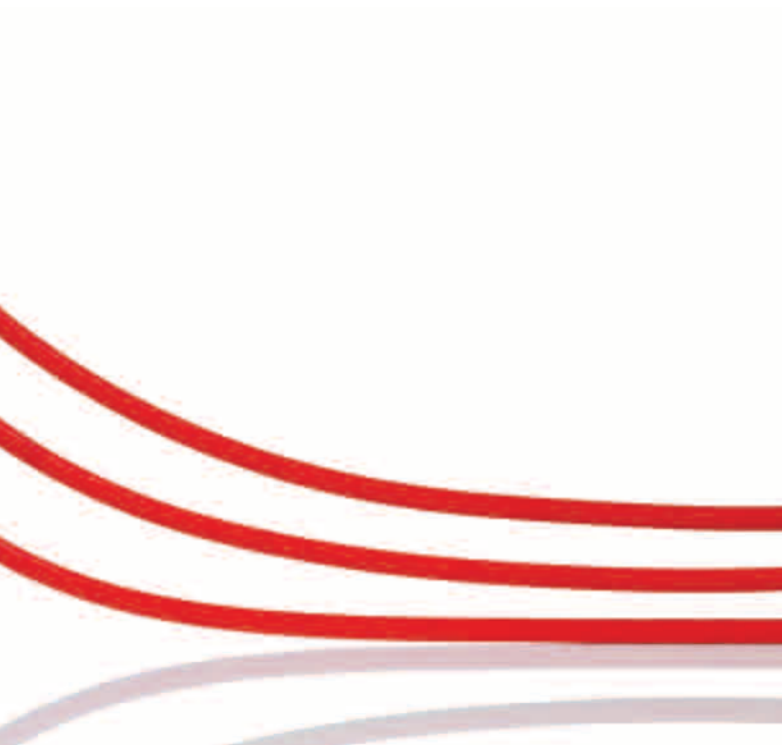
## EMPLOYEES

The number of employees increased by 33 to 466 (433). In the low-cost countries of China and Poland, the number of employees rose by 17 to 184 (167), while the number of employees in high-cost countries increased by 16.

## EMPLOYEES, KEY FIGURES

Average number of employees	466	433	455	448	415
of whom, salaried employees	164	159	176	180	162
of whom, collective-agreement employees	302	274	279	268	253
of whom, men	289	285	309	292	280
of whom, women	177	148	146	156	135
of whom, in high-cost countries	282	266	297	328	309
of whom, in low-cost countries	184	167	158	120	106
Number of employees at year-end	461	444	456	455	444
Sickness absence, %	3.4	4.1	3.2	4.1	3.2
of which, short-term absence	2.2	2.9	2.7	2.6	2.6
of which, long-term absence	1.2	1.2	0.5	1.5	0.6

	2011	2010	2009	2008	2007
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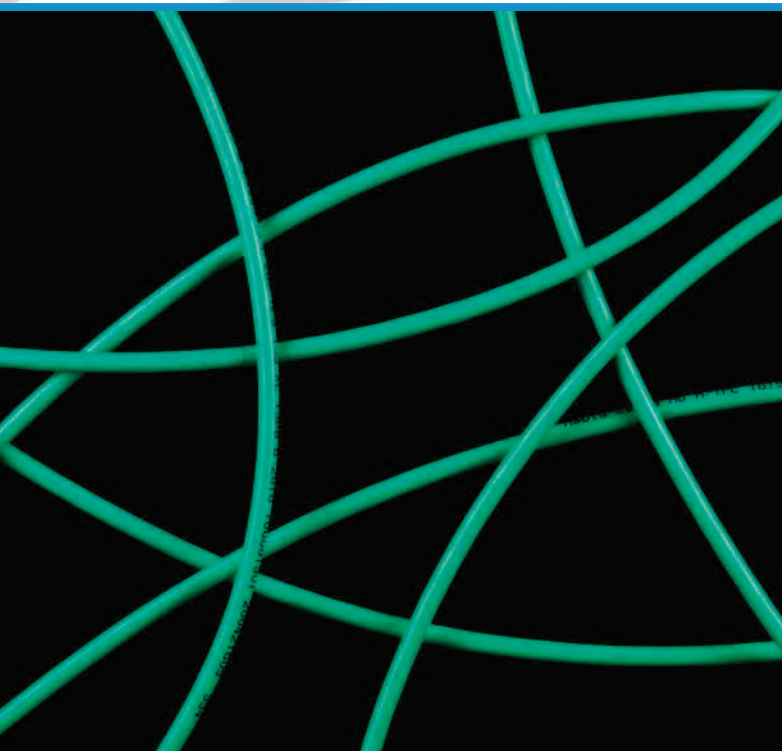


## **RADIO FREQUENCY & COMMUNICATION (RF)**

This business area specializes in products for the mobile telecom sector, where Habia offers a comprehensive range of cables. The largest product is Flexiform, which is used for transmitting signals in base-station antennas. Habia holds a world-leading position in this area, with a market share of about 40 percent. The performance demands are high in this market, where the rate of product development is continuously increasing and price pressure is intense.

### **CUSTOMER VALUE**

Habia offers a high level of technical know-how, cost-efficient production and global customer service.

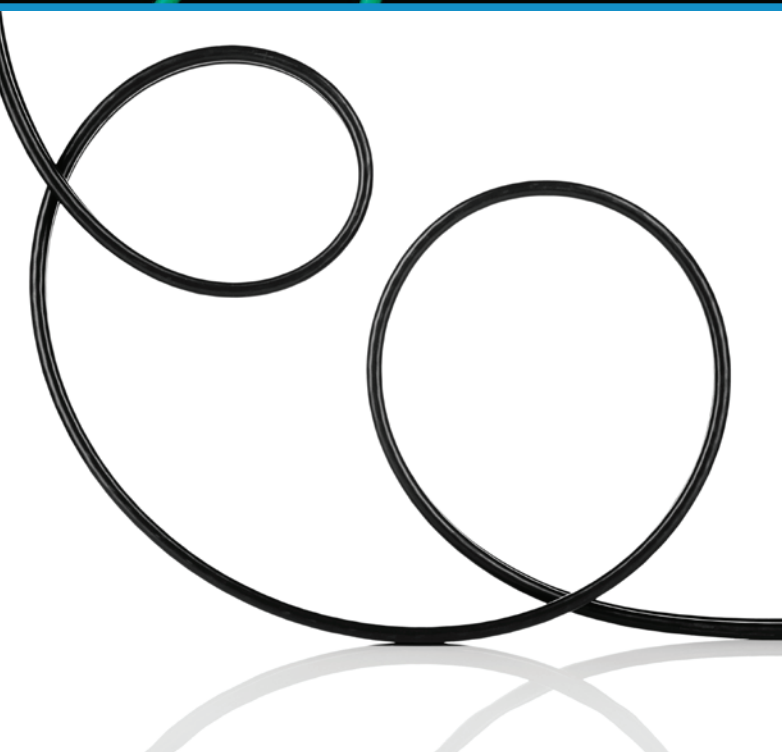


## **HIGH SPECIFICATION PRODUCTS (HSP)**

This business area focuses on cables for the nuclear power defense, defense and infrastructure sectors. These products are manufactured in line with national and international standards and produced in both small and large volumes. The demands on problem-solving and customization are high in all customer segments.

### **CUSTOMER VALUE**

Habia creates customer value by offering a high level of expertise in product development and sales, as well as efficient technical support.



## **ENGINEERED CABLE SOLUTIONS (ECS)**

This business area focuses primarily on traditional industrial sectors, offering high-tech cable products adapted to the unique requirements of each customer. Volumes are small to medium in size and production is technology intensive. Habia's key customer segments are hydraulic and pneumatic tools, sensors, gas turbines, marine/offshore equipment and raw-material processing. ECS also handles sales of standard products, including cables for measuring equipment, lighting, heating and white goods.

### **CUSTOMER VALUE**

Habia offers quality products, short response times, flexible production and customer-oriented service.

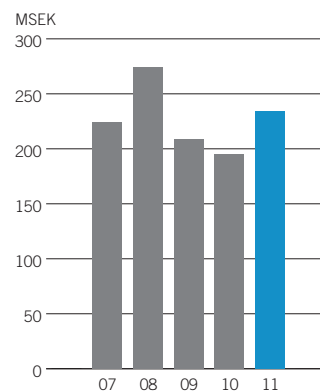
## CUSTOMERS AND COMPETITORS

Sales are conducted in 25 markets and Habia works with essentially all major antenna manufacturers in the mobile telecom sector. Customer requirements focus on high electronic and mechanical performance, competitive prices and flexible delivery capacity. Habia's main competitors in this business area are the Swiss company Huber+Suhner, the Chinese company Kingsignal and the Japanese company Nissei.

## MARKET AND SALES

Order bookings were strong during the first nine months of 2011, but weakened toward the end of the year. In spring 2011, the company relocated its equipment from the Söderfors plant to its Chinese facility, thus boosting its telecom cable manufacturing capacity in China. This change resulted in a cost reduction and enabled more cost-efficient use of machinery over several shifts. Competition from local manufacturers in China remained intense. By conducting a larger share of its telecom manufacturing operations in China, Habia was better equipped to respond to this trend. Sales in Radio Frequency & Communication for 2011 amounted to MSEK 234 (195).

### Invoicing



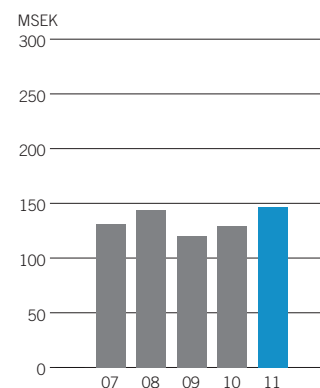
## CUSTOMERS AND COMPETITORS

Defense and nuclear power are the largest customer segments. In the defense market, Habia supplies cables for marine, army and aviation applications. In the nuclear power sector, the company's cables are used in measuring and control equipment in nuclear power plants, as well as equipment for handling nuclear fuel and waste. The principal markets are Europe and Asia, predominantly the Nordic region, the UK, France and South Korea. The company's main competitor in the defense sector is the US company Tyco Electronics. Its principal competitors in the nuclear power segment are the French company Nexans, the Italian company Prysmian and the US company Rockbestos.

## MARKET AND SALES

Habia's niche in the defense market is valued at SEK 1.5 billion and its market share is about 7 percent. Sales in the defense segment remained essentially unchanged during the year due to the ongoing debt crises in Europe, which resulted in a reduction in defense appropriations in many countries. In the nuclear power sector, Habia's market niche in Europe and Asia is valued at about SEK 1 billion. The company broadened its market during the year. Having previously focused on Asia, Habia has now also established a presence in the European market. Strong growth was noted in the nuclear power sector, with increased sales in both Asia and Europe. The company's combined share in these markets was approximately 5 percent. Sales in High Specification Products for 2011 amounted to MSEK 147 (128).

### Invoicing



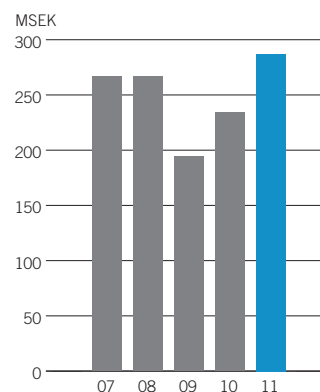
## CUSTOMERS AND COMPETITORS

Customer requirements in this business area focus on high-quality technical advisory services and support, as well as fast, customized deliveries. Habia's main competitors are the Italian company Intercond, which is owned by Nexans, and the German companies HEW and Ernst & Engbring.

## MARKET AND SALES

After an increase during the first nine months of the year, order bookings in ECS declined slightly due to the turbulent economic climate. The key driving force in this business area was the growth of the industrial sector. Europe is the principal market for ECS, with Germany, Sweden, the Netherlands and other countries in the Nordic region among the countries that displayed the strongest performance during the year. Sales in Engineered Cable Solutions for 2011 amounted to MSEK 287 (235).

### Invoicing



# Focus on nuclear power

*The rate of expansion in the nuclear power market is higher than it has been for a long time. Many new reactors are being built and a number of older facilities are being upgraded. This is providing Habia, which specializes in custom-designed cables, with opportunities in an energy market where safety is of the utmost concern.*



**N**uclear power has attracted considerable attention in the past year. The nuclear reactor disaster following the tsunami in Japan made headline news across the world. A short time later, Germany announced its plans to close the country's nuclear power plants. Despite these events, growth in the nuclear power market remains strong.

"A total of 63 new reactors are currently being built worldwide. Countries such as South Korea, Russia, China and India are experiencing the most significant growth," explains Micael Lindberg, Global Head of the Nuclear business area at Habia. "Older facilities are also being upgraded. Overall, this has resulted in record growth that is on par with the growth reported in the 1970s and 1980s."

## EXTENSIVE PROJECTS

A total of 435 nuclear power plants are currently in operation world-

wide. These plants have an average service life of 40 years, which means that they are now either starting to be phased out or upgraded to allow them to remain in operation for at least another 20 years. These upgrades also involve replacing the cables inside the reactor containments. This will be advantageous for Habia, which specializes in so-called critical cables for this area of the nuclear power plant.

"Our cables are mainly used for various types of measuring and control equipment, but Habia also sells power cables, which are used to run the engines in the valves and pumps inside the facilities," explains Micael Lindberg.

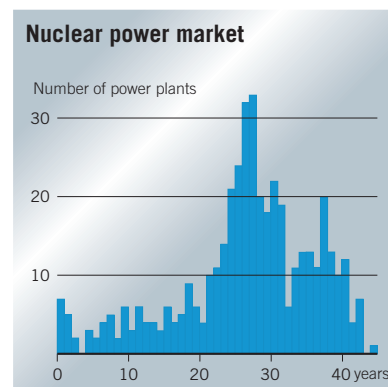
## UNIQUE REQUIREMENTS

Cables classified as critical to plant safety must be able to meet rigorous requirements. The term used for this industry standard is LOCA, which stands for "loss-of-cooling accident." The LOCA standard states that cables must be able to withstand a controlled shutdown of the facility, during which the cooling system no longer functions normally. Such a process can result in higher radiation, pressure and temperatures, which cannot be permitted to impact the performance of Habia's products.

"Considerable thought goes into safety procedures. I don't think

any other industry in the world has such strict requirements," emphasizes Micael Lindberg. "This affects everyone involved in these projects. Our employees have undergone special training and the requirements imposed on documentation, testing and traceability are strict."

The nuclear power segment does not follow the usual economic cycle. Instead, political decisions determine the agenda for the work to be performed. Customers include both energy companies and the companies that manufacture the nuclear power plants themselves. When upgrades are performed, Habia often works directly with the energy companies that own and are responsible for the facilities that are already in operation.



Many of the world's nuclear power plants have been in operation for 20 to 30 years. This means that they are now starting to be phased out or upgraded to allow them to remain in operation for at least another 20 years.

Source: IAEA



Despite the accident in Fukushima, the global nuclear power market appears to be growing at a rapid rate. Naturally, this growth stems from increasing energy requirements. When the advantages and disadvantages associated with various forms of energy are debated, nuclear power is considered by many countries to be the most viable alternative.

China is a fast growing market. In 2012, 16 reactors are expected to be in operation. This number will increase to more than 60 by 2020, and China is expected to have

“This means that all of the critical cables will be replaced, which will create attractive business opportunities for us,” notes Micael Lindberg.

“Our cables are halogen-free, which means they emit less smoke and toxins during a fire. This is an important feature that became evident when a fire broke out in the Swedish nuclear power station Ringhals – a fire that did not affect Habbia’s products, but rather other plastic products. The smoke resulted in a build-up of soot, which blackened the reactor containment. Including expenses for cleaning, restoration, repairs and lost profit, the damage cost billions,” explains Micael Lindberg.

Cable specifications in the nuclear power industry change over time. From an early stage, Habia has ensured that its products comply with the latest requirements, something that more and more customers now demand from their cables.

Habia has made deliveries to South Korea and now sees China as an attractive market. Europe also looks exciting, since many reactors are being upgraded. Habia already delivers cables to such countries as Spain, the Netherlands, the UK and France.



## Source: IAEA



Beijer Tech has a broad range of products and services for foundries, steelworks and smelters. Through this trading platform, the company offers customers solutions that improve their processes and products.

# BEIJER TECH

*Beijer Tech specializes in industrial trading and represents several of the world's leading manufacturers. The Group has two principal business areas: Fluid Technology/Industrial Rubber and Industrial Products. Beijer Tech offers products and solutions in which expertise and products are combined to create value for industrial customers.*

## BUSINESS AREAS

**Fluid Technology/Industrial Rubber** – hoses, fittings, rubber sheeting, wear protection, rubber profiles, power transmission and gasket materials.

**Industrial Products** – input goods and machinery for surface treatment, foundries, steelworks and smelters.

## SENIOR EXECUTIVES

**Peter Kollert**, President, born 1961, Graduate in Business Administration, Beijer Tech employee since 2004.

**Bertil Persson**, Chairman of the Board.



Peter Kollert, President

## 2011 IN BRIEF

**Invoicing** amounted to MSEK 777 (671) and operating profit to MSEK 58 (48).

**Acquisition of Karlebo Gjuteriteknik**, which expanded the offering in Industrial Products.

**Recovery in Norway** as a result of new customer partnerships, primarily in the oil and gas market.

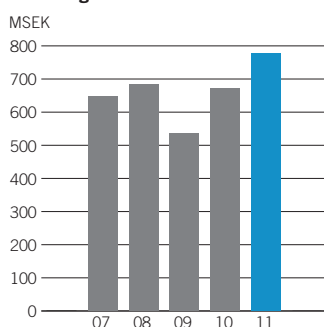
**Broader offering** from the Danish company Preben Z, which strengthened the company's position in the rough grinding segment.

**Stronger market position** in Fluid Technology, with a particularly strong performance in the area of Hydraulics.

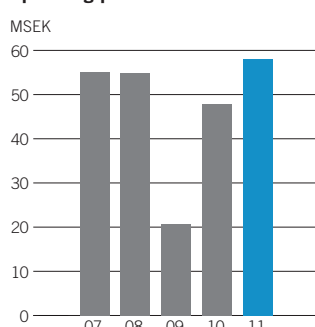
## KEY FIGURES

MSEK	2011	2010	2009	2008	2007
Net revenues	777.1	671.3	534.8	682.3	647.7
Cost of goods sold	-556.9	-488.4	-386.6	-484.0	-462.6
Gross profit	220.2	182.9	148.2	198.3	185.1
Selling expenses	-100.1	-78.1	-68.4	-79.2	-70.2
Administrative expenses	-62.3	-56.9	-59.2	-64.3	-59.7
Operating profit	57.8	47.9	20.6	54.8	55.2
Operating margin, %	7.4	7.1	3.9	8.0	8.5
Net financial items	-0.9	-0.3	-1.2	-3.4	-3.0
Profit after net financial items	56.9	47.6	19.4	51.4	52.2
of which, depreciation and amortization	6.2	6.5	5.6	6.4	6.4
Capital expenditures, excluding corporate acquisitions	6.7	2.1	1.0	4.0	3.8
Return on capital employed, %	22.8	19.0	10.0	28.0	33.0
Average number of employees	202	189	174	184	186

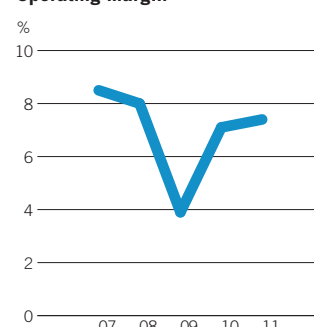
### Invoicing



### Operating profit



### Operating margin





## KEY FACTS ABOUT BEIJER TECH'S SALES

The principal market is the Nordic region, where Sweden is the largest market.

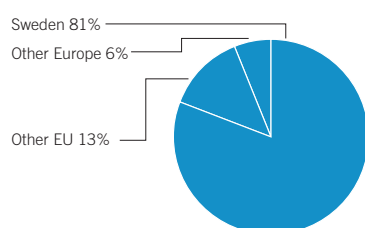
About 75 percent of sales pertain to end customers in the industrial sector.

The product range encompasses approximately 15,000 products.

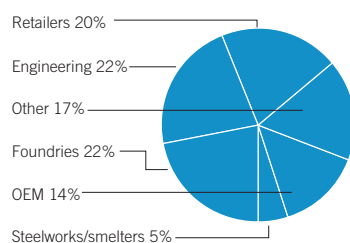
Market leader in industrial hoses in Sweden, with a share of about 30 percent.

Market leader in blasting in the Nordic region, with a share of approximately 25 percent.

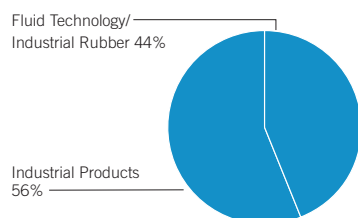
**Geographic distribution of invoicing**



**Distribution of customers by segment**



**Distribution by business area**



## TRENDS IN 2011

Invoicing in 2011 amounted to MSEK 777 (671), up 16 percent. Operating profit totaled MSEK 58 (48) and the Group's operating margin was 7 percent (7). Demand increased in both business areas and record-high growth was reported during the year. The strongest trend was noted in the Industrial Products business area, whose operations occur at a later stage in the economic cycle. Although several customer segments experienced a high level of activity, the trend in the engineering and steel industries was particularly favorable for Beijer Tech. The sales increase was most significant in Sweden. At the same time, Norway experienced a certain degree of recovery due to new customer partnerships in the energy sector. While the financial trend in Finland was weaker, Beijer Tech expanded its offering to include more product areas and customer segments. Invoicing amounted to MSEK 341 (314) for Fluid Technology/Industrial Rubber and MSEK 436 (357) for Industrial Products.

## MARKET AND SALES

Beijer Tech comprises a group of specialized companies that work together to further bolster the competitiveness of the industrial sector. The company has about 11,000 customers in essentially all industrial sectors in the Nordic region. Beijer Tech offers products and expertise that improve its customers' processes and products. This offering can be summarized with the key terms Customer-centric, Cre-

ative and Comprehensive, which reflect the advantages with which Beijer Tech aims to be associated.

