

Interim report January-June 2016

Unchanged market conditions

- Net revenues amounted to MSEK 898 (927) for the second quarter and MSEK 1,800 (1,843) for the first half of the year.
- Profit after net financial items totaled MSEK 117 (125) for the quarter and MSEK 225 (237) for the first six months of the year.
- Earnings per share amounted to SEK 2.95 (3.14) for the quarter and SEK 5.65 (5.94) for the first half of the year.
- Cash flow after capital expenditures totaled MSEK 93 (89) for the quarter and MSEK 91 (54) for the first six months of the year.
- Net debt amounted to MSEK 394 (402).
- Lesjöfors acquired the Asian spring manufacturer John While Group.

CEO's comments

The trend for the second quarter followed essentially the same pattern as the first quarter. While demand from industrial customers was in line with the corresponding period in the preceding year, sales of chassis springs declined compared with the record-breaking levels reported in the year-earlier period. Lesjöfors's acquisition of the Asian spring manufacturer John While Group, which generates annual revenues of MSEK 70, has been included in the Group since May and made a positive contribution to invoicing and earnings. The acquisition accounted for approximately 1 percent of growth. The Group's invoicing declined a total of 3 percent. Adjusted for acquired operations and fluctuations in exchange rates, invoicing fell 2 percent. Order bookings were in line with invoicing and the stock of orders remained largely unchanged during the quarter.

Profit after net financial items totaled MSEK 117, compared with MSEK 125 in the year-earlier period. All subsidiaries reported somewhat lower earnings compared with the year-earlier period. The operating margin declined slightly to 13.3 percent (13.9) despite the decrease in invoicing.

Cash flow after capital expenditures was impacted positively by a decline in tied-up working capital and amounted to MSEK 93 (89). Net debt for the first six months of the year totaled MSEK 394 (402). Cash flow and net debt were impacted negatively by acquisition payments totaling MSEK 40 during the quarter.

Lesjöfors

Lesjöfors's invoicing fell 2 percent to MSEK 541 during the second quarter. Acquisitions accounted for approximately 2 percent of growth. Adjusted for corporate acquisitions and fluctuations in exchange rates, invoicing declined 1 percent. The entire decrease was attributable to the Chassis Springs business area, which posted a 9 percent decline in invoicing year-on-year adjusted for fluctuations in exchange rates. In 2015, the business area reported high growth and record-breaking sales. The decline in the first half of this year was particularly notable in the markets that reported high growth in the preceding year, primarily the UK market.

Adjusted for acquisitions and fluctuations in exchange rates, sales of industrial springs increased 4 percent. The same trend was noted in all regions where Lesjöfors operates.

Operating profit amounted to MSEK 110, compared with MSEK 113 in the year earlier period, and the operating margin was largely unchanged.

Habia

Habia's invoicing fell 2 percent compared with the corresponding quarter in the preceding year and amounted to MSEK 169. Adjusted for fluctuations in exchange rates, invoicing increased 2 percent. Sales of cables to telecom customers rose 8 percent, while invoicing to other customer areas declined 1 percent during the quarter adjusted for fluctuations in exchange rates. The decrease in other customer areas was mainly attributable to low deliveries of nuclear power cables, which will be offset by larger planned deliveries during the coming months.

Order bookings exceeded invoicing and the stock of orders was higher than at the start of the quarter and compared with mid-year 2015.

Operating profit amounted to MSEK 16, compared with MSEK 18, and the operating margin was slightly lower than in the second quarter of the preceding year.

Beijer Tech

Beijer Tech's invoicing fell 8 percent to MSEK 189 during the second quarter. The entire decrease was attributable to the Industrial Products business area, while the Fluid Technology business area displayed growth and satisfactory profitability. Industrial Products was impacted adversely by the weak offshore market in Norway and low demand from customers in foundries and steelworks in the Nordic region.

Operating profit amounted to MSEK 5, compared with MSEK 7, and the operating margin declined compared with the year-earlier period.

