



## JANUARY-MARCH 2007

- Positive trend accentuated in the first quarter.
- Net turnover increased by 31 per cent to SEK 220.3 m (168.4).
- Operating profit rose by 45 per cent to SEK 22.9 m (15.8).
- Profit after tax grew to SEK 16.7 m (10.7).
- Earnings per share were SEK 2.55 (1.73).
- Operations started in Denmark.
- Acquisition of Danish automation enterprise Brodersen Automation.

INTERIM REPORT

2007

# INTERIM REPORT, BEIJER ELECTRONICS AB

1 January-31 March 2007

## Comments from Göran Sigfridsson, our CEO

“Our strategy of deeper collaboration with Mitsubishi Electric in 2006 is now paying off. The group’s operations in Finland expanded, while we also started up in Denmark. Overall, this helped positive consolidated sales and profit performance in the first quarter. The acquisition of Danish enterprise Brodersen Automation in March completed another part of Beijer Electronics’ structure.

The Automation business area was convincing in the quarter with good growth and increased profit. This expansion was broad based, with sales across all product areas increasing. After aggressive initiatives in the past year, Automation has laid a secure foundation for continued profitable expansion.

The HMI Products business area continued to advance its positioning, although the good growth slowed somewhat in the quarter. Our sales gains in Germany and China are pleasing. The new terminal series EXTER continued its excellent

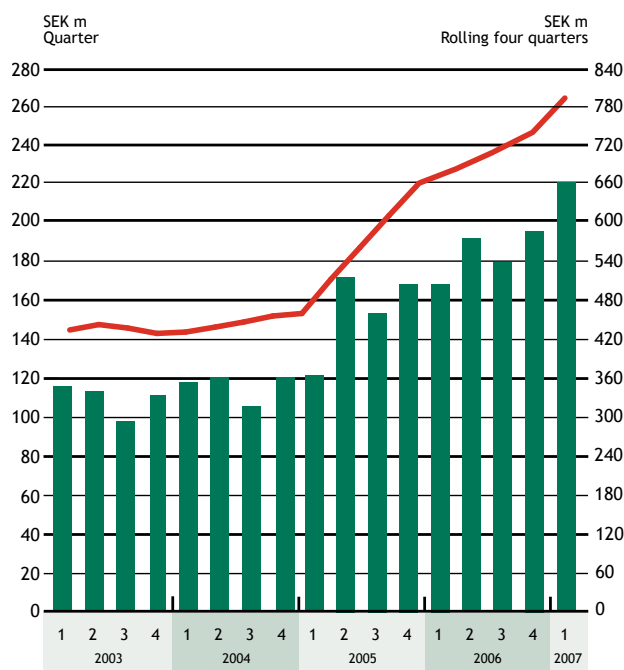
sales success. Operations were started up in Shanghai in the period, part of our Asian market initiatives.”

## Consolidated Revenues

The industrial automation market improved in the first quarter 2007, with the Nordic market exhibiting particularly brisk activity and increased investments. Market growth is being driven by increased demands for rationalization, particularly in manufacturing. All the Automation markets and segments Beijer Electronics services, such as Control Systems, Operator Systems and Drive Systems, performed positively.

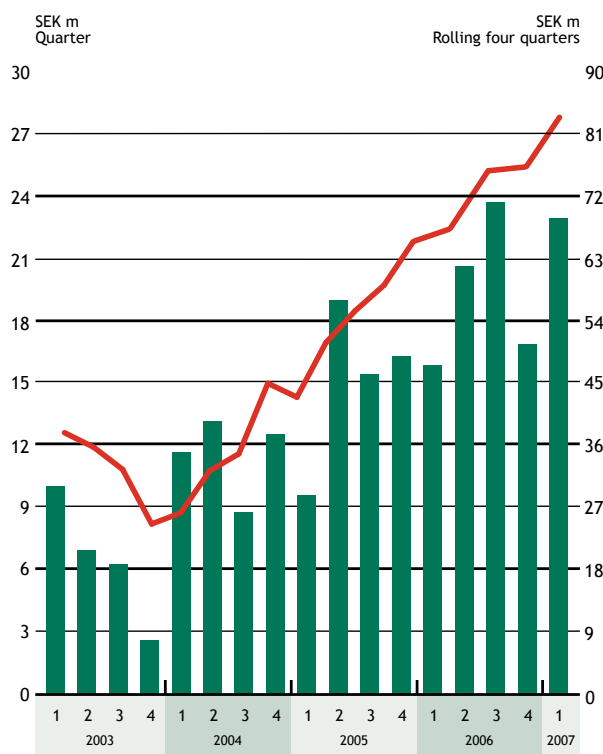
Beijer Electronics’ consolidated revenues expanded sharply in the first quarter 2007. Revenues grew 31 per cent to SEK 220.3 m (168.4), with the gains explained by organic growth and the acquisition of UTU Powel’s operations in Finland and the Baltic States, plus the start-up of operations in Denmark. Both our business areas, Automation and HMI Products, posted healthy sales gains.

