

Interim report January-March 2011

Continued strong demand

- Net revenues amounted to MSEK 721 (450)
- The operating margin was 15.4 percent (20.0)
- Profit after financial items was MSEK 108.7 (86.1)
- Earnings per share totaled SEK 2.60 per share (2.09)
- Lesjöfors acquired the German spring manufacturer Velleuer GmbH & Co KG
- Continued strong balance sheet

Group

Strong demand for the Group's products continued during the quarter. The upturn is expansive and encompasses most of the subsidiaries' customer groups and geographic markets. Order bookings exceeded invoicing, and order stocks are growing despite a high rate of delivery. To date, the situation in Japan and the improvement in global demand have not entailed any production disruptions stemming from a lack of materials. However, the price of materials and delivery times are rising.

Overall, earnings were favorably impacted by a strong increase in invoicing, while rising material prices and the stronger SEK had an adverse effect on earnings. As a result of strong volume growth, profit after financial items totaled MSEK 108.7 (86.1), which constitutes the best first-quarter profit ever.

Order bookings rose 69 percent to MSEK 762 (450), while invoicing was up 63 percent to MSEK 721 (450). In comparable units, order bookings rose 19 percent and invoicing 13 percent. Currency effects had an adverse impact of 7 percentage points. Operating profit, which was charged with an extraordinary personnel expense of MSEK 4.2, amounted to MSEK 111.3 (88.4) and the operating margin was 15.4 percent (20.0). The year-earlier period was charged with costs of MSEK 4.2 for corporate acquisitions. The weaker operating margin was largely due to the consolidation of the technical trading company Beijer Tech in 2011, whose margins are lower than the manufacturing companies Lesjöfors and Habia. Profit after financial items amounted to MSEK 108.7 (86.1) and earnings per share to SEK 2.60 (2.09).

Cash flow after capital expenditures was MSEK 9.4 (22.1), excluding corporate acquisitions. Net cash assets, which were charged with corporate acquisitions of MSEK 71.9 (38.7), totaled MSEK 15.9 (net interest-bearing liabilities: 94.1). On the balance-sheet date, the dividend for the year of MSEK 211 was approved but not yet paid and has reduced shareholders' equity. In 2010, the dividend of MSEK 137 was paid in March.

Subsidiaries

Lesjöfors AB

Lesjöfors AB is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. The company is a dominant player in the Nordic region and one of the largest companies in its industry in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Germany, Latvia, the UK and China.

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Order bookings amounted to MSEK 402 (316), up 27 percent. Invoicing rose 23 percent to MSEK 380 (309). During the year, the German spring manufacturer Velleuer GmbH & Co KG was acquired. Adjusted for this acquisition, order bookings increased 16 percentage points and invoicing 13 percent. Currency effects reduced order bookings and invoicing by 5 percent. Operating profit was MSEK 97.6 (90.0).

Lesjöfors' operations are conducted in three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. All business areas experienced increasing volumes and continued high profitability. The strengthening of SEK pressed margins, primarily for Chassis Springs.

Habia Cable AB

Habia Cable AB is one of Europe's largest manufacturers of custom-designed cable for customers in the telecom, transport, nuclear power, defense and other industries. Manufacturing and product development are conducted in Sweden, with additional manufacturing carried out in Germany, China and Poland.

Habia's order bookings amounted to MSEK 170 (137), up 24 percent. Invoicing rose 15 percent to MSEK 151 (132). Adjusted for fluctuating exchange rates, order bookings increased 34 percent and invoicing 23 percent. During the period, the company's operating profit was charged with costs of MSEK 7.2 in conjunction with the replacement of the president. Including these costs, operating profit amounted to MSEK 3.8 (8.0).

Habia's demand from the telecom sector and the engineering industry successively strengthened during the quarter. The strong SEK and substantial price increases in plastics and copper had an adverse impact on margins.

Beijer Tech AB

Beijer Tech AB specializes in industrial trading in the Nordic region and represents several of the world's leading manufacturers. Operations are conducted in the Industrial Products and Fluid Technology/Industrial Rubber business areas. Demand remains favorable from most customer groups, particularly in the Fluid Technology/Industrial Rubber business area.