Outlook

The global industrial economy will likely continue to be characterized by low growth going forward. It is also reasonable to expect demand for chassis springs to remain somewhat weaker in the coming quarters compared with the record-breaking levels reported in the preceding year.

*Bertil Persson
President and CEO*

Group

During the quarter, order bookings amounted to MSEK 899 (925), down 3 percent. Invoicing also fell 3 percent to MSEK 898 (927). Fluctuations in exchange rates had a negative impact on order bookings and invoicing, while corporate acquisitions had a positive effect. The net impact was a negative 1 percent.

Operating profit totaled MSEK 119 (129) and the operating margin was 13.3 percent (13.9). Profit after net financial items amounted to MSEK 117 (125). Earnings per share totaled SEK 2.95 (3.14). Fluctuations in exchange rates and forward agreements had a negative impact of MSEK 4 on earnings.

Cash flow after capital expenditures, which was charged with MSEK 40 (0) for corporate acquisitions, amounted to MSEK 93 (89). Net debt totaled MSEK 394 (402) and the net debt/equity ratio was 22.8 percent (24.0).

During the first half of the year, order bookings fell 1 percent to MSEK 1,815 (1,830). Invoicing amounted to MSEK 1,800 (1,843), down 2 percent. Fluctuations in exchange rates and corporate acquisitions had a net negative impact of 1 percent on invoicing and order bookings.

Operating profit totaled MSEK 229 (244) and the operating margin was 12.7 percent (13.2). Profit after net financial items amounted to MSEK 225 (237) and earnings per share to SEK 5.65 (5.94). Forward agreements and fluctuations in exchange rates had a marginal impact on earnings. Cash flow after capital expenditures, including corporate acquisitions totaling MSEK 40 (0), amounted to MSEK 91 (54).

Subsidiaries

Lesjöfors

Lesjöfors 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, Slovakia, the US, Mexico, Singapore, Thailand and China.

During the quarter, order bookings increased 1 percent to MSEK 530 (524), while invoicing declined 2 percent to MSEK 541 (551). During the quarter, the company acquired the Asian spring manufacturer John While Group, which contributed MSEK 12 in order bookings and invoicing. The combination of corporate acquisitions and fluctuations in exchange rates had a negative impact of 1 percent on order bookings and invoicing. Operating profit amounted to MSEK 110 (113).

During the first six months of the year, order bookings amounted to MSEK 1,041 (1,064), down 2 percent. Invoicing fell 4 percent to MSEK 1,050 (1,088). Fluctuations in exchange rates and corporate acquisitions had a net negative impact of 2 percent on invoicing and order bookings. Operating profit totaled MSEK 200 (213).

Habia Cable

Habia Cable is one of Europe's largest manufacturers of custom-designed cables for customers in the telecom, transport, nuclear power, defense and other industries. The company has manufacturing operations in Sweden, Germany, China and Poland, and conducts sales worldwide.

During the second quarter, order bookings amounted to MSEK 175 (198), down 12 percent. Invoicing declined 2 percent to MSEK 169 (172). Exchange-rate effects had a negative impact of 4 percent on order bookings and invoicing. Operating profit amounted to MSEK 16 (18).

During the first six months of the year, order bookings rose 6 percent to MSEK 396 (373). Invoicing increased 3 percent to MSEK 373 (361). Fluctuations in exchange rates had a negative impact of 2 percent on order bookings and invoicing. Operating profit amounted to MSEK 38 (38).

Beijer Tech

Beijer Tech specializes in industrial trading in the Nordic region and represents several of the world's leading manufacturers. The company's operations are conducted in two business areas: Industrial Products and Fluid Technology/Industrial Rubber.

During the second quarter, order bookings and invoicing amounted to MSEK 189 (205), down 8 percent. Operating profit totaled MSEK 5 (7).

During the first six months of the year, order bookings and invoicing fell 4 percent to MSEK 373 (393). Operating profit amounted to MSEK 9 (8).