The main market is Sweden, which accounts for about 83 percent of the company's sales. Most sales are geared toward end customers in industrial companies, while a smaller share are conducted through retailers. Beijer Tech is also involved in the planning of industrial facilities, which generates commission revenue.

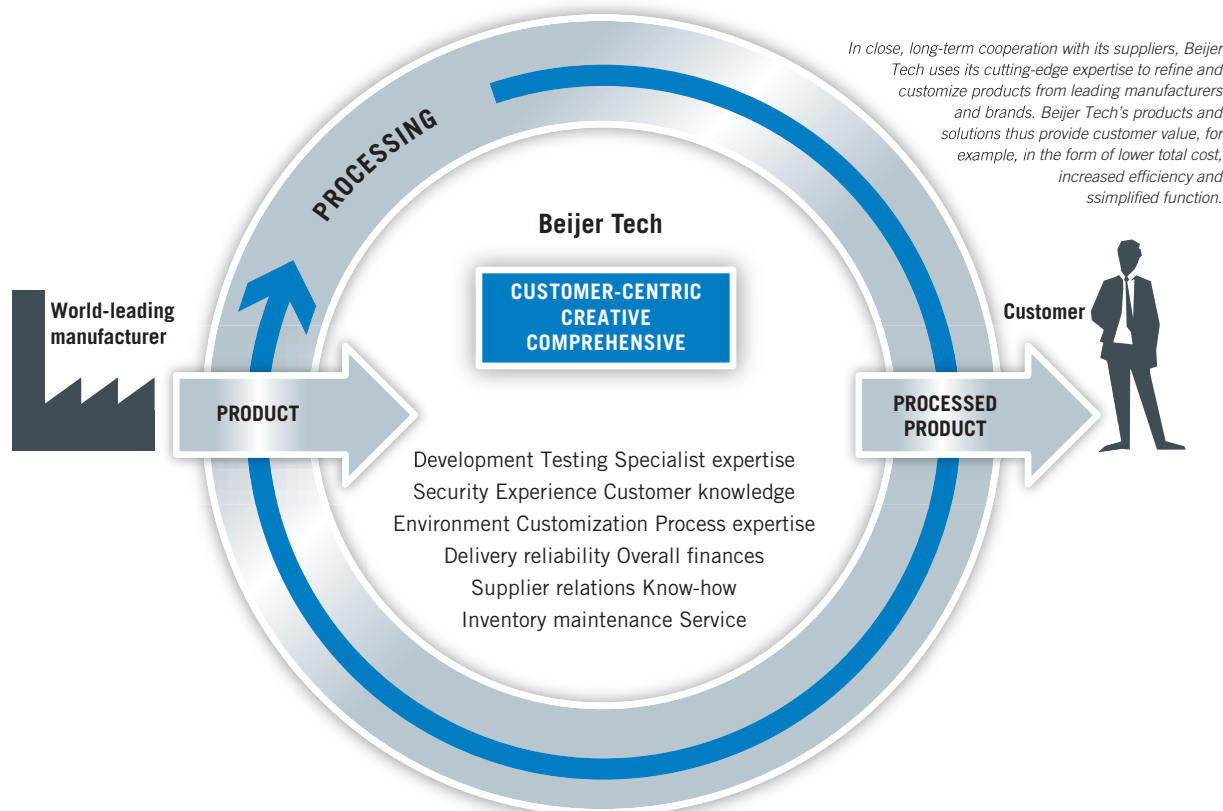
Beijer Tech's market in the Nordic region is valued at approximately SEK 6.5 billion. The company holds strong positions in several product areas in this market. To advance its competitiveness, Beijer Tech is expanding both organically and through acquisitions. For example, the offering of foundry products in the Norwegian market was broadened during the year. In Sweden, Beijer Tech acquired Karlebo Gjuteriteknik AB, which strengthened the company's position in products for foundries, steelworks and smelters.

## OPERATIONS

Beijer Tech comprises seven independent companies with a Nordic management team that handles joint development issues. The operations are organized into two business areas: Fluid Technology/Industrial Rubber and Industrial Products.

In line with its business model, Beijer Tech refines and customizes its products in a manner that provides customers with clear added value. Each company is responsible for marketing and sales in its





own product areas. At the same time, Beijer Tech utilizes the coordination benefits between the companies, for example, in the form of joint websites and e-catalogs, which highlight the Group's combined offering.

Beijer Tech is a reliable, long-term partner that devotes a great deal of effort to ensuring the quality of its work, focusing on enhancing its own expertise, delivery reliability and traceability. Equally important is the company's ability to take maximum advantage of the experience it has gained through its contacts with customers and suppliers – experience that is applied to provide customized solutions that allow customers to optimize their overall finances. Beijer Tech's companies are expected to be ISO 9001 certified or to hold other industry-specific third-party certifications. In 2011, the subsidiary Tebeco received the Most Valued Supplier Award from the steel company SSAB. This prize is presented to a small group of suppliers that work together with SSAB to contribute innovative solutions that create added value for the sup-

plier, SSAB and the steel company's customers.

#### ENVIRONMENT

Beijer Tech's environmental initiatives focus on the handling and transport of goods that are purchased and traded by the Group. All companies are expected to work to reduce the environmental impact of their operations. This involves preparing environmental reviews, making decisions regarding certification and establishing environmental objectives encompassing such areas as:

- Chemical engineering products in the product range
- Requirements concerning suppliers' environmental work
- Requirements concerning transporters' environmental work/strategies

#### SOCIAL RESPONSIBILITY

Beijer Tech's work in the area of social responsibility is based on the UN's and OECD's "The Ten Principles," which address such issues as human rights, child labor, forced labor, the environment and corruption. These issues become particularly relevant, for example, as the company's supplier network is expanded. When this happens, Beijer Tech performs a thorough evaluation that includes visiting the facilities operated by the company in question.

#### EMPLOYEES

The number of employees increased by 13 from 189 to 202. The number of employees in Sweden is 176 (181), down by 5. Beijer Tech has 4 (5) employees in Norway, 14 (12) in Denmark and 8 (7) in Finland.

#### EMPLOYEES, KEY FIGURES

	2011	2010	2009	2008	2007
Average number of employees	202	189	174	184	186
of whom, salaried employees	141	126	114	123	116
of whom, collective-agreement employees	61	63	60	61	70
of whom, men	173	161	148	157	160
of whom, women	29	28	26	27	26
of whom, in high-cost countries	202	189	174	184	186
of whom, in low-cost countries	0	0	0	0	0
Number of employees at year-end	207	202	185	174	180
Sickness absence, %	2.3	2.3	2.4	2.3	2.5
of which, short-term absence	1.5	1.7	1.7	1.6	1.7
of which, long-term absence	0.8	0.6	0.7	0.7	0.8

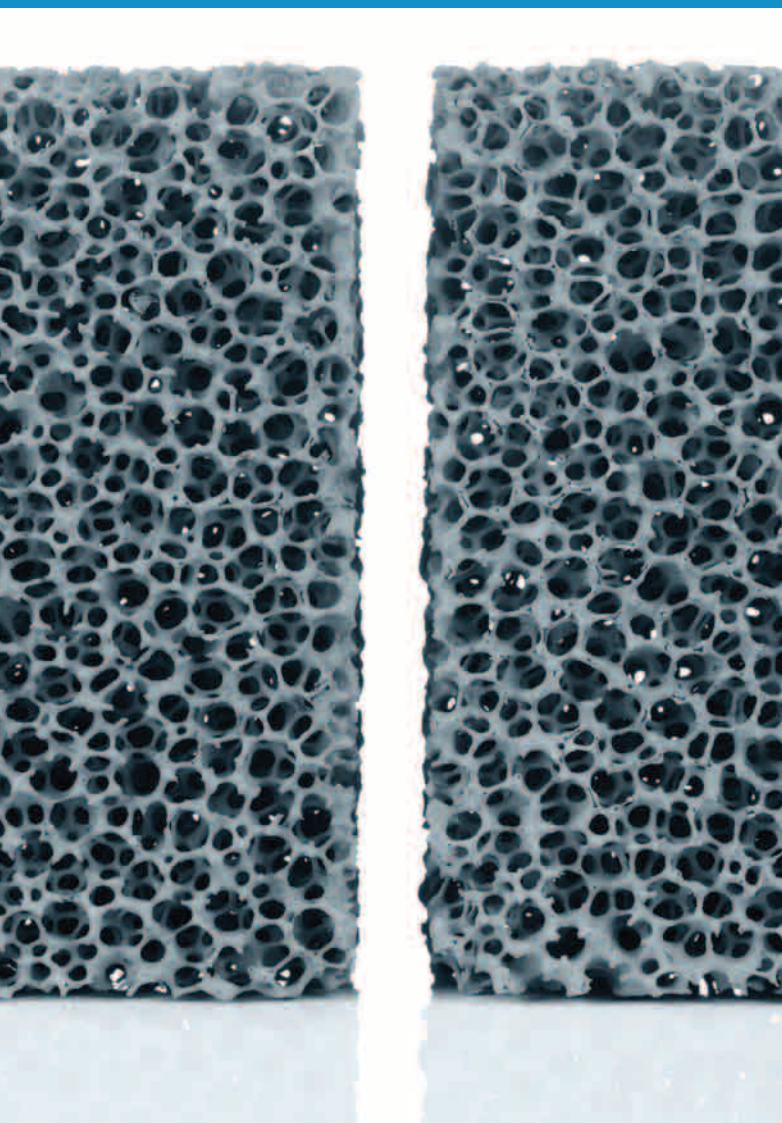


## FLUID TECHNOLOGY/ INDUSTRIAL RUBBER

This business area encompasses such fluid technology products as hoses, hydraulics and ventilation, as well as industrial rubber for seals, gaskets and wear protection. Operations are conducted through the subsidiary Lundgrens Sverige AB and include installation, service and maintenance.

### CUSTOMER VALUE

Beijer Tech offers a wide range of tried and tested products from leading manufacturers, a high level of industry know-how, extensive experience and cutting-edge expertise in its own products.



## INDUSTRIAL PRODUCTS

Industrial Products encompasses several product areas, including surface treatment (blasting, tumbling, grinding and polishing) and consumables and equipment for foundries, steelworks and smelters. Proprietary sales are supplemented by commission transactions involving heavy machinery and equipment for steelworks and smelters, as well as steel products that are sold to wholesalers. Operations are conducted through the subsidiaries Beijer Industri AB, Beijer AS, Beijer Oy, AB Tebeco, Preben Z Jensen A/S and Karlebo Gjuteriteknik AB.

### CUSTOMER VALUE

Beijer Tech offers a strong trading platform characterized by proximity to customers, an expansive product range and creativity with tried and true solutions.

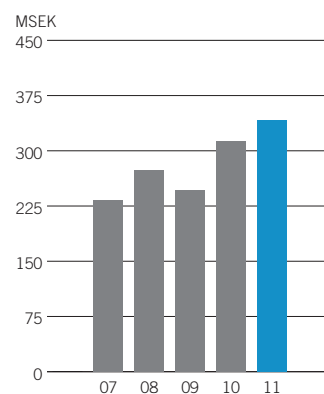
## CUSTOMERS AND COMPETITORS

This business area offers products that can be used in a wide range of applications and has approximately 8,000 customers in the commerce, industrial, maritime and offshore sectors. Lundgrens also offers specialized products for contracting, agriculture and environmental remediation. Customers include Rosemount, Nederman and Scania, as well as hardware stores and professional suppliers. The primary competitors in Industrial Rubber are National Gummi, Rubber Co and Momentum. In Fluid Technology, Trelleborg, Parker and Specma are key competitors.

## MARKET AND SALES

Fluid Technology/Industrial Rubber accounts for slightly less than half of Beijer Tech's revenues. Sweden is the single largest market. The company holds a strong position and Lundgrens is a leader in industrial hoses, with a market share of approximately 30 percent. Growth in 2011 amounted to about 9 percent. Demand increased in several product areas and customer segments, including rubber products and hydraulics, as well as among customers in the mining industry and construction sector and subcontractors to the heavy industrial sector. Sales in Fluid Technology/Industrial Rubber for 2011 amounted to MSEK 341 (313).

## Invoicing



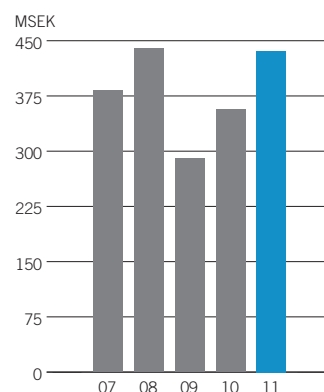
## CUSTOMERS AND COMPETITORS

Industrial Products focuses on customers involved in some form of metalworking. Among the company's approximately 3,000 customers in this business area, the key segments are the foundry industry, steelworks, smelters and the engineering industry. Customers include such companies as Volvo Powertrain, Seco Tools and Outokumpu. In the foundry sector, the company's main competitors are Calderys Nordic, Foseco, Lux and Meca Trade. Vesuvius and Indesko are the principal competitors in steelworks and smelters and Tyrolit, KMC and Metabralase in surface treatment.

## MARKET AND SALES

Industrial Products has a broad market presence in the Nordic region and strong positions in several segments, including blasting, where the company has a market share of slightly more than 20 percent. In the area of precision grinding, Beijer Tech's share of the Swedish market is 13 percent. The company reported a highly favorable sales trend for 2011, particularly in Sweden. The trading platform for foundries, steelworks and smelters was also expanded in this market through the acquisition of Karlebo Gjuteriteknik. Strong growth was noted in Denmark and sales increased sharply in Norway, partly due to new customer partnerships in the gas and oil sector. All in all, this meant that invoicing in the business area was up nearly 16 percent, with most of this increase attributable to organic growth. Sales in Industrial Products for 2011 amounted to MSEK 436 (357).

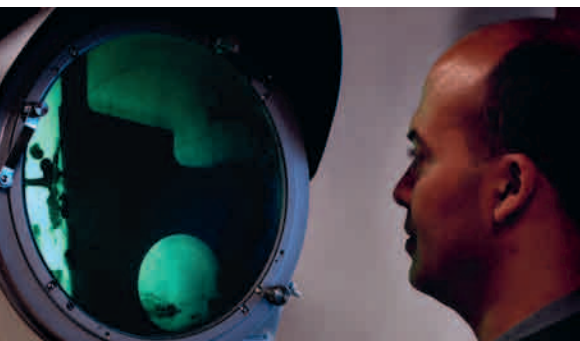
## Invoicing





# Strong trading platform

*Customer-centric, creative and comprehensive solutions. This is the objective of Beijer Tech's trading platform for foundries, steelworks and smelters in the Nordic region. The platform offers a broad product range in close proximity to customers and creativity with tried and true solutions.*



of their processes and the companies' efficiency," explains Peter Kollert, President of Beijer Tech.

## AVAILABILITY A KEY FACTOR

Beijer Tech's companies have the market's most comprehensive offering for foundries, steelworks and smelters.

"In addition to breadth of products and services, customer requirements also focus on availability and delivery precision," says Peter Kollert. "We are available at short notice to deal with various issues and problems, especially since unplanned production stoppages cost an enormous amount of money."

Increased automation is another clear trend in these industries, where Beijer Tech has the capacity, for example, to deliver automatic robot stations for die casting facilities. Making continuous improvements in terms of the environment, quality and energy consumption is equally important.

## STRONG PLATFORM

Sweden is Beijer Tech's largest individual market and home to the highest number of foundries in the Nordic region. While Finland is characterized by a strong steelworks segment, Norway's aluminum industry is its most important industry in this segment.

"Beijer Tech's strongest area is the foundry market," says Peter Kollert. "We also have a powerful presence in several sub-segments, including such raw materials as

sand and coke, refractory materials for iron and steel foundries, machinery and equipment for die casting and blasting media and blasting equipment for finishing processes."

Beijer Tech's trading platform offers a unique combination of raw materials, input goods and expendable materials, as well as various types of machinery and equipment.

"In the area of foundries, we can offer our customers everything from beginning to end," emphasizes Peter Kollert. "With respect to steelworks and smelters, we have a comprehensive offering of machinery and equipment."

"Our trading platform has a broader and stronger range than our competitors. Although our competitors are often experts in specific areas, our product range offers both depth and breadth."

Another of Beijer Tech's competitive advantages is its employees' expertise in customer processes. When necessary, this knowledge can quickly be expanded by enlisting the help of manufacturers and suppliers.

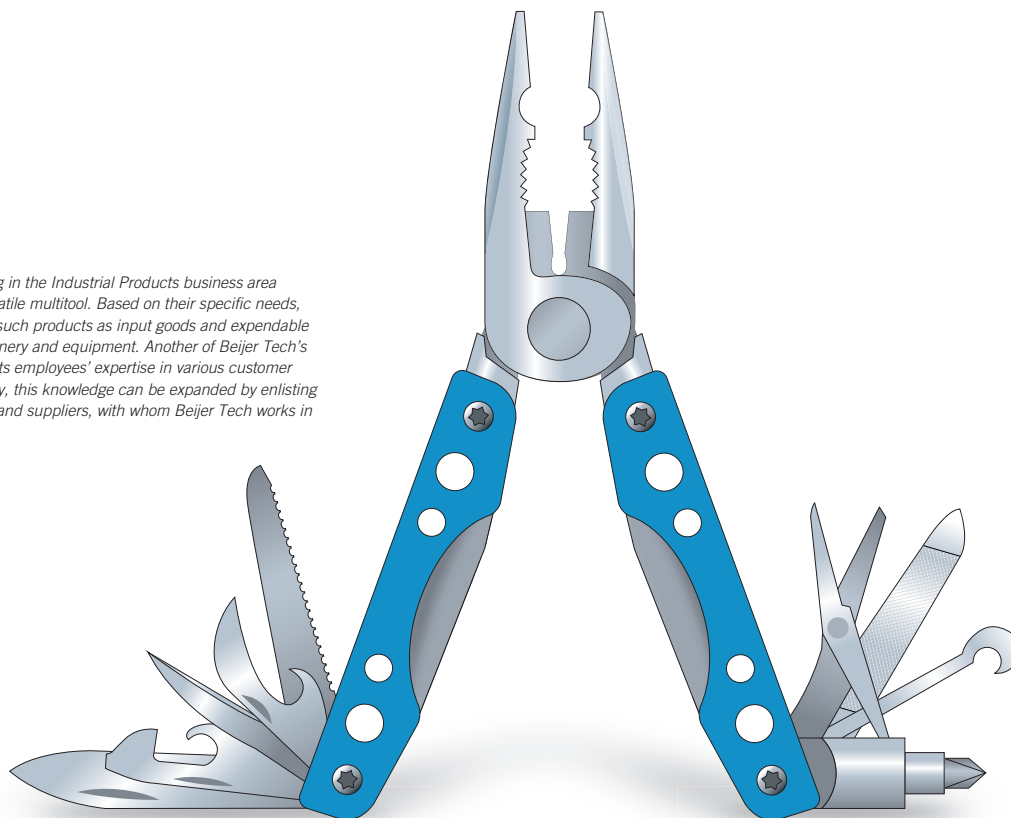
"We have long-standing relationships with our suppliers, who provide us with high quality," says Peter Kollert. "They are thus a natural part of our network and we and our sales team are able to turn to them when we require assistance, for example, in the development of advanced production processes."

**F**oundries, steelworks and smelters are industries with a rich history. The Nordic countries have long held strong positions in metal production, molding and the engineering industry. These companies are technically advanced and globally oriented and face intense international competition.

"This means that customers impose rigorous demands on expertise and creativity. As a supplier, we must contribute to identifying new solutions that improve the results

### A broad offering

*Beijer Tech's broad offering in the Industrial Products business area can be compared to a versatile multitool. Based on their specific needs, customers have access to such products as input goods and expendable materials, as well as machinery and equipment. Another of Beijer Tech's competitive advantages is its employees' expertise in various customer processes. When necessary, this knowledge can be expanded by enlisting the help of manufacturers and suppliers, with whom Beijer Tech works in close cooperation.*



## Karlebo broadening its offering

A strong position in the machinery and equipment market, particularly in the area of die casting, as well as a broad and competitive presence in a number of other segments. This is an accurate description of Karlebo Gjuteriteknik, which was acquired by Beijer Tech in the autumn.

Karlebo Gjuteriteknik has been a supplier to the foundry industry for more than 80 years. The company's main product areas are surface treatment, foundry products, steelworks and smelter equipment and its principal market is Sweden. Karlebo Gjuteriteknik sells a wide variety of machines, including die casting machines, sand mixers, molding and chill casting machines and industrial robots. The company's product range also includes spare parts and additional equipment for these machines.

"With the acquisition of Karlebo, we can now further expand our trading platform for foundries, steelworks and smelters," says Peter Kollert, President of Beijer Tech. "Along with our other companies, we have now assembled a

number of strong brands and are becoming a larger and more professional partner."

### COMPLEMENTARY COMPANIES

Karlebo also includes the subsidiary Karlebo HM Verkstad, which specializes in services for machinery and equipment, as well as installation, layout planning, computer-aided design (CAD) and manufacturing of machine components.

Karlebo Gjuteriteknik's current trading platform is based on the combined offerings of seven companies in four countries. A common feature of these businesses is their high level of expertise, product quality and service.

"The companies also complement each other well, which generates further added value for us," emphasizes Peter Kollert.

### ADDITIONAL ACQUISITIONS

The long-term goal for Beijer Tech is to further boost the company's

position. Peter Kollert emphasizes that Beijer Tech is open to the prospect of additional acquisitions that would strengthen its offering and contribute to the long-term development of the company. Efforts are also under way internally to capitalize on potential coordination opportunities, as well as on the unique features of each individual company.

"Our strategy is based on two approaches," he explains. "On the one hand, we must ensure that we have a well-defined offering from the Group as a whole and that this is expressed in our communications with customers. We have a comprehensive strategy and are utilizing the potential synergies generated, for example, by having a shared platform for websites and e-catalogs."

"On the other hand, we have decentralized responsibility and each company has its own business targets. This will enable all of our operations to continue focusing on their proprietary brands and products," concludes Peter Kollert.



