

# ANNUAL REPORT 2005



**ÅKERS**  
— SINCE 1580 —

# Message from the President



## Message from the President

2005 turned out to be a substantially better year than the previous years and it became a turn around year for the ÅKERS Group thanks to the effects from the structure plan in combination with increased prices and strong market conditions. All units in the Group made operating profits during 2005.

The profit earning trend was very strong and the improvement over 2004 exceeded 130 MSEK. The year was characterized by;

- Strong profit improvements, to 88 MSEK (last year -42 MSEK)
- Strong sales growth of 20%, to 2.501 MSEK (last year 2.081 MSEK)
- Successful implementation of the pilot project in Åkers Sweden to increase productivity and throughput. The pilot will be the reference for further roll out in the Group.
- Substantial difficulties to ramp up the production output in our French Fraisses unit, resulting in considerable disturbances for our cold mill customers. The output was almost on plan level in Q4 instead of planned Q1.

- Difficulties to ramp up the production of plate mill and rougher rolls in Åkers Sweden. The plan level was achieved in Q4 instead of Q1.
- The unbalance in production during the implementation of the structure plan and in combination with increased production volumes and high raw material prices caused liquidity problems throughout the year (in spite of good profit). This problem was solved in early 2006 thanks to a new larger bank facility with Handelsbanken as our new lead bank but also thanks to strict working capital control.

We entered into 2006 with our strongest backlog ever and we believe that 2006 will be a very strong year for the ÅKERS Group. We will during the year celebrate that we have been a roll maker for 200 years. The first rolls were shipped from Åkers Styckebruk on July 4, 1806.

Åkers Styckebruk in May 2006

  
Anders Hallberg  
President & CEO

# THE ÅKERS GROUP

## KEY FIGURES

(amounts in SEK million)	2005	2004	2003	2002	2001
Net sales	2.501	2.081	2.004	2.089	2.228
Operating profit/loss *	87	-41	-33	41	70
Items affecting comparability	1	-2	-215	-6	-26
Equity	348	289	369	594	629
Balance sheet total	2.140	1.957	1.747	2.022	2.225
Investments in fixed assets**	147	191	76	63	123
Number of employees	1.412	1.444	1.451	1.492	1.579
Equity ratio	14.2%	14.8%	21.2%	29.4%	28.3%
Equity ratio, incl. loans from parent company	27.9%	24.5%	21.2%	29.4%	28.3%
Return on capital employed	7.2%	Neg.	Neg.	3.7%	4.2%
Return on equity	2.1%	Neg.	Neg.	3.0%	2.6%

\* Operating profit before items affecting comparability

\*\* Translation differences excluded

## INCOME STATEMENT

(amounts in SEK million)	2005	2004	2003	2002	2001
Net sales	2.501	2.081	2.004	2.089	2.228
Operating expenses	-2.323	-2.024	-1.909	-1.901	-1.999
Depreciation of tangible and intangible assets	-91	-98	-129	-147	-159
Items affecting comparability	1	-2	-215	-6	-26
<b>Operating profit /loss</b>	<b>88</b>	<b>-43</b>	<b>-249</b>	<b>35</b>	<b>44</b>
Result from financial income and expenses	-48	-29	-22	-16	-29
<b>Profit/loss after financial items</b>	<b>40</b>	<b>-72</b>	<b>-271</b>	<b>19</b>	<b>15</b>
Tax on profit for the year	-33	-3	3	-8	21
<b>Net profit for the year</b>	<b>7</b>	<b>-75</b>	<b>-268</b>	<b>11</b>	<b>36</b>