Parent Company

The Parent Company, Beijer Alma AB, is a holding company that does not conduct external invoicing. The Parent Company reported an operating loss of MSEK 11 (loss: 10) for the quarter and a loss of MSEK 18 (loss: 17) for the first half of the year.

Revenues and earnings per operating sector/segment

Net revenues

| MSEK | 2016 | 2016 | 2015 | 2015 | 2015 | 2015 | 2015 | 2014 |
|--------------------------------|--------------|-------|-------|-------|-------|-------|-----------|-----------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Full-year | Full-year |
| Lesjöfors | 540.6 | 509.6 | 437.3 | 470.1 | 550.7 | 537.8 | 1,995.9 | 1,725.7 |
| Habia Cable | 168.7 | 204.5 | 205.9 | 198.2 | 171.6 | 189.4 | 765.1 | 790.2 |
| Beijer Tech | 189.1 | 187.6 | 197.4 | 170.3 | 204.9 | 188.0 | 760.6 | 782.1 |
| Parent Company and intra-Group | – | 0.1 | 0.1 | – | 0.1 | 0.1 | 0.3 | 0.2 |
| Total | 898.4 | 901.8 | 840.7 | 838.6 | 927.3 | 915.3 | 3,521.9 | 3,298.2 |

Operating profit

| MSEK | 2016 | 2016 | 2015 | 2015 | 2015 | 2015 | 2015 | 2014 |
|---|--------------|-------|-------|-------|-------|-------|-----------|-----------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Full-year | Full-year |
| Lesjöfors | 110.0 | 90.1 | 86.5 | 89.1 | 113.1 | 99.7 | 388.4 | 319.5 |
| Habia Cable | 15.7 | 22.0 | 31.0 | 29.7 | 17.8 | 20.5 | 99.0 | 93.6 |
| Beijer Tech | 4.5 | 4.0 | 3.4 | 6.0 | 7.4 | 0.7 | 17.5 | 44.1 |
| Parent Company and intra-Group | -11.0 | -6.8 | -5.5 | -6.9 | -9.8 | -5.4 | -27.6 | -29.7 |
| Total operating profit | 119.2 | 109.3 | 115.4 | 117.9 | 128.5 | 115.5 | 477.3 | 427.5 |
| Net financial items | -1.8 | -2.2 | -0.9 | -2.3 | -3.3 | -3.9 | -10.4 | -3.9 |
| Profit after net financial items | 117.4 | 107.1 | 114.5 | 115.6 | 125.2 | 111.6 | 466.9 | 423.6 |

No sales are conducted between segments.

Corporate acquisitions

Lesjöfors acquired the spring manufacturer John While Group (JWG), with production operations in Singapore, Thailand and China. The acquisition strengthens Lesjöfors's position in the emerging markets in Asia. JWG specializes in the manufacturing of customized springs. Its customers mainly operate in the home electronics, white goods, automotive and engineering industries and predominantly include European and US companies with operations in Asia. The company has 115 employees and reported revenues of approximately MSEK 70 for 2015 with favorable profitability.

Acquisition calculation

| | |
|---|-----------|
| Purchase consideration, of which MSEK 57.5 paid in cash and the remainder to be paid within one year (Acquisition includes cash of MSEK 17.5) | MSEK 70.5 |
| Acquired net assets measured at fair value | MSEK 48.7 |
| Goodwill | MSEK 21.8 |

Goodwill was attributable to synergy effects within Lesjöfors and to inseparable customer relationships.

Net assets comprise:

| | |
|---|-------------------|
| Machinery | MSEK 9.9 |
| Inventories | MSEK 14.3 |
| Receivables | MSEK 19.9 |
| Bank deposits | MSEK 17.5 |
| <u>Current non-interest-bearing liabilities</u> | <u>MSEK -12.9</u> |
| Total | MSEK 48.7 |

The receivables guaranteed by the seller are assessed as having been transferred to fair value. Acquisition costs totaling a negligible amount were charged to net profit for the period.