# BEIJER ALMA'S STORY

*Beijer Alma is an international industrial group that operates in more than 60 markets. Operations focus on component production (Lesjöfors and Habia) and industrial trading (Beijer Tech).*

## 1983

Alma Invest is founded in Uppsala on the initiative of Upsala Sparbank and various entrepreneurs in the Uppland region. The business concept is to acquire blocks of shares in smaller companies in the region.

## 1985

The business concept is changed. The company's operations are no longer limited geographically, focusing instead on industry and trade. One of the first acquisitions is the cable manufacturer Habia Cable.

## 1987

The Alma share is introduced on the OTC list of the Stockholm Stock Exchange. Alma Invest changes its name to Alma Industri & Handel.

## 1988

The company's spring operations are established through the acquisition of Stockholms Fjäderfabrik and Automatfjäder.

## 1989

The spring manufacturer Lesjöfors is acquired. The company has four plants and will become the foundation of the Group's spring operations in the future.

## 1992

Sparbanken sells its stake. Anders Wall becomes the principal shareholder in the Group.

## 1993

Anders Wall is appointed Chairman of the Board. The G & L Beijer Import & Export trading company is acquired. Lesjöfors begins working on a range of standard chassis springs.

## 1994

The valve manufacturer Stafsjö Bruk is acquired.

## 1995

The Group changes its name to Beijer Alma Industri & Handel.

## 1996

The spring plant in Lesjöfors is completely destroyed in a fire. Lesjöfors acquires the spring manufacturers Kilen Industri and Nyme and the toolmaker Scandic Tools.

## 1997

The Group has now been listed on the stock market for ten years. After the fire in Lesjöfors, a new plant is opened, which is most modern plant in Europe.

## 1998

Lesjöfors acquires GS Industri and the spring manufacturer DK Fjeder. The Group changes its name to Beijer Alma AB.

## 1999

Disposal of G & L Beijer Import & Export. Sales reflect the Group's new approach, with focus placed on industrial production companies with high growth potential. This strategy frees up capital for investments in Habia and Lesjöfors.

## 2000

Bertil Persson is appointed President and CEO. Lesjöfors acquires the spring manufacturer Buck Jeppesen. Habia begins manufacturing in China and acquires the German cable company Isotec Kabel.

## 2001

Elimag Industri is acquired.

## 2002

Lesjöfors establishes manufacturing operations in China.

## 2003

Lesjöfors begins manufacturing in Latvia.

## 2005

Stafsjö Bruk is divested. Lesjöfors acquires Danfoss' spring operations and becomes part owner of the South Korean gas spring manufacturer Hanil Precision.

## 2006

Elimag is divested. Lesjöfors acquires the UK company Harris Springs.

## 2007

Lesjöfors acquires the UK company European Springs and Pressings. Beijer Alma celebrates its 20th anniversary as a listed company.

## 2008

Habia acquires the cabling company CS Technology AB and Lesjöfors concludes the acquisition of Stece AB's spring operations.

## 2009

Habia opens a manufacturing plant for multicore cable in China. Lesjöfors begins manufacturing gas springs in Latvia and concentrates its manufacturing operations in the UK to fewer plants.

## 2010

The Group acquires Beijer Tech, which specializes in industrial trading. A new sub-group is thus established.

## 2011

Lesjöfors acquires the German spring company Velleuer. Beijer Tech purchases Karlebo Gjuteriteknik.

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# ADMINISTRATION REPORT

The Board of Directors and the President of Beijer Alma AB (publ) hereby submit the company's Administration Report and Annual Accounts for the 2011 financial year, the company's 29th year of operation.

## CORPORATE GOVERNANCE REPORT

### Group control

Beijer Alma AB is a Swedish public limited liability company listed on NASDAQ OMX Stockholm AB (Stockholm Stock Exchange). Beijer Alma's corporate governance is based on Swedish legislation, rules and regulations, including the Swedish Companies Act, the listing agreement, the Swedish Code of Corporate Governance and the company's Articles of Association.

Beijer Alma applies the principles for sound corporate governance in order to achieve a higher level of competitiveness and encourage the capital market's confidence in the company. In tangible terms, this entails that Beijer Alma's operations are organized in an efficient manner with clearly defined areas of responsibility and authority, that financial reporting is characterized by transparency and openness and that the company acts in a responsible manner in all situations.

### Deviations from code regulations

Beijer Alma deviates from provision 2.4 of the Swedish Code of Corporate Governance, which stipulates that the company's directors may not serve as the Chairman of the Nomination Committee. However, the Chairman of the company's Board of Directors is the principal shareholder and the nomination procedure for the Nomination Committee that the Annual General Meeting approved states that the Chairman of the Nomination Committee shall be a representative of the principal shareholder.

Beijer Alma also deviates from provision 4.2 of the Code, which stipulates that deputy directors may not be elected as directors by the Annual General Meeting. However, the Annual General Meeting elected the company's President as Deputy Director based on the Nomination Committee's motion.

### Shareholders

According to Euroclear Sweden AB's shareholder register, Beijer Alma had 4,387 shareholders at year-end 2011. The number of shares was 30,131,100, of which 3,330,000 were Class A shares and 26,801,100 Class B shares. Anders Wall, with family and companies, has a shareholding corresponding to 35.4 percent of the company's total number of votes. The Anders Wall Foundations hold 13.2 percent. There are no other shareholders whose votes exceed 10 percent of the total number of votes.

Each Class A share entitles the holder to ten votes and each Class B share entitles the holder to one vote. The Class A share carries an obligation to offer shares to existing shareholders. The Class B share is listed on the Mid Cap list of the OMX Nordic Exchange

Stockholm. All shares carry the same right to the company's assets and profit and entitle the holder to the same dividend.

### Annual General Meeting

The Annual General Meeting shall be held not more than six months after the end of the financial year. All shareholders who are registered in Euroclear Sweden's shareholder register and provide timely notification of their intention to attend the Meeting are entitled to participate in the Annual General Meeting and partake in voting in accordance with their total shareholdings. Shareholders who are unable to attend the Meeting may be represented by a proxy and a power of attorney form is available for this purpose. Each shareholder or proxy may be accompanied at the Meeting by up to two advisors.

A total of 355 shareholders participated in the Annual General Meeting held on March 30, 2011, representing 50.8 percent of the total number of shares and 73.4 percent of the votes. The minutes from the Annual General Meeting are available on Beijer Alma's website.

The resolutions passed by the Annual General Meeting included the following:

- To issue an ordinary dividend of SEK 6.00 per share and an extra dividend of SEK 1.00 per share.
- To re-elect Directors Marianne Brismar, Anders G. Carlberg, Peter Nilsson, Anders Ullberg, Anders Wall and Johan Wall, as well as Deputy Director Bertil Persson.
- To elect Carina Andersson as a new member.
- To re-elect Anders Wall as Chairman of the Board and Johan Wall as Deputy Chairman.
- To pay each director a fee of SEK 250,000.
- To pay the Chairman of the Board a fee of SEK 600,000, plus an assignment fee of SEK 300,000 for duties other than those involving normal Board work.
- Principles for remuneration and employment terms for senior executives.
- A nominating procedure was adopted and the Nomination Committee was appointed.
- To authorize the Board to make decisions concerning share issues totaling not more than 3,000,000 Class B shares or convertible debentures corresponding to the same number of Class B shares.

### Nomination Committee

The 2011 Annual General Meeting appointed a Nomination Committee to submit motions concerning the Board of Directors, the Chairman of the Board of Directors, directors' fees, the Chairman of the 2012 Annual General Meeting, the auditors and auditors' fees. The individuals appointed were Anders Wall, in his capacity as principal owner and Chairman of the Board, Director Johan Wall and three representatives of the next largest shareholders. These representatives were Caroline af Ugglas

(Livförsäkrings AB Skandia), Ulf Hedlundh (Svolder AB) and Mats Gustafsson (Lannebo Fonder).

The Chairman of the Board held individual discussions with each director to assess the work and competence requirements of the Board. This assessment was presented to the Nomination Committee. The Nomination Committee's motions will be presented in the notice of the 2012 Annual General Meeting. The Nomination Committee held two meetings during the year.

### Board of directors

Its Articles of Association stipulate that Beijer Alma's Board of Directors shall comprise not fewer than seven and not more than ten regular members and not more than two deputy members elected by the Annual General Meeting. The Board of Directors currently comprises seven regular members and one deputy member. Other salaried employees in the Group may also participate in the meetings of the Board of Directors as reporters. The minutes of the Board meetings are taken by independent legal counsel.

The composition of the Board of Directors is presented in the table below. Directors Anders Wall and Johan Wall represent shareholders controlling more than 10 percent of votes and capital.

In 2011, the Board of Directors held eight meetings during which minutes were taken. The attendance of the members of the Board at these meetings is presented in the table below. One of the meetings was in Copenhagen with a visit to Lesjöfors and Beijer Tech's facilities there. During these meetings, the local management teams presented their operations. One of the Board meetings dealt exclusively with strategy issues. Beijer Alma's auditors reported their findings from the audit of the Group's accounts and internal control procedures at two Board meetings. The auditors also provided information concerning accounting changes and how these changes affect Beijer Alma.

During the year, the focus of the Board's work was both on growth and contingencies to manage a decline in demand. Corporate acquisitions have been a fixture on the agenda for each Board meeting and two corporate acquisitions were completed in 2011.

The Board of Directors has adopted a written work plan that regulates such considerations as:

- The minimum number of Board meetings (seven) in addition to statutory meetings and when they are to be held
- The date and content of notices of Board meetings
- The items that shall normally be included in the agenda for each Board meeting
- Minute-taking at Board meetings

- Delegation of decisions to the President

- The President's authority to sign interim reports

This work plan is reviewed and updated annually.

In addition, the division of duties between the Board and the President, as well as their responsibilities and authorities, are regulated by a directive.

The Board also has formal requirements pertaining to information about the performance of the Group and the individual companies. This information is used to generate a monthly report that contains key events and trends concerning order bookings, invoicing, margins, earnings, cash flow, financial position and the number of employees. In addition to leading the work of the Board of Directors, the Chairman of the Board shall maintain continuous contact with the CEO to discuss the company's operating activities and to ensure that the decisions of the Board are being executed. Together with the CEO, the Chairman of the Board handles strategic issues and participates in the recruitment of key personnel in accordance with the "grandfather principle." When necessary, the Chairman of the Board participates in important external business contacts and business negotiations, including negotiations concerning purchases or sales of companies. The Chairman of the Board represents the company in matters pertaining to ownership.

### Remuneration Committee

Directors Anders Wall, Anders G. Carlberg and Anders Ullberg were appointed to prepare motions regarding the President's salary, bonus, pension benefits and other remuneration. The Committee also prepares principles for remuneration to Group management and approves motions by the President regarding remuneration to Group management within the framework of the guidelines adopted by the Annual General Meeting.

The company's remuneration principles and guidelines are described in Note 1, and the Board of Directors' recommendation to the Annual General Meeting is that these remain unchanged for 2012. The Remuneration Committee held one meeting in 2011, which was attended by all members.

### Audit Committee

The Audit Committee comprises the entire Board of Directors.

### Operational control

The President of Beijer Alma, Bertil Persson, is also the company's CEO and is responsible for the operational control of the Group. The other members of Group management, namely the presidents of the subsidiaries Lesjöfors, Habia Cable and Beijer Tech,

#### Directors on the Board

Director	Elected in	Independent of majority owners	Independent of the company	Remuneration Committee	Audit Committee	Participation in Board Meetings	Holding of Class A shares	Holding of Class B shares
Anders Wall, Chairman	1992		X	X	X	8 (8)	1,974,000	1,536,120
Johan Wall, Deputy Chairman	1997		X		X	8 (8)		3,000
Carina Andersson, Director	2011	X	X		X	6 (6)		500
Marianne Brismar, Director	2010	X	X		X	8 (8)		10,000
Anders G Carlberg, Director	1997	X	X	X	X	6 (8)		3,000
Göran W Hultgren*	1983	X	X		X	2 (2)	304,800	234,710
Peter Nilsson, Director	2008	X	X		X	8 (8)		0
Anders Ullberg, Director	2007	X	X	X	X	8 (8)		15,000

\* Stepped down from the Board of Directors at the 2011 Annual General Meeting.

and the Group's Chief Financial Officer and Controller, assist him in this task. Group management takes care of operating management in accordance with the Board's instructions and guidelines, and ensures that the Board's decisions are executed.

Beijer Alma's business operations are conducted through its subsidiaries Lesjöfors, Habia Cable and Beijer Tech. Lesjöfors's operations are organized into three business areas, Habia's operations into three business areas and Beijer Tech's into two business areas. The total number of profit centers in Beijer Alma is approximately 50. The Group's business organization is based on decentralized responsibility and authority, combined with fast and effective reporting and control systems.

The Boards of Directors of Lesjöfors, Habia Cable and Beijer Tech comprise individuals from Group management. Habia's Board also includes external members. Work plans corresponding to the Parent Company's work plan have been prepared for the subsidiaries' Boards of Directors and written instructions are in place for the presidents of the subsidiaries. The subsidiaries are also governed by a number of policies and instructions that regulate the companies' operations in such areas as IT, the environment, quality, equality and attesting procedures. Instructions to the presidents of the subsidiaries stipulate that "The Ten Principles" of the UN and the OECD shall be followed. "The Ten Principles" address such issues as human rights, child labor, forced labor, the environment and corruption.

Beijer Alma is a holding company that handles the three different businesses where the daily operative decisions are made in subsidiaries out of necessity. Financial reporting in the Group is therefore very important from a corporate governance perspective. A major part of the communication and discussion in the Group is based on the internal financial reporting and it is often of crucial significance in strategic and operational decisions.

The subsidiaries report their order bookings, invoicing and stock of orders for each profit center on a weekly basis. Monthly financial statements are prepared for each profit center. These financial statements are analyzed at different levels in the Group and consolidated at the subsidiary and Group levels. Reports are presented to Group management for each profit center, business area and subsidiary. This reporting is carried out within the system used for the consolidated financial statements that are presented to the market on a quarterly basis. In addition to income statements and balance sheets, the monthly financial statements include key figures and other relevant information. Analyses are conducted in such areas as inventory levels, inventory turnover, accounts receivable and customer credit periods. In connection with the monthly financial statements, a meeting is held with the subsidiary management groups.

The basic idea behind the Group's reporting and monitoring systems is that the systems should be characterized by transparency and decentralization. In each subsidiary, considerable significance is given to improving and streamlining the company's processes. Extensive efforts have been devoted to implementing and developing business systems to enable measurement of the profitability of individual businesses, customers, industries and geographic markets. The Group monitors and measures the costs for the various components of its production, administration and sales operations, and compares these with earlier results and targets. The information gathered in this manner is used for internal benchmarking, which allows the company to be motivated by and learn from best practice.

In 2011, focus on the operating activities changed from increasing capacity in pace with gradually improving demand to establishing readiness for a deteriorating demand situation.

Group and subsidiary management have jointly conducted continuous analyses for current and future demand situations and capacity needs. The objective is to constantly conduct operations cost-effectively without harming the business opportunities.

## INTERNAL CONTROL

The Board of Directors' internal control responsibilities are governed by the Swedish Companies Act and the Swedish Code of Corporate Governance. The Code also contains requirements for external disclosure of information, which stipulate the manner in which the Group's internal control of financial reporting is to be organized.

The aim of Beijer Alma's internal control of financial reporting is to establish reasonable security and reliability in the Group's external financial reporting, which comprises annual and interim reports. Internal control is also intended to provide reasonable assurance that these financial reports are prepared in accordance with any prevailing legislation, applicable accounting standards and other rules for listed companies.

The Board of Directors has overall responsibility for the Group's internal control of financial reporting. The division of duties is regulated by the Board through a work plan. The Audit Committee, which comprises the entire Board of Directors, is responsible for ensuring compliance with the principles for financial reporting and internal control, and that the required contact is maintained with the company's auditor.

Responsibility for the daily operational work involved in internal control of financial reporting is delegated to the President. Along with the Group's Chief Financial Officer and Controller, the President works in cooperation with the subsidiary management groups to develop and strengthen the Group's internal control.

The basis of internal control of financial reporting is the overall control environment that the Board and Group management have established. The organization structure of responsibility and authority being clearly defined, conveyed and documented is an important part of the control environment.

For the Group's internal control to function, it is important to identify the most significant risks to which the Group's companies, business areas and processes are exposed. This risk assessment results in control objectives and activities designed to ensure that the company's financial reporting fulfills the basic requirements.

The identified risks are managed through various controls implemented at the profit center, business area or Group level. The risks are quantified and then either accepted, reduced or minimized. The Group's operational work to ensure internal control of financial reporting includes extensive deviation analysis. Deviations from historical data, forecasts and plans are analyzed.

Reviews to ensure internal control are performed at all levels. The Board is responsible for these reviews.

Taking into consideration the size, organization and financial reporting structure of the Group, the Board deems that no special internal audit function is warranted at present.



## Revenues and earnings

### Group

The year began with strong, increasing demand. As the debt crisis and its extent became known, the economy declined and after mid-year demand slowed.

Order bookings amounted to MSEK 2,839 (2,321), up 22 percent. In comparable units, the increase was 9 percent. Invoicing rose 24 percent to MSEK 2,830 (2,290). The increase was 10 percent for comparable units. In 2011, the SEK strengthened. Adjusted for this currency effect, order bookings rose 13 percent and invoicing 14 percent in comparable units.

The proportion of international sales was 67 percent. In the manufacturing companies, Lesjöfors and Habia, the proportion of international sales was 85 percent while the majority of Beijer Tech's sales are in Sweden.

Operating profit amounted to MSEK 441.4 (406.3) and the operating margin was 15.6 percent (17.7). Profit after net financial items was MSEK 428.7 (398.8) and net profit amounted to MSEK 312.9 (286.5).

In the past five years, the Group performed as follows:

MSEK	2011	2010	2009	2008	2007
Net revenues	2,830	2,290	1,571	1,836	1,654
Profit after net financial items	429	399	226	295	283
Net profit	313	287	162	217	206
Shareholders' equity	1,483	1,395	986	960	847
Total assets	2,201	1,976	1,390	1,461	1,349

### Subsidiaries

**LESJÖFORS** is a full-range supplier of standard and specially produced industrial springs, wire and flat-strip components. Order bookings rose 14 percent to MSEK 1,392 (1,222). Invoicing amounted to MSEK 1,386 (1,207), up 15 percent. In comparable units, order bookings rose 4 percent and invoicing rose 5 percent. Adjusted for exchange-rate fluctuations, the increase was 9 percent for order bookings and 10 percent for invoicing in comparable units. Operating profit totaled MSEK 352.1 (349.4), and the operating margin was 25.4 percent (29.0).

Lesjöfors's operations are conducted in three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. All business areas performed well. The Industrial Springs business area presented the best earnings performance compared with the preceding year.

During the year, the German spring manufacturer Velleuer was acquired.

**HABIA CABLE** is a manufacturer of custom-designed cables. Order bookings rose 17 percent to MSEK 669 (570). Invoicing amounted to MSEK 668 (558), up 20 percent. Adjusted for exchange-rate fluctuations, order bookings were up 23 percent and invoicing rose 25 percent. Costs associated with the change of the President of MSEK 7.2 were charged to operating profit, which was MSEK 55.9 (46.2). The operating margin amounted to 8.4 percent (8.3).

Habia had very strong order bookings in the first half of the year, mainly from the telecom sector, but also from the industrial sector. In the autumn, demand from the telecom sector weakened.

**BEIJER TECH** conducts technology trading in industrial consumables and hose and rubber products. Order bookings and invoicing rose 16 percent to MSEK 777 (671). In comparable units, the increase was 9 percent. Operating profit amounted to MSEK

57.8 (47.9) and the operating margin was 7.4 percent (7.1).

Demand for Beijer Tech developed stably until the fourth quarter when growth slowed. During the year, Karlebo Gjuteriteknik was acquired.

### Parent Company

Beijer Alma AB is a holding company without its own external invoicing. Operations primarily comprise owning and managing its shares and participations in subsidiaries, and accounting for certain intra-Group functions. Profit after net financial items was MSEK 229.3 (203.8). This profit included dividends and Group contributions from subsidiaries in the amount of MSEK 255 (230). Net profit was MSEK 206.7 (178.5).

### Capital expenditures

Investments in fixed assets, excluding corporate acquisitions, amounted to MSEK 89.2 (55.2), compared with depreciation totaling MSEK 76.3 (70.7). Of these investments, MSEK 59.5 was invested in Lesjöfors and MSEK 22.4 in Habia.

### Research and development

Development costs normally pertain to specific orders and are therefore charged to each order and recognized as cost of goods sold.

### Cash flow, liquidity and financial position

Cash flow after capital expenditures amounted to MSEK 152 (168). This cash flow included corporate acquisitions totaling MSEK 81 (65). Excluding corporate acquisitions, cash flow thus amounted to MSEK 233 (233).

The Group had net cash of MSEK 22.5 (91.2) at year-end. Available liquidity, which is defined as cash and cash equivalents plus approved but unutilized overdraft facilities, totaled MSEK 659 (666).

The equity ratio at the balance-sheet date was 67.4 percent (70.4). The net debt/equity ratio, which is defined as net debt in relation to shareholders' equity, was negative 1.5 percent (neg: 6.5).

### Profitability

The return on average capital employed was 26.4 percent (30.6), while the return on average shareholders' equity amounted to 21.8 percent (24.7).

### Corporate acquisitions

In 2011, there were two corporate acquisitions. Lesjöfors acquired Velleuer GmbH & Co. KG, which is a German spring manufacturer with annual revenue of MSEK 120 and 110 employees. Its customers are in the German engineering and automotive industry. Velleuer was consolidated in the Group as of January 1, 2011.

Beijer Tech acquired Karlebo Gjuteriteknik AB, which sells products to foundries and the steel companies in the Nordic region. The company has annual revenue of MSEK 50 and 15 employees. Karlebo was consolidated in the Group as of October 1, 2011.