Order bookings and invoicing totaled MSEK 190 (145), up 31 percent. In comparable units, the rise was 23 percent. Operating profit was MSEK 14.4 (6.3).

Parent Company

The Parent Company, Beijer Alma AB, is a holding company that does not conduct its own operations or external invoicing. During the period, the operating result was a loss of MSEK 4.6 (loss: 9.8). Earnings in the year-earlier period were charged with costs of MSEK 4.2 in conjunction with the acquisition of Beijer Tech.

Revenues and earnings per operating sector/segment

Net revenues

MSEK	2011	2010	2010	2010	2010	2010	2009
	Q1	Q4	Q3	Q2	Q1	full-year	full-year
Lesjöfors	380.1	272.6	281.9	342.9	309.3	1,206.7	1,046.5
Habia Cable	151.1	154.4	135.4	136.6	131.7	558.1	522.6
Beijer Tech	189.9	191.9	157.8	175.6	–	525.3	–
Parent Company and intra-Group	0.1	–	0.1	–0.2	0.1	–	2.1
Total	721.2	618.9	575.2	654.9	441.1	2 290.1	1 571.2

Operating profit/loss

MSEK	2011	2010	2010	2010	2010	2010	2009
	Q1	Q4	Q3	Q2	Q1	full-year	full-year
Lesjöfors	97.6	75.3	79.4	104.6	90.0	349.3	242.9
Habia Cable	3.8	15.1	16.6	6.5	8.0	46.2	11.5
Beijer Tech	14.4	14.5	12.8	14.3	–	41.6	–
Parent Company and intra-Group	–4.5	–8.8	–6.6	–5.8	–9.6	–30.8	–16.2
Total	111.3	96.1	102.2	119.6	88.4	406.3	238.2

Corporate acquisitions

During the period, Lesjöfors acquired the German spring manufacturer Velleuer GmbH & Co KG. The acquisition has been consolidated as of January 1, 2011. Velleuer GmbH & Co KG generates revenues of about MSEK 120 and has 110 employees. Customers are found in the German engineering and automotive industry. The acquisition provides Lesjöfors with local production in Germany, which is Europe's largest market for springs.

Preliminary acquisition calculation

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

All of the acquired receivables of MSEK 33 are expected to be received as a result of balance guarantees in the purchase contract. No acquisition costs were expensed during the period.

President's statement

The Beijer Alma Group continues to demonstrate robust growth. Demand is strong in all business areas and invoicing rose 13 percent in comparable units. In addition, there were volumes from the Beijer Tech Group and from Velleuer GmbH & Co KG, the German company that was recently acquired by Lesjöfors. Order bookings outpaced invoicing, and order stocks rose during the quarter. Operating profit increased MSEK 23 to MSEK 111. Beijer Tech, which was acquired during the second quarter of 2010, contributed MSEK 14 to the increase in profit. Operating margins declined during the quarter, mainly due to Beijer Tech's first quarter in 2011 being consolidated into the Group's figures, although it was also the result of Lesjöfors having lower operating margins in 2011 compared with 2010. Overall, the Group is benefitting from a strong volume trend, while the robust SEK and commodity prices are having an adverse impact.

Lesjöfors experienced strong growth in all business areas. Flat strip components, which had a weak start to 2010, reported the strongest performance. Industrial Springs and Chassis Springs also reported favorable growth, although operating margins, particularly in Chassis Springs, are being pressured by the strong SEK and increasing pricing competition. Lesjöfors' operating margin declined from 29 to 25 percent in total during the quarter. However, higher volumes resulted in operating profit rising from MSEK 8 to MSEK 98.

Habia experienced strong demand from telecom and other customers. Invoicing grew a total of 15 percent. Order bookings rose 22 percent. Customers in the telecom sector in particular increased their orders during the quarter and Habia is currently noting strong demand from manufacturers of base-station antennas. Operating profit, which amounted to MSEK 4 during the quarter, was adversely affected by costs of MSEK 7.2 in conjunction with the replacement of the president. As a result of previously made provisions, consolidated earnings were only impacted in the amount of MSEK 4.2.

High commodity prices and a strong SEK continue to have an adverse impact on Habia. There is also a risk of a shortage of materials in the coming quarters, particularly in plastics.