Takeover occurred on May 1 and, since then, JWG has contributed MSEK 12 in invoicing and MSEK 1.1 in operating profit.

Events after the end of the period

No significant events occurred 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 95 and 87 percent of sales for Habia and Lesjöfors, respectively, are conducted outside Sweden, while approximately 50 percent of production takes place outside Sweden. Beijer Tech does not have a corresponding foreign currency risk since about 70 percent of its sales are conducted in Sweden.

Management of the Group's financial risks is described in Note 30 of the 2015 Annual Report. The Group is deemed to have a favorable risk spread across industries and companies and the assessment is that the risk situation has remained unchanged during the year.

Condensed income statement

| Group | 2016 | | 2015 | | 2015 | | 2014 | |
|--|---------------|--------|-----------------|----------|-----------------|-----------|-----------|-----------|
| MSEK | Q2 | Q2 | Jan-Jun | Jan-Jun | Full-year | Full-year | Full-year | Full-year |
| Net revenues | 898.4 | 927.3 | 1,800.2 | 1,842.6 | 3,521.9 | 3,298.2 | 3,066.5 | |
| Cost of goods sold | -600.9 | -620.3 | -1,226.6 | -1,249.2 | -2,367.8 | -2,229.1 | -2,071.5 | |
| Gross profit | 297.5 | 307.0 | 573.6 | 593.4 | 1,154.1 | 1,069.1 | 995.0 | |
| Selling expenses | -92.9 | -95.6 | -183.0 | -185.6 | -366.1 | -343.3 | -325.0 | |
| Administrative expenses | -85.4 | -82.9 | -163.0 | -164.6 | -313.2 | -300.8 | -276.8 | |
| Other income | - | - | - | - | - | 0.6 | 2.0 | |
| Profit from participations in associated companies | - | - | 0.9 | 0.8 | 2.5 | 1.9 | 1.1 | |
| Operating profit | 119.2 | 128.5 | 228.5 | 244.0 | 477.3 | 427.5 | 396.3 | |
| Interest income | 0.1 | - | 0.8 | - | 1.0 | 6.6 | 2.1 | |
| Interest expenses | -1.9 | -3.3 | -4.8 | -7.2 | -11.4 | -10.5 | -13.7 | |
| Profit after net financial items | 117.4 | 125.2 | 224.5 | 236.8 | 466.9 | 423.6 | 384.7 | |
| Tax on net profit for the period | -28.4 | -30.7 | -54.3 | -58.0 | -113.2 | -104.3 | -95.7 | |
| Net profit attributable to Parent Company shareholders | 89.0 | 94.5 | 170.2 | 178.8 | 353.7 | 319.3 | 289.0 | |
| Other comprehensive income | | | | | | | | |
| Items that may be reclassified to profit or loss | | | | | | | | |
| Cash-flow hedges | -8.5 | 6.0 | -5.9 | 6.4 | 12.6 | -4.7 | -6.4 | |
| Translation differences | 24.1 | -16.6 | 10.8 | 1.4 | -19.7 | 60.3 | 19.7 | |
| Total other comprehensive income after tax | 15.6 | -10.6 | 4.9 | 7.8 | -7.1 | 55.6 | 13.3 | |
| Total comprehensive income attributable to Parent Company shareholders | 104.6 | 83.9 | 175.1 | 186.6 | 346.6 | 374.9 | 302.3 | |
| Other comprehensive income pertains in its entirety to items that may be reclassified to profit or loss. | | | | | | | | |
| Net earnings per share | | | | | | | | |
| before and after dilution, SEK | 2.95 | 3.14 | 5.65 | 5.94 | 11.74 | 10.60 | 9.59 | |
| Dividend per share, SEK | - | - | - | - | 9.50 | 8.50 | 8.00 | |
| Includes amortization and depreciation in the amount of, MSEK | 29.4 | 27.9 | 57.6 | 55.6 | 110.6 | 98.4 | 86.7 | |
| Parent Company | | | | | | | | |
| MSEK | 2016 | 2015 | 2016 | 2015 | 2015 | 2014 | 2013 | |
| | Q2 | Q2 | Jan-Jun | Jan-Jun | Full-year | Full-year | Full-year | |
| Administrative expenses | -15.7 | -14.1 | -26.9 | -26.3 | -45.8 | -41.0 | -40.4 | |
| Other operating income | 4.5 | 4.5 | 9.1 | 9.1 | 18.2 | 18.2 | 18.2 | |
| Operating loss | -11.2 | -9.6 | -17.8 | -17.2 | -27.6 | -22.8 | -22.2 | |
| Group contributions | - | - | - | - | 52.1 | 26.0 | 40.0 | |
| Income from participations in Group companies | - | - | - | - | 270.0 | 246.0 | 209.0 | |
| Interest income and similar revenues | 0.2 | 0.2 | 0.3 | 0.3 | 0.6 | 0.6 | 1.8 | |
| Interest expenses and similar expenses | -0.2 | -0.4 | -0.3 | -0.5 | -0.9 | -0.8 | -2.7 | |
| Profit after net financial items | -11.2 | -9.8 | -17.8 | -17.4 | 294.2 | 249.0 | 225.9 | |
| Tax on net profit for the period | 2.3 | 2.2 | 3.7 | 3.6 | -6.1 | -1.2 | -4.6 | |
| Net profit/loss | -8.9 | -7.6 | -14.1 | -13.8 | 288.1 | 247.8 | 221.3 | |