### Personnel

The number of employees was 1,687 (1,397), which was an increase of 290. Of them, 125 were added through corporate acquisitions. In Lesjöfors and Habia, some manufacturing is

done in China, Latvia and Poland, which are countries with lower salary costs. The number of employees in these countries has increased by 133 people to 469. In Sweden, there are 669 employees (648).

### Ownership conditions

Beijer Alma has approximately 4,400 shareholders (4,200). The largest shareholder is Anders Wall, including his family and companies, with 11.7 percent of the capital and 35.4 percent of the votes. In terms of capital, other major owners include Lannebo Funds with 7.6 percent, the Kjell and Märta Beijer Foundation with 5.8 percent, the Anders Wall Foundations with 5.2 percent and Svalder AB with 5.1 percent.

### Environment

A total of 12 of Lesjöfors's 14 production units have been awarded ISO 14001 certification. The environmental impact of Lesjöfors's operations is relatively low. All units are therefore Class C, which means that no permit is required. Waste is sorted to provide the smallest conceivable environmental impact and 100 percent of scrap is recycled. In 2011, work on the environment was focused on reducing energy consumption and transports.

Habia's Swedish production unit is certified in accordance with ISO 14001 and is a Class B plant, which means that permits are required. In 2011, focus in environmental efforts has been on reducing waste and scrap in production.

Beijer Tech's major subsidiaries Lundgrens and Beijer Industri are ISO 14001 certified. Environmental work is focused on reducing transports. In addition, efforts are directed at suppliers and requirements are placed on their environmental work.

### Risks and uncertainties

Beijer Alma's risks include business and financial risks. Business risks may include considerable customer dependence on special companies, industries or geographic markets. Financial risks primarily pertain to foreign currency risks. For Beijer Alma, these risks arise because Lesjöfors and Habia conduct 85 percent of their sales outside Sweden, while just over half of their manufacturing is conducted in Sweden. This means that income and expenses are partially in different currencies.

Management of the Group's financial risks is described in Note 29. To manage the business risks, strategic work is being carried out that strives to broaden the customer base in terms of industry, customer and geography. Beijer Alma is deemed to have a favorable risk spread across customers, industries and geographic markets. The assessment is also that no significant risk arose during the year.

### Events after the end of the financial year

No significant events occurred after the end of the financial year.

### Outlook for 2012

The situation in the surrounding world feels uncertain for 2012 and demand will likely be lower than in 2011. Beijer Alma has a high level of preparedness to address this. We shall also leverage the market situation and our strong financial position to advance our positions when opportunities present themselves.

### Proposed appropriation of profits

The Board of Directors and the President propose that the following profit be made available for distribution by the Annual General Meeting:

SEK 000s	
Retained earnings	62,069
Net profit for the year	206,700
Total	268,769

to be appropriated as follows:

Ordinary dividend to shareholders of SEK 6.00 per share and an extra dividend of SEK 1.00 per share	210,918
To be carried forward	57,851

### Board of directors' statement concerning the proposed dividend

After the proposed dividend, the Parent Company's equity ratio will amount to 73 percent and the Group's equity ratio to 61 percent. These equity ratios are adequate given that the company and the Group continue to conduct profitable operations. The liquidity of the Group and the company is expected to remain adequate.

In the opinion of the Board of Directors, the proposed dividend will not prevent the Parent Company or the other Group companies from fulfilling their obligations. Nor will it prevent any company from fulfilling its required capital expenditures. Accordingly, the proposed dividend can be justified in accordance with the provisions in Chapter 17, Section 3, Paragraphs 2–3 of the Swedish Companies Act (the prudence rule).

# INCOME STATEMENT

	Note	Group		Parent Company	
Amounts in SEK 000s		2011	2010	2011	2010
Net revenues	3,4	2,830,174	2,290,089	–	–
Cost of goods sold	1,5,7,8	–1,845,519	–1,426,231	–	–
<b>Gross profit</b>		<b>984,655</b>	<b>863,858</b>	<b>0</b>	<b>0</b>
Selling expenses	1,5,7,8	–299,580	–238,326	–	–
Administrative expenses	1,5,7,8	–244,540	–220,152	–36,329	–41,247
Other operating income		–	–	12,100	14,600
Profit from participations in associated companies	6	886	884	–	–
<b>Operating profit/loss</b>	7,8	<b>441,421</b>	<b>406,264</b>	<b>–24,229</b>	<b>–26,647</b>
Group contributions received	9	–	–	110,084	113,840
Income from participations in Group companies		–	–	145,000	116,000
Interest income		3,490	1,942	4,245	5,015
Impairment of securities		–3,679	–3,604	–3,679	–3,604
Interest expenses		–12,490	–5,809	–2,138	–829
<b>Profit after net financial items</b>		<b>428,742</b>	<b>398,793</b>	<b>229,283</b>	<b>203,775</b>
Tax on net profit for year	10	–115,875	–112,266	–22,583	–25,300
<b>Net profit for the year attributable to Parent Company shareholders</b>		<b>312,867</b>	<b>286,527</b>	<b>206,700</b>	<b>178,475</b>
<i>Other comprehensive income</i>					
Cash-flow hedges after tax		–18,552	8,444	–	–
Translation differences		5,033	–39,509	–	–
<b>Total other comprehensive income</b>		<b>–13,519</b>	<b>–31,065</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income attributable to Parent Company shareholders</b>		<b>299,348</b>	<b>255,462</b>	<b>206,700</b>	<b>178,475</b>
Net earnings per share before and after dilution, SEK	11	10.38	9.51	–	–
Proposed/adopted dividend per share, SEK		–	–	7.00	7.00

# BALANCE SHEET

	Note	Group		Parent Company	
Amounts in SEK 000s		2011	2010	2011	2010
<b>ASSETS</b>					
<b>Fixed assets</b>					
<i>Intangible assets</i>					
Goodwill	12	369,636	341,559	–	–
Other intangible assets	13	8,615	8,275	–	–
<i>Tangible assets</i>					
Land and land improvements	14	17,140	15,512	–	–
Buildings	15	157,033	148,632	–	–
Plant and machinery	16	292,153	242,190	–	–
Equipment, tools, fixtures and fittings	17	38,340	33,878	1,029	1,040
Deferred tax assets	27	17,289	2,034	–	–
<i>Financial assets</i>					
Other long-term receivables		5,520	3,145	–	–
Other securities	18	5,493	9,093	5,403	9,003
Participations in associated companies	19	16,144	16,011	–	–
Participations in Group companies	20	–	–	524,003	524,003
<b>Total fixed assets</b>		<b>927,363</b>	<b>820,329</b>	<b>530,435</b>	<b>534,046</b>
<b>Current assets</b>					
Inventories	21	508,776	427,557	–	–
<i>Receivables</i>					
Accounts receivable	22	447,708	415,524	–	–
Receivables from Group companies		–	–	327,201	312,308
Other receivables	23	22,290	22,796	29	202
Prepaid expenses and accrued income	24	25,623	51,482	994	947
Cash and cash equivalents	25	269,014	238,122	42,150	35,892
<b>Total current assets</b>		<b>1,273,411</b>	<b>1,155,481</b>	<b>370,374</b>	<b>349,349</b>
<b>Total assets</b>		<b>2,200,774</b>	<b>1,975,810</b>	<b>900,809</b>	<b>883,395</b>

# BALANCE SHEET

	Note	Group		Parent Company	
Amounts in SEK 000s		2011	2010	2011	2010
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>	26				
Share capital		125,546	125,546		
Other contributed capital		444,351	444,351		
Reserves		-15,020	-1,501		
Retained earnings, including net profit for the year		928,059	826,110		
<b>Shareholders' equity attributable to Parent Company shareholders</b>		<b>1,482,936</b>	<b>1,394,506</b>		
Non-controlling interest		2,682	2,703		
<b>Total shareholders' equity</b>		<b>1,485,618</b>	<b>1,397,209</b>		
Share capital				125,546	125,546
Statutory reserve				444,351	444,351
Total restricted equity				569,897	569,897
Retained earnings				62,069	94,512
Net profit for the year				206,700	178,475
Total unrestricted equity				268,769	272,987
<b>Total shareholders' equity</b>				<b>838,666</b>	<b>842,884</b>
<b>Long-term liabilities</b>					
Deferred tax	27	48,058	50,322		
Pension obligations	28	664	884		
Liabilities to credit institutions	29	122,322	88,994		
<b>Total long-term liabilities</b>		<b>171,044</b>	<b>140,200</b>		
<b>Current liabilities</b>					
Committed credit facilities	29	103,405	57,919	41,535	-
Liabilities to Group companies		-	-	-	6,204
Accounts payable		166,249	159,392	890	1,212
Tax liabilities		24,189	35,616	6,567	16,085
Accrued expenses and deferred income	30	182,237	140,083	12,614	16,271
Liabilities to credit institutions	29	20,776	23	-	-
Other current liabilities	31	47,256	45,368	537	739
<b>Total current liabilities</b>		<b>544,112</b>	<b>438,901</b>	<b>62,143</b>	<b>40,511</b>
<b>Total shareholders' equity and liabilities</b>		<b>2,200,774</b>	<b>1,975,810</b>	<b>900,809</b>	<b>883,395</b>
<b>Pledged assets</b>	32	295,938	278,881	12,260	12,260
<b>Contingent liabilities</b>	33	2,364	3,927	200	1,000



## CHANGES IN SHAREHOLDERS' EQUITY

Group	Share capital	Other contributed capital	Reserves	Retained earnings, incl. profit	Total	Non-controlling interest	Total shareholders' equity
<b>December 31, 2009</b>	<b>114,296</b>	<b>165,351</b>	<b>29,564</b>	<b>676,738</b>	<b>985,949</b>	<b>3,081</b>	<b>989,030</b>
Net profit for the year	–	–	–	286,527	286,527	–	286,527
Other comprehensive income	–	–	–31,065	–	–31,065	–	–31,065
New issue	11,250	279,000	–	–	290,250	–	290,250
Dividend paid	–	–	–	–137,155	–137,155	–	–137,155
Non-controlling interest (translation difference)	–	–	–	–	–	–378	–378
<b>December 31, 2010</b>	<b>125,546</b>	<b>444,351</b>	<b>–1,501</b>	<b>826,110</b>	<b>1,394,506</b>	<b>2,703</b>	<b>1,397,209</b>
Net profit for the year	–	–	–	312,867	312,867	–	312,867
Other comprehensive income	–	–	–13,519	–	–13,519	–	–13,519
Dividend paid	–	–	–	–210,918	–210,918	–	–210,918
Non-controlling interest (translation difference)	–	–	–	–	–	–21	–21
<b>December 31, 2011</b>	<b>125,546</b>	<b>444,351</b>	<b>–15,020</b>	<b>928,059</b>	<b>1,482,936</b>	<b>2,682</b>	<b>1,485,618</b>

Parent Company	Share capital	Statutory reserve	Retained earnings	Net profit for the year	Total share-holders equity
<b>December 31, 2009</b>	<b>114,296</b>	<b>165,351</b>	<b>132,797</b>	<b>99,869</b>	<b>512,313</b>
Reclassification of net profit for the preceding year	–	–	99,869	–99,869	0
New issue	11,250	279,000	–	–	290,250
Dividend paid	–	–	–137,155	–	–137,155
Shareholders' contribution paid	–	–	–999	–	–999
Net profit for the year	–	–	–	178,475	178,475
<b>December 31, 2010</b>	<b>125,546</b>	<b>444,351</b>	<b>94,512</b>	<b>178,475</b>	<b>842,884</b>
Reclassification of net profit for the preceding year	–	–	178,475	–178,475	0
Dividend paid	–	–	–210,918	–	–210,918
Net profit for the year	–	–	–	206,700	206,700
<b>December 31, 2011</b>	<b>125,546</b>	<b>444,351</b>	<b>62,069</b>	<b>206,700</b>	<b>838,666</b>

Proposed dividend of SEK 7.00 per share, total of 210,918.

# CASH-FLOW STATEMENT

	Note	Group		Parent Company	
Amounts in SEK 000s		2011	2010	2011	2010
<b>Operating activities</b>					
Operating profit/loss		441,421	406,264	-24,229	-26,647
Net financial items	34	-9,024	-3,867	303,107	248,986
Income tax paid		-122,305	-88,597	-32,553	228
Items not affecting cash flow	35	78,327	75,934	67	219
<b>Cash flow from operating activities before change in working capital and capital expenditures</b>		<b>388,419</b>	<b>389,734</b>	<b>246,392</b>	<b>222,786</b>
Change in inventories		-67,776	-45,600	-	-
Change in receivables		11,748	-94,675	-60,683	-14,057
Change in current liabilities		-5,038	30,855	-9,933	25,661
<b>Cash flow from operating activities</b>		<b>327,353</b>	<b>280,314</b>	<b>175,776</b>	<b>234,390</b>
<b>Investing activities</b>					
Investments in tangible assets		-96,423	-47,933	-56	-
Investments in intangible assets		-187	-	-	-
Investments in other shares		-	-555	-79	-
Change in other financial assets		2,132	1,371	-	-
Acquisitions of companies	36	-80,841	-64,950	-	-43,075
<b>Cash flow from investing activities</b>		<b>-175,319</b>	<b>-112,067</b>	<b>-135</b>	<b>-43,075</b>
<b>Cash flow after capital expenditures</b>		<b>152,034</b>	<b>168,247</b>	<b>175,641</b>	<b>191,315</b>
<b>Financing activities</b>					
Change in long-term liabilities and credit facilities		86,436	-1,404	41,535	-17,320
Shareholders' contribution paid		-	-	-	-999
Dividend paid		-210,918	-137,155	-210,918	-137,155
<b>Cash flow from financing activities</b>		<b>-124,482</b>	<b>-138,559</b>	<b>-169,383</b>	<b>-155,474</b>
<b>Change in cash and cash equivalents</b>		<b>27,552</b>	<b>29,688</b>	<b>6,258</b>	<b>35,841</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>238,122</b>	<b>195,513</b>	<b>35,892</b>	<b>51</b>
<b>Exchange-rate differences in cash and cash equivalents and acquired cash</b>		<b>3,340</b>	<b>12,921</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at year-end</b>	25	<b>269,014</b>	<b>238,122</b>	<b>42,150</b>	<b>35,892</b>
<b>Unutilized committed credit facilities</b>		<b>389,933</b>	<b>428,326</b>	<b>175,000</b>	<b>175,000</b>
<b>Total available liquidity</b>		<b>658,947</b>	<b>666,448</b>	<b>217,150</b>	<b>210,892</b>

# NOTES

All amounts in SEK 000s unless otherwise stated.

## SUMMARY OF KEY ACCOUNTING POLICIES

The key accounting policies applied in the preparation of these consolidated accounts are stated below. Unless otherwise specified, these policies were applied for all of the years presented.

### Basis for the preparation of the report

Beijer Alma's consolidated accounts were prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups and the International Financial Reporting Standards (IFRS) and IFRIC interpretations adopted by the European Union. The consolidated accounts were prepared according to the cost method, except in the case of certain financial assets and liabilities (including derivative instruments) measured at fair value in profit and loss.

### New and amended standards applied by the Group from January 1, 2011

None of the IFRS or IFRIC interpretations that are compulsory for the first time in financial years that began on January 1, 2011 have had any significant impact on the Group.

### New standards, amendments and interpretations of existing standards that have not yet taken effect and were not applied in advance by the Group

IFRS 9 Financial Instruments. This standard is the first step in the process of replacing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces two new requirements for the recognition and measurement of financial assets and will probably impact the Group's recognition of financial assets. The standard will be applied for the financial year commencing January 1, 2015, although it is available for advance application. However, it has not yet been adopted by the EU.

IFRS 10 Consolidated financial statements. This standard provides additional guidance to assist in the establishment of control when difficult to assess. The Group intends to apply IFRS 10 as of January 1, 2013. The standard has not yet been adopted by the EU.

IFRS 12 Disclosures of interests in other entities. This standard comprises disclosure requirements for subsidiaries, associated companies and unconsolidated structure entities. The Group intends to apply IFRS 12 as of January 1, 2013. The standard has not yet been adopted by the EU.

IFRS 13 Fair value measurements. The purpose of this standard is to make fair value measurement more consistent and less complex in that the standard provides an exact definition and a common source of IFRS for fair value measurements and associated disclosures. The Group intends to apply IFRS 13 as of January 1, 2013. The standard has not yet been adopted by the EU.

Other standards and interpretations that have not yet entered into effect are preliminarily not deemed to have any accounting impact or result in further disclosure requirements.

### Key estimates and assumptions for accounting purposes

Preparation of the accounts in accordance with IFRS requires the use of a number of key estimates for accounting purposes. Management is also required to make certain assumptions when applying the Group's accounting policies. The following are areas involving a high rate of assessment, complex areas or areas in which assumptions and estimates are of material importance:

### Assumptions regarding impairment testing of goodwill

The Group tests goodwill for impairment annually in accordance with the accounting policies described in the section concerning intangible assets. Assumptions and estimates relating to expected cash flows and discount rates in the form of weighted average capital costs are described in Note 12. Forecasts concerning future cash flows are based on the best possible estimates of future revenues and operating expenses. The impairment tests performed, which did not indicate a need for impairment of goodwill, were based on a margin with a carrying amount that, according to management's assessment, will not exceed its value in use as a result of any reasonable changes in individual variables. It is the assessment of management that even a certain variation in key variables will not result in an impairment requirement.

### Accounts receivable

Receivables are recognized in a net amount after provisions are made for doubtful accounts receivable, which are assessed on an individual basis. The net value reflects the anticipated collectable amounts based on the known circumstances on the balance-sheet date. Changes to these circumstances, such as an increase in the scope of non-payments or changes to a significant customer's financial position, may result in deviations in valuation. The general prevailing market trend has resulted in an increased focus on customer credit ratings and monitoring of accounts receivable.

### Disputes

Beijer Alma becomes involved in disputes in the course of its normal business activities. Such disputes may concern product liability, alleged faults in deliveries of goods and other issues in connection with Beijer Alma's operations. Disputes can be costly and time-consuming and can disrupt the company's normal business activities. At present, no disputes are considered to be materially significant.

### Cash flow

The cash-flow statement was prepared in accordance with the indirect method. Recognized cash flow only includes transactions involving payments and disbursements. Cash and cash equivalents include cash and bank balances and short-term financial investments with a term of less than three months.

## CONSOLIDATED ACCOUNTS

The consolidated accounts include subsidiaries in which the Parent Company directly or indirectly holds more than 50 percent of the votes and companies over which the Parent Company has a controlling influence, meaning the right to formulate the financial and operative strategy of the company in question for the purpose of obtaining financial benefits.

The Group's annual accounts were prepared in accordance with the purchase method. The purchase consideration of an acquired company comprises the fair value of the transferred assets, liabilities and shares that were issued by the Group. The purchase consideration also includes the fair value of all the assets and liabilities, which is the result of an agreement concerning the conditional purchase consideration. Acquisition-related costs are expensed as incurred. Identifiable acquired assets and assumed liabilities in a business combination are initially valued at fair value on the date of acquisition based on a market valuation performed at the time of acquisition. The shareholders' equity of acquired subsidiaries is eliminated in its entirety, which means that consolidated shareholders' equity only includes the portion of the subsidiaries' shareholders' equity that is earned after the acquisition.

If the consolidated cost of the shares exceeds the value of the company's identifiable net assets as indicated in the acquisition analysis, the difference is recognized as consolidated goodwill.

Companies acquired during the year are included in the consolidated accounts from the date on which the Group secured a controlling influence over the company, including the amount for the period after the acquisition.

Subsidiaries disposed of by the Group are excluded from the consolidated accounts from the date on which the controlling influence ceases.

Intra-Group transactions, balance-sheet items and intra-Group profits or losses are eliminated in their entirety.

The effects of all transactions with owners without a controlling influence are recognized in shareholders' equity, provided that they do not result in any change to the controlling influence. These transactions do not give rise to goodwill, gains or losses.

### Translation of foreign currencies

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which each company conducts its primary operations (functional currency). In the consolidated financial statements, SEK is used, which is the Parent Company's functional currency and reporting currency. Balance sheets and income statements for the subsidiaries in the Group are translated at the balance-sheet date rate and the average rate for the year, respectively. Translation differences are recognized in other comprehensive income.

Goodwill and fair-value adjustments that arise during the acquisition of a foreign operation are treated as assets and liabilities by Beijer Alma and translated at the rate on the balance-sheet date.

Significant foreign exchange rates	Year-end rate		Average rate	
	Dec. 31, 2011	Dec. 31, 2010	2011	2010
USD	6.91	6.80	6.45	7.21
EUR	8.94	9.01	9.02	9.49
GBP	10.66	10.54	10.35	11.10

Receivables and liabilities in foreign currencies are valued at the balance-sheet date rate. Exchange gains and losses that arise in conjunction with the payment of such transactions and in the translation of monetary assets and liabilities in foreign currency are recognized in profit or loss under net revenues or cost of goods sold. Hedging transactions in the form of currency forward agreements pertaining to future flows in foreign currency influence earnings when they expire.

### Reporting of associated companies

Associated companies are defined as companies that are not subsidiaries, but over which the Parent Company has a significant but not controlling influence, which generally involves shareholdings of 20 to 50 percent. Participations in associated companies are recognized in the consolidated financial statements in accordance with the equity method and are initially measured at cost.

The Group's share in the post-acquisition earnings of an associated company is recognized in profit or loss and its share of changes in other comprehensive income after the acquisition is recognized in other comprehensive income. Accumulated post-acquisition changes are recognized as changes in the carrying amount of the holding. When the Group's share in the losses of an associated company amounts to, or exceeds, the Group's holding in the associated company, the Group does not recognize further losses. Unrealized internal gains are eliminated against the share of gains accruing to the Group. Unrealized losses are also eliminated.

Profit shares in associated companies are recognized on separate lines in the consolidated income statement and the consolidated balance sheet. Profit shares in associated companies are recognized after tax.

### Segment reporting

Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the earnings of the operating segments. In the Group, the President and CEO is responsible for making strategic decisions. Beijer Alma's segments are the Group's operating segments: Lesjöfors (Industrial Springs), Habia Cable (custom-designed cable) and Beijer Tech (industrial trading).