## Group Invoicing



The bars and left-hand scale indicate quarterly invoicing. The red curve and right-hand scale show rolling four quarter invoicing.

## Group Operating Profit



The bars and left-hand scale indicate quarterly profit after depreciation. The red curve and right-hand scale show rolling four quarter profit after depreciation. Operating profit, reported from Q1 2004, is accounted according to IFRS.

## Business Area Turnover and Operating Profit

| MKR                   | Turnover<br>Quarter 1 |              | Operating Profit<br>Quarter 1 |             |
|-----------------------|-----------------------|--------------|-------------------------------|-------------|
|                       | 2007                  | 2006         | 2007                          | 2006        |
| Automation            | 139.3                 | 92.7         | 10.6                          | 5.2         |
| HMI Products          | 100.0                 | 88.6         | 13.8                          | 10.5        |
| Intra-group sales     | -19.0                 | -12.9        |                               |             |
| Un-allocated expences |                       |              | -1.5*                         | 0.1         |
| <b>Group</b>          | <b>220.3</b>          | <b>168.4</b> | <b>22.9</b>                   | <b>15.8</b> |

*Beijer Electronics implemented a new group structure on 1 June 2006, resulting in central expenses being posted directly to business areas. The actuals for 2005 and the period from January to May 2006 inclusive have been re-calculated to attain comparability between the periods, as illustrated in the above table. Complete information on our Website: [www.beijergroup.com](http://www.beijergroup.com).*

\*Elimination of internal profit in stock.

Sales in Sweden, the group's biggest single market, increased by 18 per cent to SEK 76 m. Sales in Norway surged ahead, growing 60 percent, due to high demand from the offshore and shipbuilding industries. Sales more than doubled in Finland, due to factors including our acquisition. Sales in Europe and Asia grew by some 12 percent, while the upturn in the US was just over 3 per cent.

### Consolidated Operating Profit

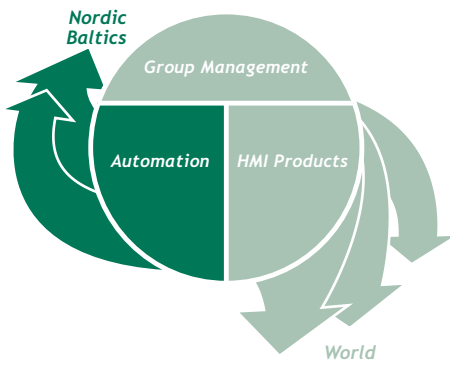
The group's positive profit trend accentuated in the first quarter, with operating profit rising 45 per cent to SEK 22.9 m (15.8), equivalent to an operating margin of 10.4 per cent (9.4). The profit gains are due to increased sales. Both the group's business areas, Automation and HMI Products, posted higher profits in the quarter.

Development expenses, relating exclusively to HMI Products, were SEK 10.2 m (11.0). Capitalized development expenses were SEK 2.4 m (4.4). The change in development expenses reduced profits, mainly due to lower capitalization.

### Consolidated Profit before and after Tax

Consolidated profit before tax grew by 51 per cent to SEK 23.0 m (15.2). Profit after estimated tax was SEK 16.7 m (10.7). Earnings per share after estimated tax for the quarter were SEK 2.55 (1.73). On a rolling 12-month basis, EPS was SEK 15.33 and SEK 9.32 excluding capital gains in 2006.





# THE AUTOMATION BUSINESS AREA

The markets of Sweden, Norway and Finland saw high demand growth, which was particularly strong in Norway, where the market is benefiting from brisk activity in the off-shore and shipbuilding industries. Sales increased across all markets and product categories.