No items are attributable to other comprehensive income.

Condensed balance sheet

| Group | 2016 | 2015 | 2015 | 2014 | 2013 |
|--|----------------|---------|---------|---------|---------|
| MSEK | | | | | |
| | Jun 30 | Jun 30 | Dec 31 | Dec 31 | Dec 31 |
| Assets | | | | | |
| Fixed assets | | | | | |
| Intangible assets | 533.9 | 548.5 | 508.6 | 546.6 | 504.8 |
| Tangible assets | 801.7 | 751.5 | 758.3 | 747.0 | 640.0 |
| Deferred tax assets | 19.4 | 23.0 | 18.6 | 25.6 | 23.9 |
| Financial assets | 36.5 | 30.0 | 28.7 | 27.8 | 23.8 |
| Total fixed assets | 1,391.5 | 1,353.0 | 1,314.2 | 1,347.0 | 1,192.5 |
| Current assets | | | | | |
| Inventories | 675.2 | 645.5 | 673.3 | 636.5 | 541.2 |
| Receivables | 738.0 | 780.4 | 630.1 | 568.9 | 560.5 |
| Cash and bank balances | 208.0 | 142.5 | 252.2 | 191.3 | 253.8 |
| Total current assets | 1,621.2 | 1,568.4 | 1,555.6 | 1,396.7 | 1,355.5 |
| Total assets | 3,012.7 | 2,921.4 | 2,869.8 | 2,743.7 | 2,548.0 |
| | 2016 | 2015 | 2015 | 2014 | 2013 |
| | Jun 30 | Jun 30 | Dec 31 | Dec 31 | Dec 31 |
| Shareholders' equity and liabilities | | | | | |
| Shareholders' equity | | | | | |
| Share capital | 125.5 | 125.5 | 125.5 | 125.5 | 125.5 |
| Other contributed capital | 444.4 | 444.4 | 444.4 | 444.4 | 444.4 |
| Reserves | 30.7 | 40.6 | 25.8 | 32.8 | -22.8 |
| Retained earnings, including net profit for the period | 1,123.5 | 1,064.8 | 1,239.6 | 1,142.0 | 1,063.8 |
| Shareholders' equity attributable to Parent Company shareholders | 1,724.1 | 1,675.3 | 1,835.3 | 1,744.7 | 1,610.9 |
| Non-controlling interests | 3.8 | 3.8 | 3.7 | 3.8 | 3.6 |
| Total shareholders' equity | 1,727.9 | 1,679.1 | 1,839.0 | 1,748.5 | 1,614.5 |
| Non-current liabilities to credit institutions | 233.8 | 230.5 | 206.0 | 229.1 | 181.3 |
| Other non-current liabilities | 53.5 | 77.3 | 56.3 | 84.8 | 117.9 |
| Current liabilities to credit institutions | 367.7 | 314.0 | 240.2 | 152.0 | 164.8 |
| Current non-interest-bearing liabilities | 635.3 | 620.5 | 528.3 | 529.3 | 469.5 |
| Total liabilities | 1,290.3 | 1,242.3 | 1,030.8 | 995.2 | 933.5 |
| Total shareholders' equity and liabilities | 3,018.2 | 2,921.4 | 2,869.8 | 2,743.7 | 2,548.0 |