### Revenue recognition

The Group's net revenues comprise the fair value of what has been received or will be received from the sale of goods in the Group's operating activities. Beijer Alma recognizes revenues when the risk associated with the goods has been transferred to the customer, pursuant to the terms and conditions of sale, and when receipt of payment for the related accounts receivable is deemed probable, meaning when the revenue can be measured in a reliable manner and it is probable that the company will gain future financial benefits. The Group bases its assessments on past results, taking into consideration the type of customer, the type of transaction, and specific circumstances in each individual case. Sales are recognized net after value-added tax, rebates, returns, translation differences resulting from sales in foreign currencies and the elimination of intra-Group sales.

### Interest income

Interest income is recognized distributed over the maturity period using the effective interest method.

### Borrowing costs

Borrowing costs are charged against the earnings for the period to which they are attributable, provided that they do not pertain to borrowing costs directly attributable to the purchase, design or production of an asset that takes a significant amount of time to prepare for use or sale. In such cases, any borrowing costs are capitalized as part of the cost of the asset.

### Tax

Deferred tax is calculated according to the balance-sheet method for all temporary differences arising between the carrying amount and tax value of assets and liabilities.

Loss carryforwards that can be utilized against anticipated future profit are capitalized as a deferred tax asset. This applies to accumulated tax loss carryforwards at the time of acquisition and to losses that arise thereafter.

Valuation is performed using the tax rates in effect on the balance-sheet date. Deferred tax is recognized in the balance sheet as a financial asset or long-term liability. Tax expenses for the year comprise current tax and deferred tax.

If the actual outcome differs from the amount that was initially reported, such differences will affect the provisions for current tax and deferred tax, as well as net profit for the year.

Deferred tax is recognized on temporary differences arising from participations in subsidiaries and associated companies, except when the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the difference will not be reversed in the foreseeable future.

### Intangible assets

The Group's intangible assets primarily comprise goodwill. Goodwill is defined as the amount by which the consolidated cost of the shares in acquired subsidiaries exceeds the fair value of the company's net assets as indicated in the acquisition analysis at the time of acquisition. Goodwill from the acquisition of associated companies is included in the value of the holdings in the associated companies and is tested for impairment as a part of the value of the total holding. Goodwill that is recognized

separately is tested annually for impairment. Impairment of goodwill is not reversed. Gains or losses arising from the sale of a unit include the remaining carrying amount of the goodwill relating to the sold unit.

Goodwill is allocated at the time of acquisition to cash-flow generating units that are expected to profit from the acquired operation that generated the goodwill item. For a description of the methods and assumptions used for impairment testing, refer to Note 12.

Contractual customer relations and licenses that have been acquired through business combinations are recognized at fair value on the date of acquisition. The contractual customer relations and licenses have a definable useful life and are recognized at cost less accumulated amortization. Amortization is applied straight-line to distribute the cost over the useful life of the aforementioned contracts and licenses.

### Research and product development

When costs are incurred for product development, such costs are immediately expensed.

According to a strict definition, no research and development is conducted within the Group. Since development work in the Beijer Alma Group is conducted on a continuous basis and is an integrated part of the daily operations, such expenses are difficult to define. Moreover, these expenses do not amount to significant amounts.

### Tangible assets

Tangible assets, including office and industrial buildings and land, are recognized at cost after deductions for accumulated depreciation. The cost includes costs directly related to the acquisition of the asset. Expenses for improvements to the performance of an asset beyond its original level increase the carrying amount of the asset. Expenses for repair and maintenance are reported as costs.

In profit or loss, operating profit is charged with straight-line depreciation based on the difference between the costs of the assets and any residual value they may have over their estimated useful lives. Beijer Alma applies the following estimated useful lives:

Office buildings used in operations	25–40 years
Industrial buildings used in operations	20–40 years
Plant and machinery	2–10 years
Equipment, tools, fixtures and fittings	2–10 years

Land is not depreciated.

The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when the carrying amount of an asset exceeds its estimated recoverable amount, the asset is depreciated to its recoverable amount.

Capital gains and losses are determined by comparing the selling price and the carrying amount. Capital gains and losses are recognized in profit or loss.

### Leasing agreements

Leasing agreements pertaining to fixed assets in which the Group essentially bears the same risks and enjoys the same benefits as in the case of direct ownership are classified as financial leasing. Financial leasing is recognized at the beginning of the leasing period at the lower of the fair value of the leasing object and the present value of the minimum leasing fees. Financial leasing agreements are recognized in the balance sheet as fixed assets or financial liabilities. Future leasing payments are distributed between amortization of the liability and financial expenses so that each accounting period is charged with an interest amount that corresponds to a fixed interest rate for the liability recognized during each period. Leasing assets are depreciated according to the same principles as other assets of the same class. In profit or loss, costs associated with the leasing agreement are allocated to depreciation and interest.

Leasing of assets in which the lessor essentially remains the owner of the asset is classified as operational leasing. The leasing fee is expensed on a straight-line basis over the leasing period. Operational leasing agreements are recognized in profit or loss as an operating expense. Leasing of automobiles and personal computers is normally defined as operational leasing. The value of these leasing agreements is not deemed to be significant.

### Impairment

Assets with an indefinite useful life, such as land, are not depreciated or amortized; instead, such assets are tested annually for impairment. For depreciated assets, an assessment of the carrying amount of the assets is conducted whenever there is an indication that the carrying amount exceeds the recoverable amount. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. Impairment is performed per cash-flow generating unit. For assets other than financial assets and goodwill for which an impairment loss was previously recognized, impairment testing is carried out on each balance-sheet date to determine whether they should be recovered.



### **Inventories**

Inventories comprise finished goods, semi-manufactured goods and raw materials. Inventories are valued, using the first-in, first-out method, at the lower of cost and fair value (net selling price) on the balance-sheet date. Finished goods and semi-manufactured goods are valued at manufacturing cost, including raw materials, direct labor, other direct overheads and production-related overheads based on normal production. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective valuation is applied for homogenous groups of goods. Interest expenses are not included in the valuation of inventories.

A deduction is made for intra-Group profit arising when deliveries are made between the Group's companies. A requisite deduction for obsolescence has been made.

### **Accounts receivable**

Accounts receivable are initially reported at fair value and thereafter at amortized cost using the effective interest method, less any provisions for depreciation. A provision for depreciation is recognized when there is objective evidence that indicates that the recognized amount will not be received.

### **Financial instruments**

The Group classifies its financial assets according to the following categories: loan receivables, accounts receivable and available-for-sale financial assets. Classification depends on the purpose for which the financial asset was acquired. Management determines the classification when the financial asset is first recognized and reviews this decision at every reporting occasion.

### **Loan receivables and accounts receivable**

Loan receivables and accounts receivable are financial assets that are not derivatives, that have fixed or fixable payments and that are not listed in an active market. They are included in current assets with the exception of items with maturity dates more than 12 months after the balance-sheet date, which are classified as fixed assets. Loan receivables and accounts receivable are classified as accounts receivable and other current or long-term receivables in the balance sheet. Loan receivables and accounts receivable are recognized at amortized cost using the effective interest method.

### **Available-for-sale financial assets**

Available-for-sale financial assets are assets that are not derivatives and are either identified as saleable or cannot be classified in any of the other categories. These assets are included in fixed assets if management does not intend to dispose of them within 12 months of the balance-sheet date. These assets are measured at fair value and any changes in value are recognized directly in shareholders' equity. An impairment loss is recognized when objective evidence indicates that impairment is required. Upon disposal of the asset, accumulated gains/losses, which were previously recognized in shareholders' equity, are recognized in profit or loss. Investments in equity instruments that do not have a listed market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Purchases and sales of financial assets are recognized on the trade date, meaning the date on which the Group commits to purchasing or selling the asset. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has assumed essentially all risks and benefits connected with the right of ownership.

### **Hedge accounting**

Beijer Alma utilizes derivative instruments to cover risks associated with foreign exchange-rate changes. Beijer Alma applies hedging for commercial exposure in the form of highly probable forecast transactions (cash-flow exposure) within the framework of the financial policy adopted by the Board of Directors. Beijer Alma applies hedge accounting for contracts that fulfill the criteria for hedging in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used are effective.

Hedge accounting means that the unrealized gains and losses that arise when hedging instruments are valued at market value and that fulfill the conditions for hedge accounting are recognized in shareholders' equity. Refer also to Note 29.

### **Cash and cash equivalents**

Cash and cash equivalents are defined as cash and bank balances and short-term investments with a maturity period not exceeding three months from the date of acquisition. Cash and cash equivalents are initially recognized at fair value and thereafter at amortized cost.

### **Share capital**

Ordinary shares are classified as shareholders' equity. Transaction expenses that are directly attributable to new share issues or options are recog-

nized in shareholders' equity, in a net amount after tax, as a deduction from the proceeds of the new share issue.

### **Accounts payable**

Accounts payable are initially recognized at fair value and thereafter at amortized cost using the effective interest method.

### **Borrowing**

Borrowing is initially recognized at fair value in a net amount after transaction expenses. Borrowing is thereafter recognized at amortized cost and any difference between the amount received and the amount repaid is recognized in profit or loss distributed over the borrowing period using the effective interest method.

### **Provisions**

Provisions are recognized in the balance sheet under current and long-term liabilities when the Group has a legal or informal obligation as a result of an event that has occurred and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

### **Employee benefits**

The Group utilizes defined-contribution and defined-benefit pension plans. The pension plans are financed through payments made by each Group company and the employees. The defined-benefit pension plans are ITP plans that are insured with Alecta. Such plans are recognized as defined contribution plans in the event that Alecta is unable to provide the necessary information. Refer also to Note 1.

The Group's payments relating to pension plans are recognized as costs during the period in which the employees performed the services to which the payment refers.

### **Incentive programs**

Employee benefits are recognized in accordance with IFRS 2 Share-based Payment. There are currently no outstanding incentive programs.

### **Dividend**

Dividends are recognized as liabilities after they are approved by the Annual General Meeting.

## **PARENT COMPANY ACCOUNTING POLICIES**

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, shall apply all EU-approved IFRS and statements, insofar as this is possible within the framework of the Swedish Annual Accounts Act and with consideration given to the relationship between accounting and taxation. The recommendation stipulates the permissible exceptions from and amendments to IFRS. The differences between the Group's and the Parent Company's accounting policies are described below.

### **Reporting of associated companies**

In the Parent Company's annual accounts, participations in associated companies are recognized at cost with deductions for any impairment losses. Only dividends received as a result of profit earned after the acquisition date are reported as income from associated companies.

### **Dividends**

Dividend income is recognized when the right to receive payment is deemed secure.

### **Financial instruments**

Financial assets are measured at cost less any impairment losses, and financial current assets at the lowest-value principle.

### **Leased assets**

In the Parent Company, all leasing agreements are recognized in accordance with the rules for operational leasing.

### **Group contributions and shareholders' contributions for legal entities**

As statement UFR 2 from the Swedish Financial Reporting Board was withdrawn, the Parent Company's received Group contributions are recognized as a financial income.

## NOTE 1 PERSONNEL

Job location	Average number of employees	
	2011	2010
<b>SWEDEN</b>		
<i>Parent Company</i>		
Uppsala	2	2
Stockholm	3	3
<i>Subsidiaries</i>		
Broby	1	–
Filipstad	110	106
Göteborg	53	54
Hallstahammar	12	14
Halmstad	12	12
Helsingborg	14	12
Herrljunga	44	43
Karlstad	13	11
Lidköping	3	2
Ludvika	1	1
Luleå	–	2
Malmö	40	41
Mönsterås	34	30
Skellefteå	7	3
Stockholm	86	84
Tierp	150	145
Oxelösund	1	1
Värnamo	50	49
Växjö	27	27
Örebro	6	6
<b>Total Sweden</b>	<b>669</b>	<b>648</b>

	Men	Women	Total 2011	Men	Women	Total 2010
<b>Total Sweden</b>	<b>508</b>	<b>161</b>	<b>669</b>	<b>499</b>	<b>149</b>	<b>648</b>
<b>OUTSIDE SWEDEN</b>						
Denmark	58	22	80	50	21	71
Finland	28	6	34	27	6	33
France	3	3	6	3	2	5
Hong Kong	3	5	8	2	5	7
China	169	186	355	127	84	211
Latvia	42	36	78	44	41	85
Netherlands	3	3	6	3	2	5
Norway	10	2	12	10	2	12
Poland	16	20	36	24	16	40
Russia	3	3	6	2	2	4
UK	131	48	179	138	53	191
Germany	174	44	218	60	25	85
<b>Total outside Sweden</b>	<b>640</b>	<b>378</b>	<b>1,018</b>	<b>490</b>	<b>259</b>	<b>749</b>
<b>Total</b>	<b>1,148</b>	<b>539</b>	<b>1,687</b>	<b>989</b>	<b>408</b>	<b>1,397</b>

Of the total of 1,687 employees (1,397), 1,148 (989) are men and 539 (408) are women. There are a total of 52 (50) directors in the Group's companies, of whom 50 (49) are men. All 34 (32) Group company presidents are men. Five (six) of the Parent Company's seven (seven) Board members are men and the President of the Parent Company is a man.

### Salaries, remunerations and social security contributions

#### Group

In the Group's Swedish units, remuneration was expensed as follows:

	2011	2010
Salaries/fees, President and Board of Directors	30,553	28,890
Of which bonuses, President and Board of Directors	7,358	7,377
Social security contributions, President and Board of Directors	16,538	16,543
Of which pension costs	6,705	6,856
Salaries, other	247,648	238,600
Social security contributions, other	98,610	95,701
Of which pension costs	18,876	19,320

Salaries and remuneration outside Sweden were expensed as follows:

2011 Group	President/Board of Directors				Other	
	Salaries	Of which bonuses	Social security contrib.	Of which pension costs	Salaries	Social security contrib.
Denmark	3,717	99	281	276	33,758	2,616
Finland	2,676	216	609	268	11,819	2,116
Norway	2,073	178	540	121	5,109	1,102
Latvia	600	64	145	–	7,918	1,908
France	–	–	–	–	3,022	1,326
Netherlands	–	–	–	–	3,698	1,073
UK	4,515	582	1,067	564	46,606	4,213
Germany	5,145	319	587	20	75,312	14,203
Hong Kong	–	–	–	–	3,628	842
China	506	90	53	–	19,490	4,571
Russia	423	–	84	23	634	125
Poland	–	–	–	–	7,009	532
<b>Total salaries and remuneration</b>	<b>19,655</b>	<b>1,548</b>	<b>3,366</b>	<b>1,272</b>	<b>218,003</b>	<b>34,627</b>
<b>Total salaries and remuneration in Sweden according to the above</b>	<b>30,553</b>	<b>7,358</b>	<b>16,538</b>	<b>6,705</b>	<b>247,648</b>	<b>98,610</b>
<b>Total Group</b>	<b>50,208</b>	<b>8,906</b>	<b>19,904</b>	<b>7,977</b>	<b>465,651</b>	<b>133,237</b>

2010 Group	President/Board of Directors				Other	
	Salaries	Of which bonuses	Social security contrib.	Of which pension costs	Salaries	Social security contrib.
Denmark	2,808	109	227	222	30,928	2,858
Finland	2,832	237	704	381	10,921	2,862
Norway	2,108	105	383	150	6,022	1,205
Latvia	625	67	151	–	5,230	1,261
France	–	–	–	–	2,467	1,215
Netherlands	–	–	–	–	2,781	981
UK	4,440	311	1,000	561	48,813	3,550
Germany	3,020	123	342	17	28,662	5,128
Hong Kong	–	–	–	–	3,081	492
China	1,072	161	44	–	10,819	4,009
Russia	297	–	26	20	266	70
Poland	–	–	–	–	3,330	638
<b>Total salaries and remuneration</b>	<b>17,202</b>	<b>1,113</b>	<b>2,877</b>	<b>1,351</b>	<b>153,320</b>	<b>24,269</b>
<b>Total salaries and remuneration in Sweden according to the above</b>	<b>28,890</b>	<b>7,377</b>	<b>16,543</b>	<b>6,856</b>	<b>238,600</b>	<b>95,701</b>
<b>Total Group</b>	<b>46,092</b>	<b>8,490</b>	<b>19,420</b>	<b>8,207</b>	<b>391,920</b>	<b>119,970</b>

Parent Company	2011	2010
Salaries/fees, President and Board of Directors	11,737	12,059
Of which bonuses, President and Board of Directors	4,271	4,750
Social security contributions, President and Board of Directors	5,147	5,138
Of which pension costs	1,827	1,771
Salaries, other	5,886	5,957
Social security contributions, other	2,868	2,778
Of which pension costs	934	907

Retirement-pension and family-pension obligations for salaried employees in Sweden are secured through an insurance policy with Alecta. According to statement UFR 6 Multi-employer Pension Plans issued by the Swedish Financial Reporting Board, this is a defined-benefit pension plan. For the 2011 financial year, the company did not have access to sufficient information to enable it to report this plan as a defined-benefit plan. Accordingly, the pension plan, which is secured through insurance with Alecta, was recognized as a defined-contribution pension plan in accordance with ITP. Alecta's surplus may be distributed to the policyholders and/or the insured. On September 30, 2011, Alecta's surplus, measured as the collective consolidation level, amounted to 113 percent (December 31, 2010: 146 percent). The collective consolidation level is defined as the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial calculation assumptions, which do not correspond with IAS 19.

#### Employment conditions and remuneration to members of senior management

##### Principles

Fees are paid to the Chairman of the Board and the directors in accordance with the resolution adopted by the Annual General Meeting. These fees are paid retroactively on an annual basis. The Annual General Meeting also passes resolutions regarding the principles of remuneration and terms of employment for the management group. No special fees are paid for committee work. No fees are paid to Group employees for work as directors of subsidiaries.

Remuneration for the President and for members of senior management comprises basic salary, including company car benefits, bonuses and pension costs. Members of senior management include the President, the presidents of the three subsidiaries, the Group's Chief Financial Officer and the Group's Controller.

The distribution between basic salary and bonus shall be proportional to the individual's responsibilities and authority. For the President, the bonus ceiling is maximized at 100 percent of basic salary, excluding company car benefits. For other members of senior management, the bonus ceiling is maximized at between 25 and 100 percent of basic salary, excluding company car benefits. The bonus is based on actual performance in relation to individually established goals.

Pension benefits and company car benefits for the President and other members of senior management are paid as part of the total remuneration.

The Chairman of the Board received a fee of SEK 900,000 (850,000) and the other six (six) directors each received a fee of SEK 250,000 (225,000).

##### Comments on the table

Members of the Group's senior management only have defined-contribution pension plans. Pension costs refer to the costs charged against net profit for the year. The amounts listed below include a special payroll tax in the amount of 24.26 percent of the premium paid.

#### Remuneration and benefits in 2011

	Directors' fees/basic salaries incl. company car benefits	Bonus	Pension costs	Total
Directors (fees paid to seven directors in accordance with resolution adopted by 2011 Annual General Meeting)	2,400	–	–	2,400
Senior management (six people)	15,175	8,764	5,381	29,320
Of which President	5,266	4,271	1,827	11,364
<b>Total</b>	<b>17,575</b>	<b>8,764</b>	<b>5,381</b>	<b>31,720</b>

## Remuneration and benefits in 2010

Directors' fees/basic salaries incl. company car benefits	Bonus	Pension costs	Total
Directors (fees paid to seven directors in accordance with resolution adopted by 2010 Annual General Meeting)	2,200	–	– 2,200
Senior management (six people)	14,066	9,238	5,533 28,837
Of which President	5,089	4,750	1,771 11,610
<b>Total</b>	<b>16,266</b>	<b>9,238</b>	<b>5,533 31,037</b>

## Employment conditions

### President

The period of notice is 24 months if employment is terminated by the company and nine months if employment is terminated by the employee. Termination salary is not to be offset against other income. The retirement age is 65. Pension premiums are paid by the company in an amount corresponding to 30 percent of the basic salary, excluding company car benefits.

### Other members of senior management

In cases when employment is terminated by the company, the period of notice varies between 12 and 24 months. In the event that employment is terminated by the employee, the period of notice is six months. Termination salary is offset against remuneration from other employers. The retirement age is 65 in all cases. Pension premiums, which are paid by the company, are equivalent to 25 to 30 percent of the basic salary, excluding company car benefits.

## NOTE 2 BOARD OF DIRECTORS

**Anders Wall.** Education: Studies at the Stockholm School of Economics. Med Dr h.c., Econ Dr h.c., Consul General. Director since: 1992. Chairman of: Beijerinvest AB, the Kjell and Märta Beijer Foundation, the Anders Wall Foundations, the Consul Th. C. Bergh Foundation, Ryda Bruk AB, Svenskt Tenn AB and Morgongåva Företagspark AB. Director of: Domarbo Skog AB, Hargs Bruk AB, the Anders Wall Professor of Entrepreneurship Foundation and others. Honorary Fellow at Uppsala University, Luxembourg's Consul General, Member of the Royal Academy of Engineering Sciences (IVA) and the Royal Swedish Academy of Agriculture and Forestry (KSLA). Earlier positions: President and CEO of AB Kol&Koks/Beijerinvest from 1964 to 1981, Chairman of the Board from 1981 to 1983 (after merger with AB Volvo), President and CEO of Investment AB Beijer from 1983 to present. Earlier directorships: Handelsbanken, Skandia, Industrivärden, Uddeholm, Billerud, Group Bruxelles Lambert, Pargesa and others.

**Carina Andersson.** Education: Mining Engineer, Royal Institute of Technology, Stockholm 1989. Director since: 2011. Director of: Mälardalen University (MDH) and others. Earlier positions: VD Scana Ramnäs AB and Ramnäs Bruk AB. On leave of absence from her management position at Sandvik Materials Technology to be with her family living in China.

**Marianne Brismar.** Education: Pharmacist 1987, Master of Business Administration from the University of Gothenburg School of Business, Economics and Law 1992. Director since: 2010. Director of: Semcon AB, Ernströmgruppen, Concentric AB and Imego AB. Earlier positions: CEO of Atlet AB (1995-2007).