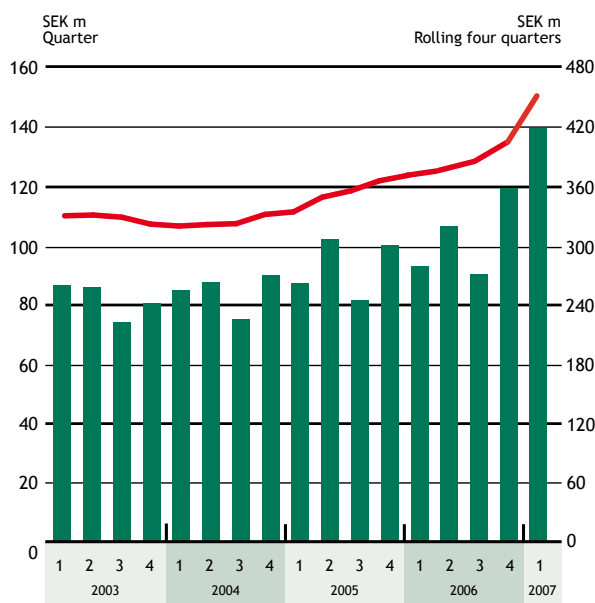
Automation's start-up on the Danish market at year-end 2006 progressed according to plan, with these operations making a good contribution to the sales gains. In March, Automation acquired Danish enterprise Brodersen Automation, which has annualized sales of some SEK 65 m and total staff of 27. Brodersen was consolidated from 2 April, and including this acquisition, Automation will have annualized sales of some SEK 100 m on the Danish market.

The business area's sales in Finland more than doubled, due to factors including the acquisition of UTU Powel's operations in the final quarter of 2006. These operations are integrated according to plan.

Business area sales grew 50 per cent to SEK 139.3 m (92.7). Sales of Drive Systems grew fastest, and more than doubled. Control Systems and Operator Systems sales increased by 34 and 40 per cent respectively.

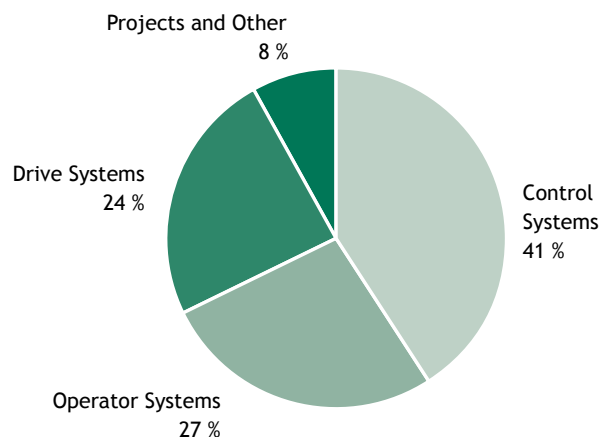
Operating profit also increased, to SEK 10.6 m (5.2), equivalent to an operating margin of 7.6 per cent (5.6). The improvement is due to increased sales.

## Invoicing, Automation

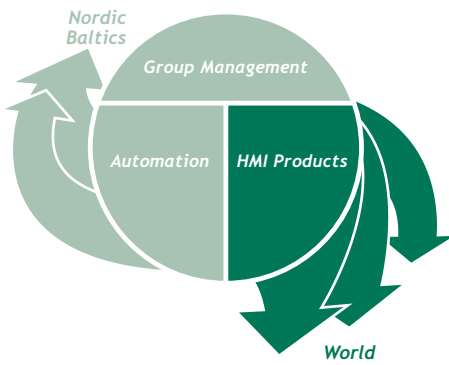


The bars and left-hand scale indicate quarterly invoicing. The curve and right-hand scale show rolling four quarter invoicing.

## Invoicing by Product Category, Automation



Invoicing by the Automation business area's product categories in 2007.