Beijer Tech was also positively impacted by the advantageous demand in the engineering industry. Performing especially well is the Fluid Technology business area, which reported high volume growth and a strong margin trend. Invoicing for the Beijer Tech Group as a whole grew 31 percent compared with the first quarter of 2010. Operating profit more than doubled to MSEK 14. The operating margin was 8 percent, which was in line with the past three quarters.

Ahead of the second quarter, demand remains strong for the Group. Order stocks have increased and in most units, resource utilization is high. Currency rates and commodity prices continue to have an adverse impact on the Group, although the strong volume trend should generate an advantageous impact on earnings.

Annual General Meeting

The Annual General Meeting on March 30, 2011 resolved on an ordinary dividend of SEK 6.00 per share (5.00) and an extra dividend of SEK 1.00 per share (0). The Meeting elected Carina Andersson, whose former positions include President of Ramnäs Bruk and who currently resides in China, as a new member of the Board. Board member Göran W Hultdgren declined re-election. All other Board members were re-elected.

Events after the end of the period

There were no significant events after the end of the period.

Risks and uncertainties

The Group's material risks and uncertainties include business and financial risks. Business risks may include major customer exposures to individual industries or companies. Financial risks primarily pertain to foreign currency risks that arise because more than 84 percent of sales for Habia and Lesjöfors are conducted outside Sweden, while approximately 55 percent of production takes place in Sweden.

Management of the Group's financial risks is described in Note 29 of the 2010 Annual Report. The Group is deemed to have a favorable risk spread across industries and companies and the assessment is that no material risks arose during the year.

Accounting policies

Group

This interim report was prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). The presentation of the interim report complies with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

No new or revised IFRS that took effect in 2011 had a significant impact on the Group. Accounting policies and terms of calculation are unchanged compared with those applied in the 2010 Annual Report.

Parent Company

The Parent Company, Beijer Alma AB, applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for legal entities. These accounting policies correspond with the preceding year and with the consolidated accounting policies where applicable.

Consolidated comprehensive income

Condensed income statement

Group

MSEK	2011 Q1	2010 Q1	2010 full-year	2009 full-year	2008 full-year
Net revenues	721.2	441.1	2,290.1	1,571.2	1,836.3
Cost of goods sold	-471.6	-263.1	-1 426.2	-999.0	-1,187.6
Gross profit	249.6	178.0	863.9	572.2	648.7
Selling expenses	-73.6	-44.7	-238.3	-190.7	-194.1
Administrative expenses	-64.7	-44.9	-220.2	-142.5	-153.7
Profit/loss from participations in associated companies	—	—	0.9	-0.8	1.5
Operating profit	111.3	88.4	406.3	238.2	302.4
Interest income	0.4	0.2	1.9	1.1	7.1
Interest expenses	-3.0	-2.5	-9.4	-12.8	-14.5
Profit after financial items	108.7	86.1	398.8	226.5	295.0
Tax on net profit for year	-30.5	-23.3	-112.3	-64.1	-78.3
Net profit attributable to Parent Company shareholders	78.2	62.8	286.5	162.4	216.7

Other comprehensive income

Income/expenses recognized directly against shareholders' equity

Cash-flow hedges	-2.5	5.6	8.5	26.8	-14.6
Translation differences	-13.8	-14.7	-39.5	-25.7	48.0
Total other comprehensive income/loss after tax	-16.3	-9.1	-31.0	1.1	33.4
Total comprehensive income attributable to Parent Company shareholders	61.9	53.7	255.5	163.5	250.1

Net earnings per share

before and after dilution, SEK	2.60	2.09	9.51	5.92	7.90
Dividend per share, SEK	—	—	7.00	5.00	5.00
Includes amortization and depreciation in the amount of, MSEK	18.7	17.0	70.7	71.4	68.2

Parent Company

MSEK	2011 Q1	2010 Q1	2010 full-year	2009 full-year	2008 full-year
Administrative expenses	-7.0	-13.2	-41.2	-30.8	-31.7
Other operating income	2.4	3.6	14.6	13.7	13.7
Operating loss	-4.6	-9.6	-26.6	-17.1	-18.0
Income from participations in Group companies	—	—	116.0	85.0	75.0
Interest income and similar revenues	1.1	1.4	5.0	6.1	9.9
Interest expenses and similar expenses	-1.3	-1.4	-4.4	-8.3	-8.5
Profit after financial items	-4.8	-9.6	90.0	65.7	58.4
Tax on net profit for the period	1.0	1.1	4.6	2.6	2.5
Net profit/loss	-3.8	-8.5	94.6	68.3	60.9