**Anders G. Carlberg.** Education: Master of Business Administration. Director since: 1997. Director of: Axel Johnson Inc., Sapa AB, SSAB, Mekonomen, Höganäs AB (Chairman), Sweco AB, Herenco AB (Chairman), Investment AB Latour and others. Earlier positions: President and

CEO of Nobel Industrier, J.S. Saba and Axel Johnson International AB, Executive Vice President of SSAB.

**Peter Nilsson.** Education: Master of Engineering from the Institute of Technology at Linköping University. President and CEO of Trelleborg AB. Director since: 2008. Director of: Trelleborg AB, Trioplast Industrier AB, the Chamber of Commerce and Industry of Southern Sweden and others. Earlier positions: Business Area President and other assignments within the Trelleborg Group, Management Consultant at BSI.

**Anders Ullberg.** Education: Master of Business Administration from the Stockholm School of Economics. Director since: 2007. Chairman of: Boliden, BE Group, Eneqvist Consulting, Natur & Kultur and Studsvik. Director of: Atlas Copco, Norex International, Sapa, Valedo Partners and Åkers. Chairman of the Swedish Financial Reporting Board and Member of the Swedish Corporate Governance Board. Earlier positions: President and CEO of SSAB Svenskt Stål, Vice President and CFO of SSAB, CFO of Svenska Varv.

**Johan Wall.** Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University. President of Beijerinvest AB. Deputy Director: 1997–2000. Director since: 2000. Director of: The Crafoord Foundation, the Kjell and Märta Beijer Foundation, the Anders Wall Foundations and others. Earlier positions: President of Bisnode AB, President of Enea AB, President of Framfab AB and President of Netsolutions AB.

**Bertil Persson.** Education: Master of Business Administration from the Stockholm School of Economics. President and CEO of Beijer Alma AB. Deputy Director: 2000 to 2001 and since 2002. Director: 2001–2002. Earlier positions: Head of Treasury at Investor AB, Director of Finance at Scania AB and Executive Vice President of LGP Telecom AB.

## NOTE 3 NET REVENUES

	2011	2010
Sweden	933,137	712,510
Other EU	1,360,736	1,150,536
Other Europe	167,641	135,180
Asia	309,001	240,507
Rest of the world	59,659	51,356
<b>Total</b>	<b>2,830,174</b>	<b>2,290,089</b>

The countries, apart from Sweden, in which Beijer Alma generates the largest net revenues are:

MSEK	2011	2010
UK	307	348
Germany	354	252
China	213	153
Denmark	132	104

## NOTE 4 SEGMENT REPORTING

The President determined the operating segments based on the information processed by Group management and used to make strategic decisions.

The operating segments comprise Beijer Alma's sub-groups: Lesjöfors (industrial springs), Habia Cable (custom-designed cable) and Beijer Tech (technology trading). Lesjöfors and Habia have proprietary manufacturing and product development. Each segment has its own administration and marketing. Each sub-group is headed by a president, who is a member of Group management. Others refer to the Parent Company, which is a holding company without external invoicing and a number of small subsidiaries that do not conduct any operations. Operating profit is the revenue measure monitored by Group management. Any sales between segments take place on commercial terms. No individual customer accounts for more than 5 percent of the Group's revenue.

2011	Lesjöfors	Habia	Beijer Tech	Other (Parent Company, etc)	Eliminations	Total
Segment income	1,386.0	668.2	777.1	0.5	–	2,831.8
Inter-segment sales	–	–	–	–	–1.6	–1.6
<b>Income from external customers</b>	<b>1,386.0</b>	<b>668.2</b>	<b>777.1</b>	<b>0.5</b>	<b>–1.6</b>	<b>2,830.2</b>
Operating profit/loss	352.1	55.9	57.8	–24.3	–0.1	441.4
Financial income	2.4	0.3	0.7	260.1	–260.0	3.5
Financial expenses	–6.3	–6.6	–1.6	–5.8	4.1	–16.2
<b>Profit after net financial items</b>	<b>348.2</b>	<b>49.6</b>	<b>56.9</b>	<b>229.3</b>	<b>–256.0</b>	<b>428.7</b>
Tax	–93.0	–15.7	–13.5	–22.6	29.0	–115.8
<b>Net profit</b>	<b>255.2</b>	<b>33.9</b>	<b>43.4</b>	<b>206.7</b>	<b>–226.3</b>	<b>312.9</b>
Operating profit/loss includes:						
Depreciation and amortization	49.4	20.3	6.2	0.4	–	76.3
Impairment of goodwill	2.3	–	–	–	–	2.3
Share of profit/loss in associated companies	0.9	0.1	–	–	–0.1	0.9
Assets	1,121.4	495.3	394.9	929.2	–740.0	2,200.8
Liabilities	450.9	238.6	166.4	73.5	–211.5	717.9
Of which interest-bearing	72.1	101.2	34.7	41.5	–3.0	246.5
Cash funds (included in assets)	164.3	36.3	26.2	42.2	–	269.0
Net debt	–92.2	64.9	8.5	–0.7	–3.0	–22.5
Investments in tangible assets	59.5	22.4	6.7	0.6	–	89.2
Sales outside Sweden, %	82	91	19	–	–	67

2010	Lesjöfors	Habia	Beijer Tech	Other (Parent Company, etc)	Eliminations	Total
Segment income	1,206.7	558.1	526.3	–	–	2,291.1
Inter-segment sales	–	–	–	–	–1.0	–1.0
<b>Income from external customers</b>	<b>1,206.7</b>	<b>558.1</b>	<b>526.3</b>	<b>–</b>	<b>–1.0</b>	<b>2,290.1</b>
Operating profit/loss	349.4	46.2	41.6	–26.6	–4.3	406.3
Financial income	1.3	0.3	0.3	234.8	–234.8	1.9
Financial expenses	–5.9	–3.7	–0.5	–4.4	5.1	–9.4
<b>Profit after net financial items</b>	<b>344.8</b>	<b>42.8</b>	<b>41.4</b>	<b>203.8</b>	<b>–234.0</b>	<b>398.8</b>
Tax	–93.6	–12.7	–10.6	–25.3	29.9	–112.3
<b>Net profit</b>	<b>251.2</b>	<b>30.1</b>	<b>30.8</b>	<b>178.5</b>	<b>–204.1</b>	<b>286.5</b>
Operating profit/loss includes:						
Depreciation and amortization	–43.2	–22.2	–4.8	–0.5	–	–70.7
Impairment of goodwill	–6.1	–	–	–	–	–6.1
Share of profit/loss in associated companies	0.7	0.1	–	–	0.1	0.9
Assets	942.1	449.5	363.9	952.1	–731.8	1,975.8
Liabilities	376.7	212.2	151.4	92.1	–251.1	581.3
Of which interest-bearing	21.6	92.1	35.0	–	–1.8	146.9
Cash funds (included in assets)	163.7	13.2	26.7	35.9	–1.4	238.1
Net debt	–142.1	78.9	8.3	–35.9	–0.4	–91.2
Investments in tangible assets	42.9	10.1	1.5	0.7	–	55.2
Sales outside Sweden, %	81	90	17	–	–	69

#### Assets distributed by geographic region (MSEK):

Group	2011	2010
Sweden	1,305.6	1,264.4
Other EU	650.0	506.0
Other Europe	28.8	36.1
Asia	216.4	169.3
<b>Total</b>	<b>2,200.8</b>	<b>1,975.8</b>

## NOTE 5 ADMINISTRATIVE EXPENSES

Administrative expenses include the following auditors' fees:

	2011	Group 2010	2011	Parent Company 2010
<i>PwC</i>				
Audit assignment	2,958	2,905	486	500
Auditing activities in addition to audit assignment	996	705	248	196
<i>Other auditors</i>				
Audit assignment	1,193	958	–	–
Other assignments	160	8	–	–
<b>Total</b>	<b>5,307</b>	<b>4,576</b>	<b>734</b>	<b>696</b>

PwC has not performed any tax advisory or other services.

Costs for product development totaling 16,173 (14,103) are included in the Group's administrative expenses. These amounts pertain to the product development cost that could not be attributed to specific customer orders.



## NOTE 6 PROFIT/LOSS FROM PARTICIPATIONS IN ASSOCIATED COMPANIES

Group	2011	2010
<i>Share of profit/loss from:</i>		
Hanil Precision Co Ltd	867	745
BCB Baltic AB	-92	-6
Irradose AB	111	145
<b>Total</b>	<b>886</b>	<b>884</b>

## NOTE 7 OPERATING PROFIT

Operating profit has been charged with depreciation and amortization as follows:

Group	2011	2010
Plant and machinery	50,594	46,432
Equipment, tools, fixtures and fittings	11,273	11,625
Buildings	10,885	10,324
Land improvements	91	83
Other intangible assets	3,477	2,219
<b>Total</b>	<b>76,320</b>	<b>70,683</b>

In the Parent Company, equipment, tools, fixtures and fittings were depreciated by 67 (219).

Group	2011	2010
<i>Costs divided by type</i>		
Material costs	1,241,833	935,491
Costs for employee benefits (Note 1)	669,000	577,402
Development costs not charged to respective orders	16,174	14,103
Depreciation, amortization and impairment (Notes 7, 12)	78,619	76,818
Costs for operational leasing (Note 8)	42,398	39,070
Other costs	341,615	241,825
<b>Total</b>	<b>2,389,639</b>	<b>1,884,709</b>

## NOTE 8 OPERATIONAL LEASING

Operating profit was charged with costs for operational leasing as follows:

	2011	Group 2010	2011	Parent Company 2010
Leasing costs for the year	42,398	39,070	1,954	2,175
Future minimum leasing payments fall due as follows:				
- Within one year	41,519	35,339	1,877	1,986
- After more than one year, but within five years	107,376	121,774	2,482	4,375
- After more than five years	14,805	30,159	-	-
<b>Total</b>	<b>163,700</b>	<b>187,272</b>	<b>4,359</b>	<b>6,361</b>

The majority of costs pertain to lease agreements for operating premises.

## NOTE 9 INCOME FROM PARTICIPATIONS IN GROUP COMPANIES

Parent Company	2011	2010
<i>Anticipated dividend from:</i>		
Beijer Tech AB	30,000	25,000
Habia Cable AB	15,000	21,000
Lesjöfors AB	100,000	70,000
<b>Total</b>	<b>145,000</b>	<b>116,000</b>

## NOTE 10 TAX ON NET PROFIT FOR THE YEAR

	2011	Group 2010	2011	Parent Company 2010
Current tax for the period	-110,010	-110,328	-22,634	-25,388
Temporary differences pertaining to:				
- Untaxed reserves	-2 896	-2,023	-	-
- Provisions for structural costs	-2,100	-319	-	-
Current tax attributable to earlier years	-869	404	51	88
<b>Total</b>	<b>-115,875</b>	<b>-112,266</b>	<b>-22,583</b>	<b>-25,300</b>

**Difference between tax expense and 26.3 percent tax**

	2011	Group 2010	2011	Parent Company 2010
Profit before tax	428,742	398,793	229,283	203,775
26.3 %	-112,758	-104,883	-60,301	-53,593
Tax for the period	-115,875	-112,266	-22,583	-25,300
<b>Difference</b>	<b>-3,117</b>	<b>-7,383</b>	<b>37,718</b>	<b>28,293</b>

**Specification of difference**

	2011	Group 2010	2011	Parent Company 2010
Effect of:				
- Tax attributable to earlier years	51	105	51	88
- Foreign tax rates	4,478	-96	-	-
- Non-deductible items	-8,657	-6,082	-1,581	-2,303
- Non-taxable income	2,560	3,155	39,248	30,508
Other	-1,549	-4,465	-	-
<b>Total</b>	<b>-3,117</b>	<b>-7,383</b>	<b>37,718</b>	<b>28,293</b>

The Group's weighted average tax rate was 27 percent (28.2).

Cash flow hedges after tax are recognized in other comprehensive income. In 2011, tax revenue of 6,622 is recognized and, in 2010, a tax expense of 2,916 was recognized pertaining to cash flow hedges. There are no other tax effects in other comprehensive income.

**NOTE 11 EARNINGS PER SHARE**

Group	2011	2010
Profit used for calculating earnings per share		
Net profit for the year attributable to Parent Company shareholders	312,867	286,527
Number of shares	30,131,100	30,131,100

Since there are no outstanding programs regarding convertibles or options, the number of shares before and after dilution is the same.

**NOTE 12 GOODWILL**

Group	2011	2010
Opening cost	353,671	127,124
Acquisitions <sup>1</sup>	31,798	172,956
Through acquisitions of subsidiaries	-	60,950
Translation differences	-1,422	-7,359
<b>Closing accumulated cost</b>	<b>384,047</b>	<b>353,671</b>
Opening impairment	12,112	5,977
Impairment for the year	2,299	6,135
<b>Closing accumulated impairment</b>	<b>14,411</b>	<b>12,112</b>
<b>Carrying amount</b>	<b>369,636</b>	<b>341,559</b>

<sup>1)</sup> Group	2011	2010
Acquisition of Beijer Tech	-	146,341
Acquisition of Preben Z Jensen	-	26,615
Acquisition of Velleuer	22,440	-
Acquisition of Karlebo Gjuteriteknik	9,358	-
<b>Total</b>	<b>31,798</b>	<b>172,956</b>

The Group's total recognized goodwill is allocated to the operating segments as follows:

Group	2011	2010
Lesjöfors	76,403	56,298
Habia	51,036	51,355
Beijer Tech	242,197	233,906
<b>Total</b>	<b>369,636</b>	<b>341,559</b>

Lesjöfors	2011
European Springs Ltd	44,910
Velleuer GmbH & Co. KG	22,440
Lesjöfors Automotive AB	4,732
Lesjöfors A/S	4,321
<b>Total</b>	<b>76,403</b>

Habia	2011
Habia Kabel Produktions GmbH & Co. KG	48,348
Habia Cable CS Technology AB	2,688
<b>Total</b>	<b>51,036</b>

<b>Beijer Tech</b>	<b>2011</b>
Beijer Tech AB	146,341
Lundgrens Sverige AB	60,285
Beijer Industri AB	663
A/S Preben Z Jensen	25,550
Karlebo Gjuteriteknik AB	9,358
<b>Total</b>	<b>242,197</b>

During the year, Lesjöfors recognized an impairment of 2,299. The amount pertains to the goodwill value in a cash-flow generating unit in Denmark with weaker market conditions compared with the date of acquisition. After the impairment loss, the unit is deemed to be valued at fair value.

The Group tests goodwill annually for impairment. This is based on a calculation of the value in use. These testes are based on cash-flow forecasts, with the forecast for the first year based on the plans of each individual company. For subsequent years, the growth rate is assumed to be in line with forecast GDP levels of 2 to 3 percent, meaning a level considered to be approximately the same as the level of long-term inflation. Assumptions and forecasts were determined by corporate management.

The budgeted operating margin was determined based on previous earnings and expectations regarding future market trends. The following discount rates before tax have been applied:

<b>%</b>	<b>2011</b>	<b>2010</b>
Equity financing	11	10
Debt financing	6	5
Weighted financing cost	8	7

It is the company's assessment that reasonable potential changes in the annual growth rate, operating margin, discount rate and other assumed values would not have an impact so significant that they would individually reduce the recoverable amount to a value less than the carrying amount.

Except for the aforementioned impairment loss in Lesjöfors, no impairment losses were identified during the impairment testing conducted during the current year.

## NOTE 13 OTHER INTANGIBLE ASSETS

<b>Group</b>	<b>2011</b>	<b>2010</b>
Opening cost	10,866	240
Purchases	1,492	2,943
Acquisitions of subsidiaries	3,178	7,683
Reclassification	344	–
<b>Closing accumulated cost</b>	<b>15,880</b>	<b>10,866</b>
Opening amortization	2,591	100
Reclassification	1,197	–
Amortization for the year	3,477	2,491
<b>Closing accumulated amortization</b>	<b>7,265</b>	<b>2,591</b>
<b>Carrying amount</b>	<b>8,615</b>	<b>8,275</b>

Of the carrying amount in 2011, 8,571 pertains to acquired customer relations and 44 to licenses.

## NOTE 14 LAND AND LAND IMPROVEMENTS

<b>Group</b>	<b>2011</b>	<b>2010</b>
Opening cost	17,344	18,321
Purchases	1,584	–
Acquisitions of subsidiaries	188	–
Translation differences	–53	–977
<b>Closing accumulated cost</b>	<b>19,063</b>	<b>17,344</b>
Opening depreciation	1,772	1,690
Depreciation for the year	91	83
Translation differences	–	–1
<b>Closing accumulated depreciation</b>	<b>1,863</b>	<b>1,772</b>
Opening impairment	60	60
Impairment losses for the year	–	–
<b>Closing accumulated impairment</b>	<b>60</b>	<b>60</b>
<b>Carrying amount</b>	<b>17,140</b>	<b>15,512</b>

## NOTE 15 BUILDINGS

<b>Group</b>	<b>2011</b>	<b>2010</b>
Opening cost	268,281	276,487
Purchases	11,434	4,019
Acquisitions of subsidiaries	11,600	307
Translation differences	–3,747	–12,532
<b>Closing accumulated cost</b>	<b>287,568</b>	<b>268,281</b>
Opening depreciation	118,688	113,320
Depreciation for the year	10,885	10,333
Translation differences	1	–4,965
<b>Closing accumulated depreciation</b>	<b>129,574</b>	<b>118,688</b>
Opening impairment	961	961
<b>Carrying amount</b>	<b>157,033</b>	<b>148,632</b>

## NOTE 16 PLANT AND MACHINERY

Group	2011	2010
Opening cost	742,196	755,259
Purchases	63,178	45,196
Sales and disposals	-10,019	-32,117
Acquisitions of subsidiaries	39,256	-
Reclassification	-1,190	-233
Translation differences	3,601	-25,909
<b>Closing accumulated cost</b>	<b>925,411</b>	<b>742,196</b>
Opening depreciation	494,620	493,606
Sales and disposals	-4,989	-28,514
Reclassification	-	1,104
Impairment for the year	50,594	45,141
Translation differences	-742	-16,717
<b>Closing accumulated depreciation</b>	<b>539,483</b>	<b>494,620</b>
Opening impairment	5,386	5,386
Impairment for the year	-	-
<b>Closing accumulated impairment</b>	<b>5,386</b>	<b>5,386</b>
<b>Carrying amount</b>	<b>292,153</b>	<b>242,190</b>

### Financial leasing agreements

The Group's plant and machinery includes financial leasing agreements as follows:

Group	2011	2010
Cost	15,188	1,883
Remaining residual value	11,011	548

Future minimum leasing payments fall due as follows:

Group	2011	2010
Within one year	3,250	595
After more than one year, but within five years	8,935	59
After more than five years	130	-
<b>Total</b>	<b>12,315</b>	<b>654</b>

## NOTE 17 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	2011	Group 2010	2011	Parent Company 2010
Opening cost	114,475	105,102	2,755	2,755
Purchases	16,208	9,841	56	-
Acquisitions of subsidiaries	344	9,827	-	-
Sales and disposals	-4,174	-6,588	-	-
Reclassification	-431	-76	-	-
Translation differences	100	-3,631	-	-
<b>Closing accumulated cost</b>	<b>126,522</b>	<b>114,475</b>	<b>2,811</b>	<b>2,755</b>
Opening depreciation	79,130	76,152	1,715	1,496
Sales and disposals	-3,968	-6,440	-	-
Reclassification	499	12	-	-
Depreciation for the year	11,273	12,618	67	219
Translation differences	-56	-3,212	-	-
<b>Closing accumulated depreciation</b>	<b>86,878</b>	<b>79,130</b>	<b>1,782</b>	<b>1,715</b>
Opening impairment	1,467	1,314	-	-
Reclassification	-163	-	-	-
Impairment for the year	-	153	-	-
<b>Closing accumulated impairment</b>	<b>1,304</b>	<b>1,467</b>	<b>0</b>	<b>0</b>
<b>Carrying amount</b>	<b>38,340</b>	<b>33,878</b>	<b>1,029</b>	<b>1,040</b>

## NOTE 18 OTHER SECURITIES

	Corp. Reg. No.	Share of equity, %	Registered office	Carrying amount
<b>Parent Company</b>				
Innoventus AB	556602-2728	11	Uppsala, Sweden	235
Innoventus Project AB	556616-8356	5	Uppsala, Sweden	200
Innoventus Life Science 1 KB*	969677-8530	8	Uppsala, Sweden	4,968
				<b>5,403</b>
<b>Group</b>				
Other		-		90
<b>Total</b>				<b>5,493</b>

\* A commitment has been made to invest an additional MSEK 0.2. Direct holdings are not listed on any stock exchange or any other trading place.

	2011	Group 2010	2011	Parent Company 2010
Opening cost	30,186	29,968	25,097	24,897
Sales	–	–800	–	–800
Purchases	79	1,018	79	1,000
<b>Closing accumulated cost</b>	<b>30,265</b>	<b>30,186</b>	<b>25,176</b>	<b>25,097</b>
Opening impairment	21,093	17,489	16,094	12,490
Impairment for the year	3,679	3,604	3,679	3,604
<b>Closing accumulated impairment</b>	<b>24,772</b>	<b>21,093</b>	<b>19,773</b>	<b>16,094</b>
<b>Carrying amount</b>	<b>5,493</b>	<b>9,093</b>	<b>5,403</b>	<b>9,003</b>

## NOTE 19 PARTICIPATIONS IN ASSOCIATED COMPANIES

Group	Corp. Reg. No.	Share of equity, %	Registered office	Carrying amount 2011	Carrying amount 2010
BCB Baltic AB	556649-7540	22	Uppsala, Sweden	6	850
Hanil Precision Co Ltd		20	Pusan, South Korea	15,457	14,591
Irradose AB	556721-1858	44	Tierp, Sweden	681	570
<b>Total</b>				<b>16,144</b>	<b>16,011</b>

Hanil Precision Co Ltd. is a South Korean gas-spring manufacturer with revenues of approximately MSEK 100 and an operating margin of 7 percent. During the year, Lesjöfors purchased gas springs from Hanil for MSEK 9 (14). These purchases were conducted on commercial terms. BCB Baltic AB invests in minority stakes in the Baltic countries. The company's investments have been discontinued. Irradose AB performs electron treatment of cables. The first deliveries were made in September 2009. In 2011, the company generated revenues of MSEK 5 and profit before tax of MSEK 0.2.