## BALANCE SHEET

(amounts in SEK million)	2005	2004	2003	2002	2001
<b>ASSETS</b>					
Intangible assets	16	17	24	26	30
Land, buildings and machinery	608	529	445	578	716
Financial assets	104	102	104	104	105
Inventories	598	582	504	581	623
Receivables	677	611	528	544	670
Cash and bank balances	137	116	142	189	81
<b>Total assets</b>	<b>2.140</b>	<b>1.957</b>	<b>1.747</b>	<b>2.022</b>	<b>2.225</b>
<b>EQUITY AND LIABILITIES</b>					
Shareholders' equity	348	289	369	594	630
Minority interest	-	-	2	-	-
Provisions	301	300	347	238	281
Long-term liabilities	707	252	443	538	309
Current liabilities	784	1.116	586	652	1.005
<b>Total shareholders' equity and liabilities</b>	<b>2.140</b>	<b>1.957</b>	<b>1.747</b>	<b>2.022</b>	<b>2.225</b>

## HEAD OFFICE

Åkers AB  
SE-640 60 Åkers Styckebruk, Sweden  
Phone: +46 159 321 00 Fax: +46 159 323 01  
E-mail: [contact@akers.se](mailto:contact@akers.se)

## MANUFACTURING UNITS

### Cast rolls

Åkers Sweden AB  
Åkers Styckebruk, Sweden  
Phone: +46 159 321 00 Fax: +46 159 321 01

Åkers France, Berlaimont  
Berlaimont, France  
Tel: +33 3 27 53 66 00 Fax : +33 3 27 53 66 01

Åkers France, Sedan  
Sedan, France  
Tel: +33 3 24 22 34 00 Fax +33 3 24 22 34 99

Åkers National Roll Company  
Avonmore, USA  
Tel: +1 724 697 45 33 Fax +1 724 697 43 19

### Forged rolls

Åkers Specialty Rolls AB  
Söderfors, Sweden  
Tel: +46 293 174 50 Fax Tel:+46 293 174 55

Åkers France, Fraisses  
Fraisses, France  
Tel: +33 4 77 40 49 00 Fax +33 3 24 22 34 99

Åkers France, Thionville  
Thionville, France  
Tel: +33 3 82 82 23 00 Fax +33 3 82 82 23 01

Åkers Valji Ravne d.o.o.  
Ravne, Slovenia  
Tel: +386 2 87 07 000 Fax: +386 2 87 07 851

### Repair of mill components

Vertical Seal Company  
Pleasantville, USA  
Tel: +1 814 589 7031 (7621) Fax +1 814 589 7628

## ÅKERS MARKETING & SALES

Sales, Åkers Styckebruk, Sweden  
Tel: +46 159 321 00 Fax: +46 159 321 02/03/04  
Mailto:[sales@akers.se](mailto:sales@akers.se)

Sales, Liege, Belgium  
Tel: +32 4 33 88 110 Fax: 32 4 33 88 188  
Mailto:[sales@akers.be](mailto:sales@akers.be)

Sales, Fraisses, France  
Tel: +33 4 774 049 00 Fax +33 4 778 927 13  
Mailto:[salesp@akers.fr](mailto:salesp@akers.fr)

Sales, Ravne, Slovenia  
Tel: +386 2 87 07 000 Fax: +386 2 87 07 851  
Mailto:[info@akers-valji.si](mailto:info@akers-valji.si)

Sales, New Port, U.K.  
Tel: +44 1633 26 55 44 Fax: +44 1633 26 55 66  
Mailto:[sales@akersuk.com](mailto:sales@akersuk.com)

Sales, Avonmore, USA  
Tel: +1 724 697 45 33 Fax +1 724 697 43 19  
Mailto:[sales@akersusa.com](mailto:sales@akersusa.com)

Åkers Brazil Ltda (representative office)  
Tel: +55 19 3433 00 72 Fax: +55 19 3434 52 41  
Mailto:[sales@akers.com.br](mailto:sales@akers.com.br)

Åkers AB Shanghai representative office  
Tel: +86 21 6267 141 69 Fax: +86 21 6267 05 42  
Mailto:[sales@akers.cn](mailto:sales@akers.cn)

## REPRESENTATIVES

In more than 50 countries

For further information about the ÅKERS Group please visit our web site  
[www.akersrolls.com](http://www.akersrolls.com)