Parent Company

| MSEK | 2016 | 2015 | 2015 | 2014 | 2013 |
|---|--------|--------|--------|--------|--------|
| | Jun 30 | Jun 30 | Dec 31 | Dec 31 | Dec 31 |
| Assets | | | | | |
| Fixed assets | | | | | |
| Tangible assets | 1.1 | 1.1 | 1.1 | 1.1 | 1.0 |
| Financial assets | 532.2 | 532.2 | 532.2 | 532.2 | 532.2 |
| Total fixed assets | 533.3 | 533.3 | 533.3 | 533.3 | 533.2 |
| Current assets | | | | | |
| Receivables | 158.5 | 162.5 | 367.6 | 327.9 | 277.3 |
| Cash and cash equivalents | 0.1 | 0.1 | 9.3 | 1.4 | 41.1 |
| Total current assets | 158.6 | 162.6 | 376.9 | 329.3 | 318.4 |
| Total assets | 691.9 | 695.9 | 910.2 | 862.6 | 851.6 |
| MSEK | 2016 | 2015 | 2015 | 2014 | 2013 |
| | Jun 30 | Jun 30 | Dec 31 | Dec 31 | Dec 31 |
| Shareholders' equity and liabilities | | | | | |
| Share capital | 125.5 | 125.5 | 125.5 | 125.5 | 125.5 |
| Statutory reserve | 444.4 | 444.4 | 444.4 | 444.4 | 444.4 |
| Retained earnings | 12.8 | 11.0 | 11.0 | 19.3 | 39.1 |
| Net profit/loss for the period | -14.1 | -13.8 | 288.1 | 247.8 | 221.3 |
| Total shareholders' equity | 568.6 | 567.1 | 869.0 | 837.0 | 830.3 |
| Current liabilities to credit institutions | 106.0 | 110.9 | 19.1 | 6.0 | - |
| Current non-interest-bearing liabilities | 17.3 | 17.9 | 22.1 | 19.6 | 21.3 |
| Total shareholders' equity and liabilities | 691.9 | 695.9 | 910.2 | 862.6 | 851.6 |

Condensed cash-flow statement**Group**

| MSEK | 2016 | 2015 | 2016 | 2015 | 2015 | 2014 | 2013 |
|---|--------|-------|---------|---------|-----------|-----------|-----------|
| | Q2 | Q2 | Jan-Jun | Jan-Jun | Full-year | Full-year | Full-year |
| Cash flow from operating activities before change in working capital and capital expenditures | 123.5 | 106.4 | 226.9 | 215.5 | 456.0 | 422.4 | 394.7 |
| Change in working capital, increase (-) decrease (+) | 71.7 | 19.5 | -8.9 | -92.2 | -92.7 | -19.8 | 7.6 |
| Cash flow from operating activities | 195.2 | 125.9 | 218.0 | 123.3 | 363.3 | 402.6 | 402.3 |
| Investing activities | -62.6 | -37.2 | -86.9 | -68.9 | -111.5 | -141.4 | -125.3 |
| Acquired companies less cash and cash equivalents | -40.0 | - | -40.0 | - | - | -115.2 | -76.9 |
| Cash flow after capital expenditures | 92.6 | 88.7 | 91.1 | 54.4 | 251.8 | 146.0 | 200.1 |
| Financing activities | -156.9 | -34.4 | -135.3 | -103.2 | -190.9 | -208.5 | -185.8 |
| Change in cash and cash equivalents | -64.3 | 54.3 | -44.2 | -48.8 | 60.9 | -62.5 | 14.3 |
| Cash and cash equivalents at beginning of period | 272.3 | 88.2 | 252.2 | 191.3 | 191.3 | 253.8 | 239.5 |
| Cash and cash equivalents at end of period | 208.0 | 142.5 | 208.0 | 142.5 | 252.2 | 191.3 | 253.8 |
| Approved but not utilized committed credit facilities | 540.3 | 489.4 | 540.3 | 489.4 | 630.8 | 645.0 | 461.0 |
| Available liquidity | 748.3 | 631.9 | 748.3 | 631.9 | 883.0 | 836.3 | 714.8 |