Group	2011	2010
Opening value	16,011	14,755
Share in profit/loss after tax	886	884
Impairment loss	–753	–
Acquisitions	–	372
<b>Carrying amount</b>	<b>16,144</b>	<b>16,011</b>

Group share as of December 31, 2011 (MSEK)	Assets	Liabilities	Income	Net profit
BCB Baltic AB	0.9	–	–	–
Hanil Precision Co Ltd	12.0	4.4	–	1.1
Irradose AB	4.7	4.0	–	0.1

## NOTE 20 PARTICIPATIONS IN GROUP COMPANIES

Parent Company	Corp. Reg. No.	Number	Registered office	Carrying amount	Adjusted shareholders' equity
Lesjöfors AB	556001-3251	603,500	Karlstad, Sweden	100,000	670,505 <sup>1)</sup>
Habia Cable AB	556050-3426	500,000	Täby, Sweden	87,576	256,705 <sup>2)</sup>
Beijer Tech AB	556650-8320	50,000	Malmö, Sweden	333,324	228,490 <sup>3)</sup>
AIHUK AB	556218-4126	9,000	Uppsala, Sweden	289	1,196
AB Stafsjö Bruk	556551-9005	1,000	Uppsala, Sweden	100	101
Shipping & Aviation Sweden AB	556500-0535	10,000	Uppsala, Sweden	1,000	1,345
Beijer Alma Utvecklings AB	556230-9608	145,000	Uppsala, Sweden	1,714	1,945
<b>Total</b>				<b>524,003</b>	

1) Before anticipated dividend to the Parent Company in the amount of 100,000

2) Before anticipated dividend to the Parent Company in the amount of 15,000

3) Before anticipated dividend to the Parent Company in the amount of 30,000

All companies are 100-percent-owned.

Parent Company	2011	2010
Cost	526,367	193,042
Purchases	–	333,325
<b>Closing accumulated cost</b>	<b>526,367</b>	<b>526,367</b>
Opening impairment	2,364	2,364
<b>Carrying amount</b>	<b>524,003</b>	<b>524,003</b>



Subsidiary shareholdings in Group companies	Corp. Reg. No.	Percentage stake	Registered office	Carrying amount
Lesjöfors Fjädrar AB	556063-5244	100	Filipstad, Sweden	9,532
Lesjöfors Automotive AB	556335-0882	100	Växjö, Sweden	24,000
Lesjöfors Stockholms Fjäder AB	556062-9890	100	Stockholm, Sweden	24,619
Lesjöfors Industrifjädrar AB	556593-7967	100	Herrljunga, Sweden	10,500
Lesjöfors Banddetaljer AB	556204-0773	100	Värnamo, Sweden	28,103
Stece Fjädrar AB	556753-6114	100	Mönsterås, Sweden	1,000
Lesjöfors A/S		100	Copenhagen, Denmark	56,603
Lesjöfors A/S		100	Oslo, Norway	53
Oy Lesjöfors AB		100	Åminnefors, Finland	1,000
Lesjöfors Springs Oy		100	Turku, Finland	1,492
Lesjöfors Springs Ltd.		100	Elland, UK	316
Lesjöfors Automotive Ltd.		100	Elland, UK	774
Lesjöfors Springs GmbH		100	Hagen, Germany	44,693
Lesjöfors Springs LV		100	Liepaja, Latvia	992
Lesjöfors Gas Springs LV		70	Liepaja, Latvia	6,764
Lesjöfors China Ltd		100	Changzhou, China	3,070
Lesjöfors Springs Russia		100	Moscow, Russia	4,283
European Springs & Pressings Ltd		100	Beckenham, UK	56,353
Harris Springs Ltd		100	Reading, UK	2,455
Velleuer GmbH & Co. KG		100	Velbert, Germany	44,247
Habia Cable CS Technology AB	556633-2473	100	Lidingö, Sweden	9,218
Habia Benelux BV		100	Breda, Nederländerna	1,020
Habia Cable Asia Ltd		100	Hongkong, China	55
Habia Cable China Ltd		100	Changzhou, China	11,402
Habia Kabel GmbH		100	Düsseldorf, Germany	29,797
Habia Cable Inc.		100	New Jersey, USA	0
Habia Kabel Produktions GmbH & Co. KG		100	Norderstedt, Germany	81,295
Habia Cable Ltd.		100	Bristol, UK	3,614
Habia Cable SA		100	Orleans, France	679
Habia Cable Latvia SIA		100	Liepaja, Latvia	0
Habia Cable Sp Zoo		100	Dulole, Poland	7,450
Alma Uppsala AB	556480-0133	100	Uppsala, Sweden	6,354
Daxpen Holding AB	556536-1457	100	Stockholm, Sweden	6,061
Beijer Industri AB	556031-1549	100	Malmö, Sweden	22,246
Lundgrens Sverige AB	556063-3504	100	Gothenburg, Sweden	51,299
AB Tebeco	556021-1442	100	Halmstad, Sweden	6,538
Beijer AS		100	Drammen, Norway	4,324
Beijer OY		100	Helsinki, Finland	4,092
Preben Z Jensen A/S		100	Hedehusene, Denmark	35,683
Karlebo Gjuteriteknik AB	556342-0651	100	Sollentuna, Sweden	21,020

## NOTE 21 INVENTORIES

Group	2011	2010
Raw materials	174,769	144,708
Products in progress	48,118	35,790
Finished goods	285,889	247,059
<b>Total</b>	<b>508,776</b>	<b>427,557</b>

### Value of the portion of inventories measured at net selling price

Group	2011	2010
Raw materials	4,404	4,980
Products in progress	347	217
Finished goods	14,247	3,245
<b>Total</b>	<b>18,998</b>	<b>8,442</b>

### Difference between cost and net selling price

Group	2011	2010
Raw materials	3,753	3,424
Products in progress	252	51
Finished goods	11,585	3,176
<b>Total</b>	<b>15,590</b>	<b>6,651</b>

The expenditure for inventory is expensed as a part of Cost of goods sold and amounts to 1,241,833 (935,491).

## NOTE 22 ACCOUNTS RECEIVABLE

Group	2011	2010
Total outstanding accounts receivable	457,914	424,750
Provisions for doubtful receivables	-10,206	-9,226
<b>Carrying amount</b>	<b>447,708</b>	<b>415,524</b>

Group	2011	2010
Overdue amount	98,381	76,890
Of which overdue by more than 30 days	24,922	20,570
Provisions for doubtful receivables	10,206	9,226

On December 31, 2011, a total of 14,716 in accounts receivable, for which there existed no provision for doubtful receivables, was more than 30 days overdue.

#### Provisions for doubtful receivables

Group	2011	2010
Opening balance	9,226	6,535
Through acquisition of companies	–	619
Provisions for the year	4,402	4,533
Reversal of earlier provisions	–3,384	–1,618
Write-offs of receivables	–38	–843
<b>Closing balance</b>	<b>10,206</b>	<b>9,226</b>

Historically, the Group has had low customer losses. The risk spread across companies, industries and geographic markets is favorable. No individual customer has a significant impairment requirement. The assessment is that the provision for doubtful receivables will adequately cover any future impairment requirements. The maximum exposure to credit risk for accounts receivable amounts to 447,708 (415,524). The fair value corresponds with the carrying amount.

## NOTE 23 OTHER RECEIVABLES

	2011	Group 2010	2011	Parent Company 2010
VAT	6,549	7,738	–	151
Advance payments to suppliers	7,865	1,554	–	–
Other	7,876	13,504	29	51
<b>Total</b>	<b>22,290</b>	<b>22,796</b>	<b>29</b>	<b>202</b>

## NOTE 24 PREPAID EXPENSES AND ACCRUED INCOME

	2011	Group 2010	2011	Parent Company 2010
Leasing and rental fees	6,977	4,841	491	568
Prepaid expenses	6,337	6,619	503	379
Derivative instruments	4,015	29,189	–	–
Other	8,294	10,833	–	–
<b>Total</b>	<b>25,623</b>	<b>51,482</b>	<b>994</b>	<b>947</b>

## NOTE 25 CASH AND CASH EQUIVALENTS

	2011	Group 2010	2011	Parent Company 2010
Cash and bank balances	269,014	238,122	42,150	35,892
<b>Total</b>	<b>269,014</b>	<b>238,122</b>	<b>42,150</b>	<b>35,892</b>

## NOTE 26 SHAREHOLDERS' EQUITY

Group	Translation reserve	Hedging reserve	Total
<b>December 31, 2009</b>	<b>16,496</b>	<b>13,068</b>	<b>29,564</b>
Change in value of hedging reserve	–	11,360	11,360
Tax thereon	–	–2,916	–2,916
Translation difference	–39,509	–	–39,509
<b>December 31, 2010</b>	<b>–23,013</b>	<b>21,512</b>	<b>–1,501</b>
Change in value of hedging reserve	–	–25,174	–25,174
Tax thereon	–	6,622	6,622
Translation difference	5,033	–	5,033
<b>December 31, 2011</b>	<b>–17,980</b>	<b>2,960</b>	<b>–15,020</b>

The company's shares are Class A and Class B shares and are issued as follows:

	Shares		Votes
Class A shares	3,330,000	with ten votes	33,300,000
Class B shares	26,801,100	with one vote	26,801,100
<b>Total</b>	<b>30,131,100</b>		<b>60,101,100</b>

The quotient value is SEK 4.17 per share.

## Share capital trend

Year	Share capital trend, SEK 000s	Increase in share capital, SEK 000s	Increase in the number of shares	Total number of shares
1993	Opening balance	–	–	2,146,400
1993	Non-cash issue in connection with acquisition of G & L Beijer Import & Export AB in Stockholm	6,923	276,900	2,423,300
1993	New issue	30,291	1,211,650	3,634,950
1994	Non-cash issue in connection with acquisition of AB Stafsjö Bruk	5,000	200,000	3,834,950
1996	Conversion of subordinated debenture loan	47	1,875	3,836,825
1997	Conversion of subordinated debenture loan	2,815	112,625	3,949,450
1998	Conversion of subordinated debenture loan	1,825	73,000	4,022,450
2000	Conversion of subordinated debenture loan	30	1,200	4,023,650
2001	Non-cash issue in connection with acquisition of Elimag AB	11,750	470,000	4,493,650
2001	Split 2:1	–	4,493,650	8,987,300
2001	Conversion of subordinated debenture loan	388	31,000	9,018,300
2002	Conversion of subordinated debenture loan	62	5,000	9,023,300
2004	Conversion of subordinated debenture loan	1,505	120,400	9,143,700
2006	Split 3:1	–	18,287,400	27,431,100
2010	Non-cash issue in connection with acquisition of Beijer Tech AB	11,250	2,700,000	30,131,100

The 2011 Annual General Meeting authorized the Board of Directors to issue a maximum of 3,000,000 Class B shares in connection with corporate acquisitions. This authorization is valid until the next Annual General Meeting. The Meeting also authorized the Board to repurchase the company's own Class B shares.

## NOTE 27 DEFERRED TAX

Deferred tax asset	2011	2010	
Temporary differences pertaining to:			
- Acquisition of subsidiaries	15,872	–	Recognized in profit or loss
- Provisions for intra-Group profit	657	1,687	Recognized in profit or loss
- Other	760	347	Recognized in profit or loss
<b>Total</b>	<b>17,289</b>	<b>2,034</b>	
Opening value	2,034	2,260	
Acquisition of subsidiaries	15,872	–	
Decreased provision	–1,030	–573	
Increased provision	413	347	
<b>Total</b>	<b>17,289</b>	<b>2,034</b>	

There were no tax loss carryforwards.

Deferred tax liability	2011	2010	
Temporary liability pertaining to:			
- Untaxed reserves	36,268	35,600	Recognized in profit or loss
- Revaluations	2,505	–	Recognized in profit or loss
- Excess depreciation	5,229	7,045	Recognized in profit or loss
- Hedge accounting	1,056	7,677	Recognized in other comprehensive income
<b>Total</b>	<b>48,058</b>	<b>50,322</b>	
Opening value	50,322	32,755	
Acquisition of companies	–	13,850	
Increased provision	6,173	6,027	
Reversal	–8,437	–2,310	
<b>Closing value</b>	<b>48,058</b>	<b>50,322</b>	

## NOTE 28 PENSION OBLIGATIONS

Group	2011	2010
Opening value	884	357
Decreased provision	–246	–320
Increased provision	26	847
<b>Closing value</b>	<b>664</b>	<b>884</b>

## NOTE 29 FINANCIAL INSTRUMENTS

### FINANCIAL RISK MANAGEMENT

The Beijer Alma Group is exposed to various financial risks in its operations. The Board of Directors adopts joint Group policies that form the basis of the management of these risks at various levels in the Group. The goal is to obtain an overall view of the risk situation, to minimize negative earnings effects and to clarify and define responsibilities and authority within the Group. Regular monitoring is carried out at the local and central level and findings are reported to the Board of Directors.

### MARKET RISK

#### Currency risk

##### Transaction exposure

Lesjöfors and Habia conduct 85 percent of their sales outside Sweden, while approximately 55 percent of their manufacturing is conducted in Sweden. This means that a large portion of the Group's income is in foreign currencies, while the majority of the production costs, particularly personnel costs, are in SEK. To a certain extent, part of this currency risk is handled through such measures as purchasing input materials and machinery in other currencies. However, the manufacturing companies' income in certain foreign currencies still exceeds its costs, and due to this lack of balance, the Group is exposed to currency risks.

For Beijer Tech, the situation is the opposite. Sweden accounts for 82 percent of its sales and the remaining 18 percent is sold in the other Nordic countries. Suppliers are often foreign. As a trading company, Beijer Tech has a smaller proportion of personnel costs than manufacturing companies. Combined, this means that Beijer Tech's costs exceed its revenues in foreign currencies, primarily EUR. The company has currency clauses in many of its major customer agreements, which eliminate this component of Beijer Tech's currency exposure.

For the Group as a whole, currency exposure declined since the acquisition of Beijer Tech in 2010. However, the Group is still exposed to currency risks. Changes in exchange rates impact earnings, the balance sheet, cash flows and, ultimately also competitiveness.

#### Net exposure in currencies translated to MSEK

(net exposure is defined as income less costs)

2011	USD	EUR	DKK	NOK	GBP	RMB	JPY	HKD	KRW	PLN	Total
Lesjöfors	6.5	74.3	-0.5	28.6	152.9	-	-	-	-	-	261.8
Habia Cable	31.2	112.1	-	7.0	31.8	-54.7	4.0	-3.8	13.9	-10.6	130.9
Beijer Tech	-13.0	-106.2	24.0	30.0	-8.3	-	-	-	-	-	-73.5
<b>Total</b>	<b>24.7</b>	<b>80.2</b>	<b>23.5</b>	<b>65.6</b>	<b>176.4</b>	<b>-54.7</b>	<b>4.0</b>	<b>-3.8</b>	<b>13.9</b>	<b>-10.6</b>	<b>319.2</b>
2010	USD	EUR	DKK	NOK	GBP	RMB	JPY	HKD	KRW	PLN	Total
Lesjöfors	3.2	111.9	1.1	26.0	129.5	-	-	-	-	-	271.7
Habia Cable	30.4	81.9	-	5.7	37.2	-23.4	3.7	-3.6	12.6	-10.2	134.3
Beijer Tech	-6.1	-134.0	-2.8	0.7	-6.7	-	-0.2	-	-	-	-149.1
<b>Total</b>	<b>27.5</b>	<b>59.8</b>	<b>-1.7</b>	<b>32.4</b>	<b>160.0</b>	<b>-23.4</b>	<b>3.5</b>	<b>-3.6</b>	<b>12.6</b>	<b>-10.2</b>	<b>256.9</b>

The objective of currency risk management is to minimize the negative effects on earnings and financial position that arise due to exchange-rate differences. Transaction risks are managed centrally for each subsidiary. Between 50 and 100 percent of the forecast net flow for the next six months, meaning the difference between income and costs in a single currency, is hedged. For months seven to 12, between 35 and 100 percent is hedged. In most cases, the level of hedging lies in the middle of the range. The most frequently used hedging instrument is forward contracts. Following a decision by Group management, currency options may be used in exceptional cases.

The table below shows the company's foreign exchange contracts on the balance-sheet date, translated to MSEK. Of the contracts in EUR, MSEK 5 falls due in 2013. All other amounts fall due within 12 months.

Group	31/12 2011	31/12 2010
USD	-	10.9
EUR	148.8	172.6
GBP	151.4	126.0
NOK	14.5	21.0
<b>Total</b>	<b>314.7</b>	<b>330.5</b>

IAS 39 has been applied since January 1, 2005. In Beijer Alma's opinion, all derivative instruments meet the requirements for hedge

accounting. No hedges have been ineffective. Accordingly, changes in the fair value of the derivative instruments are recognized in other comprehensive income. At year-end 2011, there was a surplus in the value of derivative instruments in the amount of MSEK 4, which increased shareholders' equity, after deduction for deferred tax. On December 31, 2010, there was a deficit in the value of the contracts amounting to MSEK 29. Consolidated comprehensive income was impacted by negative 18,522 (positive: 8,444) due to currency forward contracts.

Financial derivative instruments, such as currency forward contracts, are used when necessary. The Group has no other financial assets and liabilities measured at fair value. The fair value is based on observable market information from Nordea on the balance-sheet date and these instruments are thus included in level two of the "fair value hierarchy" in accordance with IFRS 7.

#### Sensitivity analysis

The Group's net exposure is primarily in EUR and GBP. A 1-percent change in EUR in relation to SEK has an impact of MSEK 1.4 (1.8) on the Group's earnings. A 1-percent change in GBP in relation to SEK has an impact of MSEK 1.6 (1.4) on the Group's earnings. Entering into forward contracts delays the earnings effect since a predominant proportion of the forecast flows for the following twelve-month period are covered by signed contracts. During this time, measures may be taken to mitigate the effects.

### Translation exposure

Beijer Alma's income statements and balance sheets are reported in SEK. Several of the Group's companies maintain their accounts in a different currency. This means that the Group's earnings and shareholders' equity are exposed when accounts are consolidated and foreign currencies are translated to SEK. This exposure primarily affects the Group's shareholders' equity and is designated as translation exposure. Such exposure is not hedged.

### Price risk

Beijer Alma is exposed to price risks related to the purchase of raw materials and goods for resale. Habia uses copper and some plastics in its production, while Lesjöfors's input materials are steel and certain other metals. To date, derivative instruments have been used to a very limited degree to hedge purchases of raw materials. The price of Beijer Tech's goods for resale is influenced by the price of raw materials and other factors.

Purchases of direct material amounted to approximately MSEK 1,200 and comprised a large number of various input materials with price trends that varied over time. Although the companies are able in most cases to offset permanent changes in the price of materials, clauses pertaining to such compensation are exceptions.

### Interest-rate risk

Since Beijer Alma does not hold any significant interest-bearing assets, the Group's revenues and cash flows from operating activities are essentially independent of changes in market rates.

Beijer Alma's net financial items and earnings are affected by fluctuations in interest rates pertaining to borrowing. The Group is also indirectly affected by the impact of interest-rate levels on the economy as a whole. In terms of risk, Beijer Alma believes that fixed interest on a short-term basis is consistent with the industrial operations conducted by the Group. Accordingly, the period of fixed interest on loans is usually up to 12 months. During the past ten years, the short-term interest rate has also been lower than the long-term rate, which had a positive effect on the Group's earnings.

Outstanding loans and committed credit facilities are listed below.

	2011	Group 2010	Parent Company 2011	Parent Company 2010
<b>Long-term liabilities</b>				
Liabilities to credit institutions	122,322	88,994	–	–
<b>Current liabilities</b>				
Liabilities to credit institutions	20,776	23	–	–
Committed credit facilities	103,405	57,919	41,535	–
<b>Total interest-bearing liabilities</b>	<b>246,503</b>	<b>146,936</b>	<b>41,535</b>	<b>0</b>

Liabilities to credit institutions comprise some ten credits in various currencies and with different terms and conditions. The interest levels vary between 2 percent and 6 percent. The average interest rate is approximately 3.5 percent. The average interest rate on the committed credit facilities is about 3 percent. A limit fee on the granted amount averaging 0.2 percent is also payable. No derivative instruments are used. All loans are subject to a variable interest rate with a fixed-interest term of up to one year.

### Sensitivity analysis

At year-end 2011, net cash assets amounted to approximately MSEK 23 (91). With regard to full-year 2011, the level of cash and indebtedness varied. The level of indebtedness was highest after the dividend was paid and then declined until year-end. A change in the interest rate of 1 percentage point would have had a marginal impact on earnings.

### CREDIT RISK

Credit risk refers to cases in which companies do not receive payment for their receivables from customers. The size of each customer's credit is assessed on an individual basis. A credit rating is performed for all new customers and a credit limit is set. This is intended to ensure that the credit limits reflect the customer's capacity to pay. In terms of sales, the Group's risk spread across industries and companies is favorable. Historically, the level of losses on accounts receivable has been low.

### LIQUIDITY RISK

Cash and cash equivalents only include cash and bank balances. Of the total amount of MSEK 269.0 (238.1), the majority is invested with Nordea and Handelsbanken.

Beijer Alma has loans that fall due at different points in time. A large portion of its liabilities are in the form of committed credit facilities that are formally approved for a period of one year. Refinancing risk refers to the risk of Beijer Alma being unable to fulfill its obligations due to cancelled loans and the risk that difficulties will arise in raising new loans.

Beijer Alma manages this risk by maintaining a strong liquidity position. The Group's policy is that available liquidity, defined as cash funds plus approved but unutilized committed credit facilities, shall amount to not less than two months of invoicing. The Group's liquidity position at recent year-ends is shown in the table below.