Condensed balance sheet

Group

MSEK	2011	2010	2010	2009	2008
	Mar 31	Mar 31	Dec 31	Dec 31	Dec 31

Assets

Fixed assets					
Intangible assets	370.6	334.8	349.8	121.3	130.8
Tangible assets	484.9	457.1	440.2	462.7	483.5
Financial assets	47.5	32.4	30.3	32.6	43.0
Total fixed assets	903.0	824.3	820.3	616.6	657.3
Current assets					
Inventories	422.6	380.8	427.6	288.7	325.8
Receivables	621.4	516.4	489.8	289.4	316.2
Cash and cash equivalents	188.7	140.5	238.1	195.5	161.5
Total current assets	1,232.7	1,037.7	1,155.5	773.6	803.6
Total assets	2,135.7	1,862.0	1,975.8	1,390.2	1,460.8

MSEK	2011	2010	2010	2009	2008
	Mar 31	Mar 31	Dec 31	Dec 31	Dec 31

Shareholders' equity and liabilities

Shareholders' equity					
Share capital	125.5	125.5	125.5	114.3	114.3
Other contributed capital	444.4	444.4	444.4	165.3	165.3
Reserves	-17.8	20.6	-1.5	29.6	28.4
Retained earnings, including net profit for the period	693.4	602.3	826.1	676.7	651.6
Shareholders' equity attributable to Parent Company shareholders	1,245.5	1,192.8	1,394.5	985.9	959.6
Non-controlling interests	2.7	2.9	2.7	3.1	3.3
Total shareholders' equity	1,248.2	1,195.7	1,397.2	989.0	962.9
Long-term liabilities to credit institutions	96.9	64.9	89.0	66.9	80.7
Other long-term liabilities	49.3	48.0	51.2	33.1	26.9
Current liabilities to credit institutions	74.3	169.8	57.9	68.8	99.1
Current non-interest-bearing liabilities	667.0	383.6	380.5	232.4	291.2
Total liabilities	887.5	666.3	578.6	401.2	497.9
Total shareholders' equity and liabilities	2,135.7	1,862.0	1,975.8	1,390.2	1,460.8

Parent Company

MSEK	2011	2010	2010	2009	2008
	Mar 31	Mar 31	Dec 31	Dec 31	Dec 31

Assets

Fixed assets					
Tangible assets	1.1	1.2	1.0	1.3	1.5
Financial assets	532.1	531.1	533.0	203.0	210.0
Total fixed assets	533.2	532.3	534.0	204.3	211.5
Current assets					
Receivables	219.9	232.9	313.5	340.1	368.4
Cash and cash equivalents	93.7	0.1	35.9	0.1	0.1
Total current assets	313.6	233.0	349.4	340.2	368.5
Total assets	846.8	765.3	883.4	544.5	580.0

MSEK	2011 Mar 31	2010 Mar 31	2010 Dec 31	2009 Dec 31	2008 Dec 31
Shareholders' equity and liabilities					
Share capital	125.5	125.5	125.5	114.3	114.3
Statutory reserve	444.4	444.4	444.4	165.3	165.4
Retained earnings	62.1	94.5	178.4	164.4	209.1
Net profit for the period	-3.8	-9.6	94.6	68.3	60.9
Total shareholders' equity	628.2	654.8	842.9	512.3	549.6
Current liabilities to credit institutions	—	95.4	—	17.3	12.1
Current non-interest-bearing liabilities	218.6	15.1	40.5	14.9	18.3
Total shareholders' equity and liabilities	846.8	765.3	883.4	544.5	580.0
Condensed cash-flow statement					
MSEK	2011 Q1	2010 Q1	2010 full-year	2009 full-year	2008 full-year
Cash flow from operating activities before change in working capital and capital expenditures	92.6	90.7	389.7	245.9	260.0
Change in working capital, increase (-) decrease (+)	-55.4	-65.6	-109.4	31.5	-26.4
Cash flow from operating activities	37.2	25.1	280.3	277.4	233.6
Investing activities	-27.8	-3.0	-47.1	-61.6	-60.2
Acquired operations	-71.9	-38.7	-65.0	—	-23.3
Cash flow after capital expenditures	-62.5	-16.6	168.2	215.8	150.1
Financing activities	13.1	-46.8	-138.5	-181.1	-156.5
Change in cash and cash equivalents	-49.4	-63.4	29.7	34.7	-6.4
Cash and cash equivalents at beginning of period	238.1	195.5	195.5	161.5	165.3
Cash from acquired/divested operations and exchange-rate differences in cash	—	8.4	12.9	-0.7	2.6
Cash and cash equivalents at end of period	188.7	140.5	238.1	195.5	161.5
Approved but unutilized committed credit facilities	424.6	384.9	428.3	418.5	338.6
Available liquidity	613.3	525.4	666.4	614.0	500.1