## THE HMI PRODUCTS BUSINESS AREA

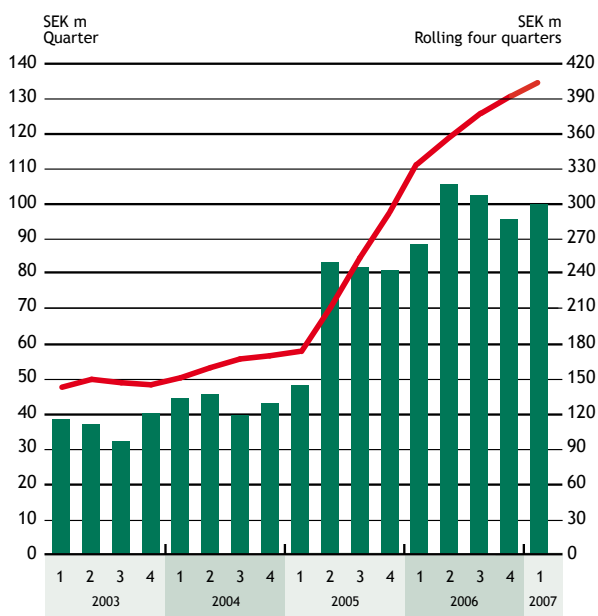
Overall, the market for HMI products sustained healthy growth, with the Nordic market growing fastest. Markets in the rest of Europe and Asia also traced a clear positive trend, with Germany and China posting particularly good sales gains. The planned start-up in Shanghai became operational in the reporting period, which is a part of further advancing Beijer Electronics' positioning on the Chinese market.

The EXTER terminals' successes continued, with sales growth of nearly 150 per cent. This new series now represents over 25 per cent of business area sales. Business area sales grew by 13 per cent to SEK 100.0 m (88.6). Sales through Beijer Electronics' own channels continued positive growth,

comprising 79 per cent (73) of business area sales. Brand label sales reduced in the period, due to factors including inventory adjustments.

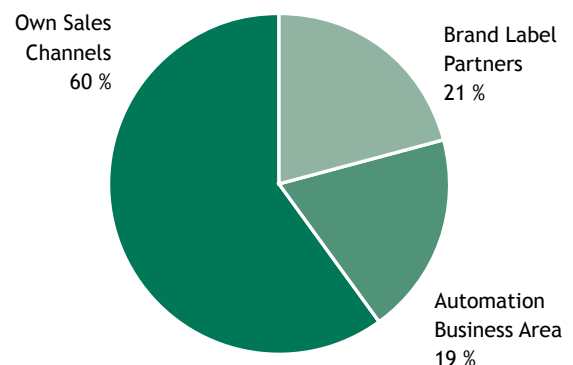
Operating profit grew by 31 percent to SEK 13.8 m (10.5). Operating margins were 13.8 per cent (11.9), the increase explained by sales growth. Development expenses were SEK 10.2 m (11.0), equivalent to 10.2 per cent (12.4) of business area sales. Capitalized development expenses were SEK 2.4 m (4.4). The change in development expenses reduced profits due to lower capitalization.

### Invoicing, HMI Products



The bars and left-hand scale indicate quarterly invoicing. The curve and right-hand scale show rolling four quarter invoicing.

### Invoicing by Sales Channel, HMI Products



Invoicing by the HMI Products business area's sales channels in 2007.

## Consolidated Statement of Changes to Shareholders' Equity, Q1, 2007.

|                        | Share Capital | Transaction Provision | Retained Earnings and Net Profit | Total          | Minority Interest | Total Shareholders' Equity |
|------------------------|---------------|-----------------------|----------------------------------|----------------|-------------------|----------------------------|
| OB, 1 Jan. 2007        | 6,222         | -11,145               | 201,788                          | 196,865        | 7,255             | 204,120                    |
| Translation difference |               | 1,625                 |                                  | 1,625          | 269               | 1,894                      |
| Net profit             |               |                       | 15,871                           | 15,871         | 871               | 16,742                     |
|                        | <b>6,222</b>  | <b>-9,520</b>         | <b>217,659</b>                   | <b>214,361</b> | <b>8,395</b>      | <b>222,756</b>             |

### Other Financial Information

Consolidated investments including capitalized development expenses were SEK 5.3 m (8.9). Cash flow from operating activities was SEK 23.7 m (14.4). Working capital was negatively affected by a strong phase of invoicing, which increased accounts receivable. Shareholders' equity was SEK 222.8 m (160.2) as of 31 March, including SEK 8.4 m of minority shares. Liquid assets were SEK 99.3 m (57.5) at the same date. Interest-bearing liabilities were SEK 91.7 m (89.1). The average number of employees was 343 (295), of which 27 were additional employees in acquired operations.

### Significant Events

On 1 January 2007, Beijer Electronics' subsidiary Beijer Electronics Automation took over Mitsubishi Electric's agencies on the Danish market, and simultaneously, a new subsidiary, Beijer Electronics A/S was incorporated, and an office opened outside Copenhagen.