#### Available liquidity

	Group		Parent Company	
	2011	2010	2011	2010
Cash funds	269,014	238,122	42,150	35,892
Approved credit facilities	493,338	486,245	175,000	175,000
Unutilized portion of credit facilities	–103,405	–57,919	–41,535	–
<b>Total available liquidity</b>	<b>658,947</b>	<b>666,448</b>	<b>175,615</b>	<b>210,892</b>

#### Maturity analysis of liabilities, including interest to be paid for each period according to loan agreement

Group	Less than 1 year	1–5 years	More than 5 years
<b>December 31, 2011</b>			
Borrowing	118,547	126,008	1,724
Liabilities for financial leasing	3,315	9,658	161
Accounts payable and other liabilities	166,249	–	–
<b>Total</b>	<b>288,111</b>	<b>135,666</b>	<b>1,885</b>

Group	Less than 1 year	1–5 years	More than 5 years
<b>December 31, 2010</b>			
Borrowing	59,680	96,755	3,100
Liabilities for financial leasing	595	59	–
Accounts payable and other liabilities	159,392	–	–
<b>Total</b>	<b>219,667</b>	<b>96,814</b>	<b>3,100</b>

Of the Group's MSEK 314.7 in foreign exchange contracts at year-end 2011, MSEK 5 had a maturity period of between one and two years, while contracts totaling MSEK 309.7 had a maturity period of less than one year.

Of the Group's foreign exchange contracts at year-end 2010, which totaled MSEK 330.2, MSEK 51 had a maturity period of between one and two years, while contracts totaling MSEK 279.2 had a maturity period of less than one year.

### Capital risk management

The Group's goal in terms of its capital structure is to guarantee its ability to continue conducting and expanding its operations to ensure that a return is generated for the shareholders, while keeping the costs of capital at a reasonable level.

The capital structure can be changed by increasing or decreasing dividends, issuing new shares, repurchasing shares and selling assets.

Capital risk is measured as the net debt/equity ratio, including interest-bearing liabilities, less cash and cash equivalents in relation to shareholders' equity. The aim is to enable freedom of action by maintaining a low debt/equity ratio. The table below shows the Group's net debt/equity ratio at recent year-ends:

Group	2011	2010
Interest-bearing liabilities	246,503	146,936
Cash and cash equivalents	–269,014	–238,122
<b>Net debt</b>	<b>–22,511</b>	<b>–91,186</b>
Shareholders' equity	1,482,936	1,394,506
<b>Net debt/equity ratio</b>	<b>–1.5%</b>	<b>–6.5%</b>



### Financial instruments by category in the Group

The accounting policies for financial instruments were applied as follows:

December 31, 2011	Loan receivables and accounts receivable	Derivatives used for hedging purposes	Available for sale	Total
<b>Assets in balance sheet</b>				
Other long-term receivables	5,520			5,520
Other securities			5,493	5,493
Derivative instruments (included in prepaid expenses)		4,015		4,015
Accounts receivable and other receivables	447,708			447,708
Cash and cash equivalents	269,014			269,014
<b>Total</b>	<b>722,242</b>	<b>4,015</b>	<b>5,493</b>	<b>731,750</b>

December 31, 2011	Derivatives used for hedging purposes	Other financial liabilities	Total
<b>Liabilities in balance sheet</b>			
Liabilities to credit institutions		143,098	143,098
Committed credit facilities		103,405	103,405
Accounts payable		166,249	166,249
<b>Total</b>	<b>0</b>	<b>412,752</b>	<b>412,752</b>

December 31, 2011	Loan receivables and accounts receivable	Derivatives used for hedging purposes	Available for sale	Total
<b>Assets in balance sheet</b>				
Other long-term receivables	3,145			3,145
Other securities			9,093	9,093
Derivative instruments (included in prepaid expenses)		29,189		29,189
Accounts receivable and other receivables	415,524			415,524
Cash and cash equivalents	238,122			238,122
<b>Total</b>	<b>656,791</b>	<b>29,189</b>	<b>9,093</b>	<b>695,073</b>

December 31, 2010	Derivatives used for hedging purposes	Other financial liabilities	Total
<b>Liabilities in balance sheet</b>			
Liabilities to credit institutions		89,017	89,017
Committed credit facilities		57,919	57,919
Accounts payable		159,392	159,392
<b>Total</b>	<b>0</b>	<b>306,328</b>	<b>306,328</b>

The Parent Company includes cash and cash equivalents amounting to 42,150 (35,892) in the category Loan receivables and accounts receivable, other securities totaling 5,403 (9,003) in the category Available for sale, and credit facilities amounting to 41,535 (0) and accounts payable totaling 890 (1,212) in the category Other financial liabilities.

### NOTE 30 ACCRUED EXPENSES AND DEFERRED INCOME

	2011	Group 2010	2011	Parent Company 2010
Accrued personnel costs	107,088	90,236	12,135	12,734
Accrued interest	82	106	–	–
Deferred income	4,434	605	–	–
Other	70,633	49,136	479	3,537
<b>Total</b>	<b>182,237</b>	<b>140,083</b>	<b>12,614</b>	<b>16,271</b>

### NOTE 31 OTHER CURRENT LIABILITIES

	2011	Group 2010	2011	Parent Company 2010
Personnel tax	14,619	10,303	403	384
VAT	23,571	21,283	134	355
Advance payments from customers	1,426	3,530	–	–
Other	7,640	10,252	–	–
<b>Total</b>	<b>47,256</b>	<b>45,368</b>	<b>537</b>	<b>739</b>

### NOTE 32 PLEDGED ASSETS

	2011	Group 2010	2011	Parent Company 2010
Floating charges	185,449	181,310	–	–
Real-estate mortgages	63,539	63,799	–	–
Shares	35,939	33,224	12,260	12,260
Machinery used in accordance with financial leasing agreements	11,011	548	–	–
<b>Total</b>	<b>295,938</b>	<b>278,881</b>	<b>12,260</b>	<b>12,260</b>

## NOTE 33 CONTINGENT LIABILITIES AND COMMITMENTS

The Group has contingent liabilities in the form of guarantees and undertakings that arise in the normal course of doing business. No significant liabilities are expected to arise due to these contingent liabilities. In the normal course of business, the Group and the Parent Company have entered into the following commitments/contingent liabilities.

	2011	Group 2010	2011	Parent Company 2010
Investment commitments	200	1,000	200	1,000
Guarantees	2,164	2,927	–	–
<b>Total</b>	<b>2,364</b>	<b>3,927</b>	<b>200</b>	<b>1,000</b>

The Group has not identified any material commitments that are not reported in the financial statements.

## NOTE 34 NET FINANCIAL ITEMS

	2011	Group 2010	2011	Parent Company 2010
Dividends received	–	–	301,000	245,000
Interest received	3,490	1,942	4,245	5,015
Interest paid	–12,514	–5,809	–2,138	–1,029
<b>Total</b>	<b>–9,024</b>	<b>–3,867</b>	<b>303,107</b>	<b>248,986</b>

## NOTE 35 ITEMS NOT AFFECTING CASH FLOW

	2011	Group 2010	2011	Parent Company 2010
Depreciation, amortization and impairment	79,213	76,818	67	219
Profit/loss from associated companies	–886	–884	–	–
<b>Total</b>	<b>78,327</b>	<b>75,934</b>	<b>67</b>	<b>219</b>

## NOTE 36 CORPORATE ACQUISITIONS

### 2011

#### Velleuer

In 2011, Lesjöfors acquired 100 percent of the shares in the German spring manufacturer Velleuer GmbH & Co. KG. The acquisition was consolidated as of January 1, 2011. Velleuer has revenue of approximately MSEK 120 and 110 employees. Its customers are active in the German engineering and automotive industry.

Through the acquisition, Lesjöfors obtained a local production operation in Germany, which is Europe's largest spring market, and at the same time gained an opportunity for further expansion in Germany through supplementary acquisitions.

#### Acquisition calculation

Purchase consideration (paid in cash)	MSEK 70.2
Acquired net assets measured at fair value	MSEK 47.8
Goodwill	MSEK 22.4

Goodwill is related in part to synergy effects within Lesjöfors and in part to acquired, inseparable customer relationships. All of the acquired receivables, which have a fair value of MSEK 33, are expected to be received as a result of balance guarantees in the purchase agreement. No acquisition costs have been recognized. Goodwill is assessed to be locally deductible in Germany. During the year, Velleuer contributed MSEK 116 to Group invoicing and MSEK 9.1 to operating profit.

### 2011

#### Karlebo Gjuteriteknik

Beijer Tech acquired 100 percent of the shares in Karlebo Gjuteriteknik AB. The acquisition was consolidated as of October 1. Karlebo has annual revenue of MSEK 50 and 15 employees. The company conducts technology trading in machinery, equipment and consumables, mainly for the foundry and steel industry in the Nordic region.

Beijer Tech's offering to customers in the foundry and steel industry has been broadened through the acquisition and the company has gained a stronger market position.

#### Acquisition calculation

Purchase consideration	MSEK 21.0
Acquired net assets measured at fair value	MSEK 11.6
Goodwill	MSEK 9.4

Of the purchase consideration, MSEK 11 is conditional and dependent on the future earnings trend. In the acquisition analysis, MSEK 3 is attributable to customer relations and will be amortized over five years.

Goodwill is related to assessed synergy effects in sales following the acquisition. All of the acquired receivables, which have a fair value of MSEK 8.7, are expected to be received as a result of balance guarantees in the purchase agreement. Acquisition-related costs of SEK 358,000 were expensed as administrative costs in the Group. Acquired goodwill is assessed not to be deductible. During the year, Karlebo contributed MSEK 13.1 to Group invoicing and MSEK 0.6 to operating profit.

### 2010

#### Beijer Tech

During the first quarter, Beijer Alma acquired all of the shares in Beijer Tech AB from the listed company G & L Beijer AB. Beijer Tech conducts technology trading operations in 14 locations in Sweden, Norway, Denmark and Finland. In 2009, the company generated revenues of MSEK 505 and had 180 employees. Beijer Tech is an independent subgroup of Beijer Alma. The acquisition was completed in late March and income and expenses were consolidated in the Beijer Alma Group as of the second quarter.

The reason for the acquisition was that by purchasing Beijer Tech, Beijer Alma could increase its earnings per share and its overall value at a reasonable level of risk. In addition, Beijer Tech offered favorable opportunities for supplementary acquisitions.

The purchase consideration was MSEK 328.9 and was paid for with MSEK 38.7 in cash and a private placement of 2,700,000 Class B shares to G & L Beijer AB, which were valued at a price of SEK 107.50.

**Acquisition calculation**

Purchase consideration	MSEK 328.9
Acquired net assets measured at fair value	MSEK 182.6
Goodwill	MSEK 146.3

Goodwill is related to cultivated, inseparable customer relationships. Acquired receivables have a fair value of MSEK 107. All receivables are expected to be received as a result of balance guarantees in the agreement. Cash and cash equivalents amounted to MSEK 8.4.

Acquisition-related costs of MSEK 4.4 were expensed as administrative costs in the Group. None of the recognized goodwill is expected to be deductible in income taxation. The revenue from Beijer Tech that is included in the consolidated income statement from April 1, 2010, amounted to MSEK 526.3 and income amounted to MSEK 26. During the January 1–December 31, 2010 period, Beijer Tech's revenues amounted to MSEK 671 and recognized income was MSEK 31.

**2010****Preben Z Jensen**

In the third quarter, Beijer Tech acquired the Danish technology trading company Preben Z Jensen A/S. During the financial year from May 1, 2009 to April 30, 2010, Preben Z generated MSEK 40 in revenues, primarily in the Danish market, and had 13 employees. The company has been consolidated as of September 1.

The acquisition allowed Beijer Tech to geographically expand in product areas that are familiar from its proprietary operations.

**Acquisition calculation**

Purchase consideration	MSEK 35.4
Acquired net assets measured at fair value	MSEK 8.8
Goodwill	MSEK 26.6

Goodwill is related to synergy effects in purchasing and sales, as well as cultivated, inseparable customer relationships. All of the acquired receivables, which have a fair value of MSEK 7.8, are expected to be received as a result of balance guarantees in the agreement. Cash and cash equivalents amounted to MSEK 4.5. Acquisition-related costs of MSEK 0.3 were expensed in Preben Z Jensen and the Group. None of the recognized goodwill is expected to be deductible in income taxation. The revenues from Preben Z Jensen that has been included in the consolidated income statement since September 1, 2010 amounted to MSEK 15.7 and income amounted to MSEK 0.8. In the period January 1–December 31, 2010 period, Preben Z Jensen's revenues amounted to MSEK 43 and recognized income was MSEK 1.2.

**NOTE 37 TRANSACTIONS WITH RELATED PARTIES**

Besides the transactions specified in Note 1, no transactions were carried out with related parties in 2010 or 2011.

**NOTE 38 DEFINITIONS****Proportion of risk-bearing capital**

The sum of shareholders' equity, deferred tax and minority interests, divided by total assets.

**Shareholders' equity**

Shareholders' equity attributable to Parent Company shareholders

**Return on shareholders' equity**

Profit after net financial items less 26.3-percent tax, in relation to average shareholders' equity.

**Return on capital employed**

Profit after net financial items plus interest expenses, in relation to the average capital employed.

**Net debt**

Interest-bearing liabilities less interest-bearing assets.

**Earnings per share**

Earnings per share after tax.

**Earnings, profit**

The terms earnings and profit refer to profit after net financial items unless otherwise expressly noted.

**Interest-coverage ratio**

Profit after net financial items plus financial expenses, divided by financial expenses.

**Debt/equity ratio**

Total interest-bearing liabilities in relation to shareholders' equity.

**Equity ratio**

Shareholders' equity in relation to total assets.

**Capital employed**

Total assets less non-interest-bearing liabilities.

**Earnings per share after standard tax**

Profit after net financial items less 26.3-percent tax, in relation to the number of shares outstanding.

**Earnings per share after tax**

Net profit less tax, in relation to the average number of shares outstanding.

**Earnings per share after tax, after dilution**

Net profit less tax, in relation to the average number of shares outstanding.

**NOTE 39 COMPANY INFORMATION****General information**

Beijer Alma AB (publ) (556229-7480) and its subsidiaries constitute an internationally active industrial group focused on the production of components for customers in industries with a high-tech focus. The company is a public limited liability company with its registered office in Uppsala, Sweden. The address of the company's head office is Box 1747, SE-751 47 Uppsala, Sweden. The company is listed on the NASDAQ OMX Nordic Exchange Stockholm.

These consolidated financial statements were approved by the company's Board of Directors on February 21, 2012.

The balance sheets and income statements will be presented to the Annual General Meeting on March 28, 2012.

It is our opinion that the consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and earnings. The annual accounts were prepared in accordance with generally accepted accounting principles in Sweden and give a fair and true view of the

Parent Company's financial position and earnings.

The Administration Report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operations, financial position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Uppsala, February 21, 2012

Beijer Alma AB (publ)

Anders Wall  
*Chairman of the board*

Johan Wall  
*Deputy Chairman*

Carina Andersson  
*Director*

Marianne Brismar  
*Director*

Anders G. Carlberg  
*Director*

Peter Nilsson  
*Director*

Anders Ullberg  
*Director*

Bertil Persson  
*President and CEO*

Our Audit Report was submitted on February 23, 2012.

Öhrlings PricewaterhouseCoopers AB

Bodil Björk  
*Authorized Public Accountant*

# AUDIT REPORT

*To the annual meeting of the shareholders of Beijer Alma AB (publ), Corporate Registration Number 556229-7480*

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

We have audited the annual accounts and the consolidated financial statements of Beijer Alma AB (publ) for the year 2011. The company's annual accounts and consolidated financial statements are included on pages 35–66.

### Responsibilities of the Board of Directors and the President for the annual accounts and consolidated financial statements

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for the internal control deemed necessary by the Board of Directors and the President for the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether such misstatement is due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on the annual accounts and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual accounts and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated financial statements. The auditor chooses such procedures based on such assessments as the risk of material misstatement in the annual accounts and consolidated financial statements, whether such misstatement is due to fraud or error. In making these risk assessments, the auditor considers internal control measures relevant to the company's preparation and fair presentation of the annual accounts and consolidated financial statements in order to design audit procedures that are appropriate taking the circumstances into account, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of December 31, 2011 and its financial performance and cash flows for the year in accordance with the Annual Accounts Act, and the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2011 and its financial performance and cash flows in accordance with International Financial Reporting Stan-

dards, as adopted by the EU, and the Annual Accounts Act. A Corporate Governance Report has been prepared. The statutory Administration Report and Corporate Governance Report are consistent with the other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated financial statements, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Beijer Alma AB (publ) for the year 2011.

### Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal concerning the appropriation of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

### Auditors' responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal complies with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated financial statements, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory Administration Report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, February 23, 2012

Öhrlings PricewaterhouseCoopers AB

Bodil Björk

*Authorized Public Accountant*



# BOARD OF DIRECTORS AND MANAGEMENT



## BOARD OF DIRECTORS

**Anders Wall**, born 1931  
Chairman

*Director since:* 1992  
Holding through companies and family: 3,513,120 of which 1,974,000 Class A shares. Additional holdings in affiliated foundations: 693,000 Class A shares and 3,383,410 Class B shares.



**Johan Wall**, born 1964

Deputy Chairman  
*Deputy Director:* 1997–2000  
*Director since:* 2000  
*Holding:* 3,000



**Carina Andersson**, born 1964

*Director since:* 2011  
*Holding:* 500



**Marianne Brismar**, born 1961

*Director since:* 2010  
*Holding:* 10,000



**Anders G. Carlberg**, born 1943

*Director since:* 1997  
*Holding:* 3,000



**Peter Nilsson**, born 1966

*Director since: 2008*  
*Holding: 0*



**Anders Ullberg**, born 1946

*Director since: 2007*  
*Holding through companies and family: 15,000*



**Bertil Persson**, born 1961  
President and CEO of Beijer Alma AB

*Deputy Director: 2000 to 2001 and since 2002*  
*Director: 2001–2002*  
*Holding: 23,000*  
*Call options: 50,000*

## SENIOR MANAGEMENT

**Bertil Persson**, born 1961, Master of Business Administration. President and CEO  
*Employee since: 2000. Holding: 23,000. Call options: 50,000*

**Jan Blomén**, born 1955, Master of Business Administration. Chief Financial Officer  
*Employee since: 1986. Holding with family: 47,600*

**Jan Olsson**, born 1956, Master of Business Administration. Group Controller  
*Employee since: 1993. Holding: 2,000*

## AUDITORS

Auditing firm Öhrlings PricewaterhouseCoopers AB

*Chief Auditor*

**Bodil Björk**, born 1959. Authorized Public Accountant. Auditor for Beijer Alma AB since 2006

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# FURTHER INFORMATION

## ANNUAL GENERAL MEETING

The Annual General Meeting will take place on Wednesday, March 28, 2012, at 6:00 p.m. in the Main Hall (Stora Salen) of the Uppsala Concert and Conference Hall (Uppsala Konsert & Kongress), Vaksala torg 1, Uppsala, Sweden.

### Participation

Shareholders who wish to participate in the Annual General Meeting must be listed in Euroclear Sweden AB's shareholder register by Thursday, March 22, 2012 and notify the company of their intent to participate not later than Thursday, March 22, 2012 at 4:00 p.m. Notification may be given as follows: by telephone at +46 18 15 71 60, by fax at +46 18 15 89 87, by e-mail at [info@beijeralma.se](mailto:info@beijeralma.se), online at [www.beijeralma.se](http://www.beijeralma.se) or in writing, preferably using the enclosed registration form attached to the year-end report, which also includes the power of attorney form. Registration must include the shareholder's name, national identity number/corporate registration number, shareholdings and daytime telephone number. Shareholders whose holdings are registered in the name of a nominee must register the shares in their own name with Euroclear Sweden to be entitled to participate in the Annual General Meeting. Such registration must be completed not later than Thursday, March 22, 2012. Shareholders who wish to have one or two advisors participate in the Annual General Meeting must provide notice of their intention to do so in the manner and time frame applicable for shareholders.

### Entry cards

Entry cards will be sent out which entitle the holder to participate in the Annual General Meeting. The entry cards are expected to be received by the shareholders not later than Tuesday, March 27, 2012. Any shareholder who has not received his/her entry card before the Annual General Meeting may obtain a new entry card from the information desk upon presentation of identification.

### Dividend

The proposed record date for the right to receive dividends is Monday, April 2, 2012. If the Annual General Meeting votes in accordance with this proposal, dividends are expected to be paid out through Euroclear Sweden commencing Thursday, April 5, 2012. The Board of Directors proposes to the Annual General Meeting an ordinary dividend of SEK 6.00 per share (6.00) and an extra dividend of SEK 1.00 (1.00).

### Information

A complete notice, including an agenda and proposals, can be ordered from Beijer Alma: by telephone at +46 18 15 71 60, by fax at +46 18 15 89 87 or by e-mail at [info@beijeralma.se](mailto:info@beijeralma.se). This information is also available at [www.beijeralma.se](http://www.beijeralma.se).

## FINANCIAL CALENDAR

Beijer Alma's year-end report and interim reports are published on [www.beijeralma.se](http://www.beijeralma.se). The Annual Report and interim reports are sent automatically to shareholders. (unless investors specify that they do not wish to receive information).

<b>March 28</b>	Annual General Meeting
<b>April 25</b>	Interim report January 1–March 31
<b>August 16</b>	Interim report April 1–June 30
<b>October 23</b>	Interim report July 1–September 30
<b>February</b>	Year-end report
<b>March 19</b>	Annual General Meeting

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## ONLINE INFORMATION

You will always find current and up-to-date information at Beijer Alma's website: [www.beijeralma.se](http://www.beijeralma.se).

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## REPORTS

Reports can be ordered from Beijer Alma AB, Box 1747, SE-751 47 Uppsala, Sweden, telephone +46 18 15 71 60 or via [www.beijeralma.se](http://www.beijeralma.se).

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All value creation begins with generating value for the Group's customers. Only by meeting this requirement can we deliver strong, long-term profitability and create shareholder value over time.

Bertil Persson  
*President and CEO*

**BEIJER • ALMA**

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