Specification of changes in shareholders' equity

MSEK	2011 Mar 31	2010 full-year	2009 full-year	2008 full-year
Opening shareholders' equity attributable to Parent Company shareholders	1,394.5	985.9	959.6	846.7
Comprehensive income for the period	61.9	255.5	163.5	250.1
Dividend paid/approved	-210.9	-137.2	-137.2	-137.2
New issue	—	290.3	—	—
Closing shareholders' equity attributable to Parent Company shareholders	1,245.5	1,394.5	985.9	959.6
Non-controlling interest	2.7	2.7	3.1	3.3
Total closing shareholders' equity	1,248.2	1,397.2	989.0	962.9

Specification of shareholders' equity for the period

	Share capital	Other contributed capital	Reserves	Retained earnings incl. net profit for the period	Total
Dec 31, 2010	125.5	444.4	-1.5	826.1	1 394.5
Comprehensive income for the period	—	—	-16.3	78.2	61.9
Dividend approved	—	—	—	-210.9	-210.9
Mar 31, 2011	125.5	444.4	-17.8	693.4	1 245.5

Number of shares

	2011	2010	2009	2008
	Mar 31	Dec 31	Dec 31	Dec 31
Number of shares outstanding	30 131 100	30 131 100	27 431 100	27 431 100
Total number of shares, after full dilution	30 131 100	30 131 100	27 431 100	27 431 100
Average number of shares, after full dilution	30 131 100	30 131 100	27 431 100	27 431 100

Of the total number of shares outstanding, 3,330,000 are Class A shares and the remaining shares are Class B shares.

Key figures

	2011	2010	2010	2009	2008
	Q1	Q1	full-year	full-year	full-year
Number of shares	30,131,100	30,131,100	30,131,100	27,431,100	27,431,100
Net revenues, MSEK	721.2	441.1	2,290.1	1,571.2	1,836.3
Operating profit, MSEK	111.3	88.4	406.3	238.2	302.4
Profit before tax, MSEK	108.7	86.1	398.8	226.5	295.0
Earnings per share after tax, SEK	2.60	2.09	9.51	5.92	7.90
Earnings per share after 26.3% standard tax, SEK	2.66	2.11	9.75	6.08	7.74
Cash flow per share after capital expenditures, SEK	0.31	0.70	5.58	7.87	5.47
Return on shareholders' equity, %	24.3	23.3	24.7	17.2	23.5
Return on capital employed, %	30.2	27.8	30.6	21.2	28.3
Shareholders' equity per share, SEK	41.34	39.76	46.28	35.94	34.98
Equity ratio, %	58.3	64.1	70.6	70.9	65.7
Net debt/equity ratio, %	-1.3	7.9	-6.5	-6.0	1.9
Cash and cash equivalents, including unutilized credit facilities, MSEK	613.3	525.4	666.4	614.0	500.1
Capital expenditures, MSEK	27.0	6.2	55.2	60.5	89.1
Interest-coverage ratio, multiple	37.4	35.9	43.4	18.7	21.4
Number of employees at end of period	1,630	1,112	1,435	1,107	1,243

Uppsala, May 5, 2011

Beijer Alma AB (publ)

Bertil Persson
President and CEO

This report is unaudited.

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