The start-up was part of last year's deal with Mitsubishi Electric, when Beijer Electronics took over distribution rights for its products on the Danish market. The intention is to build an organization to sell Automation's complete product range on the Danish market. Operations were supplemented with local technical support and servicing.

Automation's pan-Nordic marketing, procurement and logistics resources will also be used in Denmark. In late 2006, a strategic agreement was also signed with the former distributor of Mitsubishi Electric's agencies, Lemvigh-Muller (formerly Louis Poulsen Elteknik).

Through the Automation business area, Beijer Electronics acquired Brodersen Automation in March 2007, which has annualized sales of SEK 65 m and total staff of 27. This acquisition is part of the Danish market initiative. Brodersen brings a broad and valuable customer base in Denmark and a complementary product range for the pan-Nordic and Baltic markets. Brodersen is an agent and distributor of electromechanical products for the automation segment. Brodersen is also a distributor of Beijer Electronics' operator terminals on the Danish market.

Some SEK 50 m of Brodersen's sales are on the Danish market, with the remaining SEK 15 m being through Swedish and Norwegian subsidiaries. Brodersen's operations in Sweden and Norway will be integrated with Beijer Electronics' existing resources in these countries.

This acquisition means Beijer Electronics gaining annualized sales of some SEK 100 m on the Danish market, with good prospects of continued organic growth. Brodersen has been consolidated into Beijer Electronics' accounts from 2 April 2007 onwards. The acquisition is expected to make a positive contribution to consolidated sales and profits in 2007.

### Outlook for 2007

Early 2007 was positive and the market is expected to sustain positive progress. Automation now has a larger market to service, and has thus laid a foundation for good growth prospects in 2007. HMI Products has a strong and extended product range, and more established sales channels, creating the prospects for continued high growth. Overall, Bayer Electronics expects to be able to increase sales and profits in 2007.

Göran Sigfridsson  
CEO and President  
Malmö, Sweden, 23 April 2007

*For more information, please contact CEO & President  
Göran Sigfridsson on tel: +46 (0)40 35 86 00 or  
+46 (0)706 35 86 10.*

*This Interim Report has been prepared pursuant to IAS 34 and RR 31. The accounting principles applied are consistent with those utilized in the preparation of the latest Annual Report. This Report has not been reviewed by Beijer Electronics' auditors.*



# FIRST QUARTER 2007 IN SUMMARY

## INCOME STATEMENT

| SEK 000                                   | Q1, 2007      | Q1, 2006      | 12 MTH, 2006   |
|---|---------------|---------------|----------------|
| Net turnover                              | 220,270       | 168,404       | 735,011        |
| Other operating revenue                   | 3,626         | 4,716         | 11,440         |
| Operating expenses                        | -196,311      | -153,468      | -650,846       |
| Depreciation                              | -4,955        | -3,940        | -18,789        |
| Share of profit in associated companies   | 229           | 80            | 347            |
| <b>Operating profit</b>                   | <b>22,859</b> | <b>15,792</b> | <b>77,163</b>  |
| Net financial position*                   | 91            | -557          | 35,890         |
| <b>Profit before tax</b>                  | <b>22,950</b> | <b>15,235</b> | <b>113,053</b> |
| Estimated tax                             | -6,208        | -4,494        | -22,067        |
| <b>Net profit</b>                         | <b>16,742</b> | <b>10,741</b> | <b>90,986</b>  |
| Relating to parent company's shareholders | 15,871        | 10,741        | 90,269         |
| Relating to minority interest             | 871           | 0             | 717            |
| <i>Equiv. to earnings per share, SEK</i>  | <i>2.55</i>   | <i>1.73</i>   | <i>14.51</i>   |
| <i>* of which non-recurring profit</i>    |               |               | <i>37,423</i>  |