Specification of changes in consolidated shareholders' equity

| MSEK | 2016 | 2015 | 2015 | 2014 | 2013 |
|--|----------------|---------|-----------|-----------|-----------|
| | Jan-Jun | Jan-Jun | Full-year | Full-year | Full-year |
| Opening shareholders' equity attributable to Parent Company shareholders | 1,835.3 | 1,744.8 | 1,744.8 | 1,610.9 | 1,519.5 |
| Comprehensive income for the period | 175.0 | 186.6 | 346.6 | 374.9 | 302.3 |
| Dividend paid | -286.2 | -256.1 | -256.1 | -241.0 | -210.9 |
| Closing shareholders' equity attributable to Parent Company shareholders | 1,724.1 | 1,675.3 | 1,835.3 | 1,744.8 | 1,610.9 |
| Non-controlling interests | 3.8 | 3.8 | 3.6 | 3.8 | 3.6 |
| Total closing shareholders' equity | 1,727.9 | 1,679.1 | 1,838.9 | 1,748.6 | 1,614.5 |

Specification of shareholders' equity attributable to Parent Company shareholders for the period

| MSEK | Share capital | Other contributed capital | Reserves | Retained earnings, including net profit for | Total |
|-------------------------------------|---------------|---------------------------|-------------|--|----------------|
| | | | | the period | |
| December 31, 2015 | 125.5 | 444.4 | 25.8 | 1,239.6 | 1,835.3 |
| Dividend paid | | | | -286.3 | -286.3 |
| Comprehensive income for the period | | | 4.9 | 170.2 | 175.1 |
| June 30, 2016 | 125.5 | 444.4 | 30.7 | 1,123.5 | 1,724.1 |

Number of shares

| | 2016 | 2015 | 2014 |
|---|-------------------|------------|------------|
| | Jun 30 | Dec 31 | Dec 31 |
| Number of shares outstanding | 30,131,100 | 30,131,100 | 30,131,100 |
| Total number of shares, after full dilution | 30,131,100 | 30,131,100 | 30,131,100 |
| Average number of shares, after full dilution | 30,131,100 | 30,131,100 | 30,131,100 |

Of the total number of shares outstanding, 3,320,000 are Class A shares and the remaining shares are Class B shares.

Note 1**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 2016 had a significant impact on the Group. Accounting policies and terms of calculation are unchanged compared with those applied in the 2015 Annual Report. Significant accounting and valuation policies are found on pages 48-51 of the 2015 Annual Report.

The fair value of financial assets and liabilities is deemed to correspond to the carrying amount.

Use of performance measures not defined in IFRS

As of the second quarter, Beijer Alma has applied the European Securities and Markets Authority's (ESMA) new Guidelines on Alternative Performance Measures. In short, an alternative performance measure is a financial measure of historical or future financial performance, financial performance or cash flows that is not defined or specified in IFRS. Definitions of the performance measures used in this interim report are presented in the Annual Report for 2015.

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.

The interim report comprises pages 1-13 and pages 1-4 are an integrated part of this financial report.