## BALANCE SHEET

| SEK 000  | 2007-03-31     | 2006-03-31     | 2006-12-31     |
|--|----------------|----------------|----------------|
| <b>Assets</b>  |                |                |                |
| Fixed assets   | 166,614        | 158,983        | 163,394        |
| Current assets   | 240,440        | 189,958        | 208,126        |
| Liquid assets and short-term investments                         | 99,250         | 57,513         | 91,914         |
| <b>Total assets</b>  | <b>506,304</b> | <b>406,454</b> | <b>463,434</b> |
| <b>Liabilities and shareholders' equity</b>                      |                |                |                |
| Shareholders' equity   | 214,361        | 160,204        | 196,865        |
| Minority share of shareholders' equity                           | 8,395          |                | 7,255          |
| Long-term liabilities  | 90,444         | 93,905         | 89,726         |
| Current liabilities  | 193,104        | 152,345        | 169,588        |
| <b>Total liabilities and shareholders' equity</b>                | <b>506,304</b> | <b>406,454</b> | <b>463,434</b> |
| <i>Of which interest-bearing liabilities</i>                     | <i>91,745</i>  | <i>89,142</i>  | <i>82,488</i>  |
| <b>Key Figures</b>   |                |                |                |
| Operating margin, %  | 10.4           | 9.4            | 10.5           |
| Profit margin, %   | 7.6            | 6.4            | 12.4           |
| Equity ratio, %  | 44.0           | 39.4           | 44.0           |
| Shareholders' equity per share, SEK                              | 34.45          | 25.75          | 31.64          |
| Earnings per share, SEK  | 2.55           | 1.73           | 14.51          |
| Rolling 12-month EPS, SEK  | 15.33          | 7.24           | 14.51          |
| Return on equity after tax, %                                    | 50.7           | 31.9           | 51.3           |
| Return on capital employed, %                                    | 44.6           | 34.3           | 45.3           |
| Return on net operating assets, %                                | 41.4           | 57.1           | 42.6           |
| Average number of employees                                      | 343            | 295            | 314            |
| <i>Number of shares 6,221,488</i>                                |                |                |                |
| <b>Cash Flow Statement</b>                                       |                |                |                |
| Cash flow from operating activities                              | 23,692         | 14,352         | 69,540         |
| Change in working capital  | -19,821        | -17,849        | -22,313        |
| Cash flow from investment activity                               | -5,448         | -4,299         | 15,334         |
| Revised funding  | 7,707          | 1,798          | -5,904         |
| Dividends paid   |                |                | -20,220        |
| <b>Change in liquid assets</b>                                   | <b>6,130</b>   | <b>-5,998</b>  | <b>36,437</b>  |
| Liquid assets and short-term investments, opening balance        | 91,914         | 63,743         | 63,743         |
| Price/exch. rate change, liquid assets                           | 1,206          | -232           | -8,266         |
| <b>Liquid assets and short-term investments, closing balance</b> | <b>99,250</b>  | <b>57,513</b>  | <b>91,914</b>  |

## Beijer Electronics AB (publ)

Beijer Electronics is a development and agency corporation active in industrial automation with products and services marketed domestically and globally.

The Beijer Electronics group comprises the parent company Beijer Electronics AB with the subsidiaries Beijer Electronics Automation AB and Beijer Electronics Products AB. The group also has subsidiaries in China, Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Taiwan, Germany and the US.

The product range includes programmable control systems, frequency inverters, servo systems, robots, operator systems, I/O systems and vision systems. The offering also includes services such as technical support, plus a comprehensive range of training packages and project management.

### More Information

Subscription for financial information such as press releases, financial reports and Website updates is possible through Beijer Electronics' e-mail list. Subscription to the list is straightforward from Beijer Electronics' Website, [www.beijergroup.com](http://www.beijergroup.com).

Questions relating to the Beijer Electronics group should be addressed to Management Assistant Annika Johnsson on tel: +46 (0)40 35 86 55, or via e-mail: [info@beijergroup.com](mailto:info@beijergroup.com).

### Forthcoming Financial Information

|                       |                            |
|-----------------------|----------------------------|
| 16 August 2007 .....  | Six-month Interim Report   |
| 24 October 2007.....  | Nine-month Interim Report  |
| 7 February 2008 ..... | Financial Statement 2007   |
| April 2008 .....      | Annual Report 2007         |
| 21 April 2008.....    | Three-month Interim Report |
| 21 April 2008.....    | AGM                        |

#### BEIJER ELECTRONICS AB (PUBL)

P.O. Box 426, 201 24 Malmö, Sweden, Tel +46 (0)40-35 86 00, Fax +46 (0)40-93 23 01  
e-mail [info@beijergroup.com](mailto:info@beijergroup.com), Corp. ID no. 556025-1851  
[www.beijergroup.com](http://www.beijergroup.com)