Key figures

| | 2016 | 2015 | 2016 | 2015 | 2015 | 2014 | 2013 |
|---|-------------------|------------|-------------------|------------|------------|------------|------------|
| | Q2 | Q2 | Jan-Jun | Jan-Jun | Full-year | Full-year | Full-year |
| Number of shares | 30,131,100 | 30,131,100 | 30,131,100 | 30,131,100 | 30,131,100 | 30,131,100 | 30,131,100 |
| Net revenues, MSEK | 898.4 | 927.3 | 1,800.2 | 1,842.6 | 3,521.9 | 3,298.2 | 3,066.5 |
| Operating profit, MSEK | 119.2 | 128.5 | 228.5 | 244.0 | 477.3 | 427.5 | 396.3 |
| Profit before tax, MSEK | 117.4 | 125.2 | 224.5 | 236.8 | 466.9 | 423.6 | 384.7 |
| Earnings per share after tax, SEK | 2.95 | 3.14 | 5.65 | 5.94 | 11.74 | 10.60 | 9.59 |
| Earnings per share after 22.0% standard tax, SEK | 3.04 | 3.24 | 5.81 | 6.13 | 12.09 | 10.96 | 9.96 |
| Cash flow after capital expenditures, excluding acquisitions per share, SEK | 4.40 | 2.94 | 4.35 | 1.81 | 8.36 | 8.66 | 9.19 |
| Return on shareholders' equity, % | 20.2 | 23.9 | 19.7 | 21.6 | 20.3 | 19.7 | 19.2 |
| Return on capital employed, % | 20.3 | 23.4 | 19.9 | 21.5 | 21.7 | 21.3 | 21.1 |
| Shareholders' equity per share, SEK | 57.22 | 55.60 | 57.22 | 55.60 | 60.91 | 57.91 | 53.46 |
| Equity ratio, % | 57.2 | 57.3 | 57.2 | 57.3 | 64.0 | 63.6 | 63.2 |
| Net debt/equity ratio, % | 22.8 | 24.0 | 22.8 | 24.0 | 10.6 | 10.9 | 5.7 |
| Cash and cash equivalents, including unutilized credit facilities, MSEK | 748.3 | 631.9 | 748.3 | 631.9 | 883.0 | 836.3 | 714.8 |
| Investments in tangible assets, SEK | 55.0 | 40.8 | 86.1 | 71.3 | 35.2 | 140.0 | 126.4 |
| Interest-coverage ratio, multiple | 60.1 | 38.7 | 46.7 | 33.7 | 41.8 | 41.3 | 29.0 |
| Number of employees at end of period | 2,380 | 2,320 | 2,380 | 2,320 | 2,342 | 2,179 | 2,132 |

The Board of Directors and the President affirm that the interim report provides a fair overview of the operations, financial position and earnings of the Parent Company and the Group and describes the material risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Uppsala, August 18, 2016

Beijer Alma AB (publ)

Johan Wall
Chairman of the Board

Carina Andersson
Director

Marianne Brismar
Director

Anders G. Carlberg
Director

Peter Nilsson
Director

Caroline af Ugglas
Director

Anders Ullberg
Director

Bertil Persson
President and CEO

Review report on the condensed interim information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act

Introduction

We have reviewed the condensed interim financial information (interim report) of Beijer Alma AB (publ) as of June 30, 2016 and the six-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope compared with the focus and scope of an audit conducted in accordance with the International Standards of Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant circumstances that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Uppsala, August 18, 2016

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

If you have any questions, please contact:

Bertil Persson, President and CEO, Telephone +46 8 506 427 50, bertil.persson@beijeralma.se
Jan Blomén, Chief Financial Officer, Telephone +46 18 15 71 60, jan.blomen@beijeralma.se

This information is information that Beijer Alma AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 11:30 pm on August 18, 2016.

Read more at: www.beijeralma.se

Visit our subsidiaries:

www.lesjoforsab.com

www.habia.com

www.beijertech.se

Next report date:

Interim report on October 26, 2016.

Beijer Alma AB (publ)

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