

JANUARY-DECEMBER

- Strong performance sustains in the fourth quarter; the group achieves its best-ever year.
- Turnover rose 33 per cent to SEK 615.3 m (464.0) for the full year.
- Operating profit grew by 31 per cent to SEK 60.1 m (45.9); profit after tax increased 26 per cent to SEK 41.2 m (32.7).
- Earnings per share after tax were SEK 6.62 (5.25).
- Proposed dividends: SEK 3.25 per share (3.00).
- New EXTER terminals developed, H-series from Hitech Electronics introduced.
- New master agreement with Tetra Pak for supplying the new terminals.

FINANCIAL STATEMENT

2005

Financial Statement Beijer Electronics AB

1 January-31 December 2005

Comments from Göran Sigfridsson, our CEO

“It’s been a fantastic year and I’m delighted to be able to report Beijer Electronics’ best ever year in terms of sales and earnings on behalf of the whole organization. Our acquisition of Hitech Electronics, which performed beyond expectations, was the highlight, and our collaboration and integration is progressing very smoothly. Moreover, Beijer Electronics has advanced positioning in both business areas, in market and product terms.”

“Even excluding Hitech, HMI Products posted healthy growth. We have also attained a sharper, broader-based, product range thanks to the development of six new terminals based on the BEPP platform, and introduction of Hitech’s new H-series in Europe and the US, which further enhances the business area’s competitiveness.”

“The Automation business area progressed briskly late in the year, with robust operating profit gains. Its new organizational structure, with coordinated procurement, logistics, warehousing and markets, is now running smoothly. The result is higher market shares, higher sales, lower costs and better profits.”

Consolidated Revenues

The industrial automation market maintained its positive progress in the fourth quarter. Increased willingness to invest within manufacturing and greater demands for

rationalization provide the underlying explanation for a firmer market in 2005, which Beijer Electronics was able to benefit from.

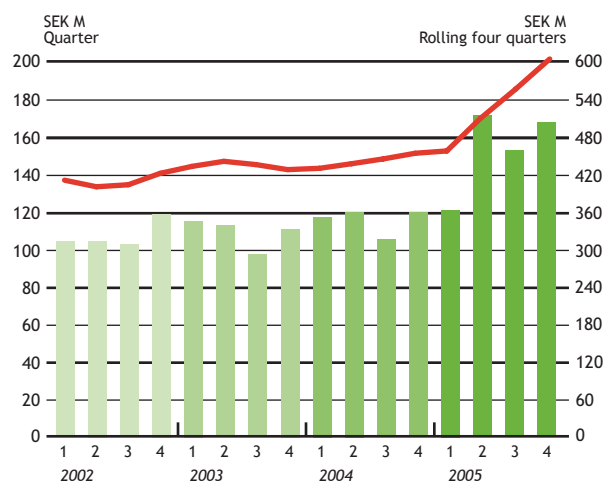
Consolidated revenues continued to rise in the fourth quarter, up 40 per cent to SEK 168.3 m (120.3), the gains explained by the acquisition of Hitech Electronics, consolidated from 1 April, which contributed SEK 31.1 m in the quarter. Healthy organic growth for Automation and HMI Products otherwise, were also contributors.

Full-year revenues 2005 increased 33 per cent to SEK 615.3 m (464.0), with Hitech contributing SEK 100.0 m (0). Sales in Sweden, which represented some 41 per cent of consolidated sales, grew 7 per cent to SEK 249.9 m. Norway posted a brisk year, with 25 per cent gains to SEK 95.2 m. Sales in Finland continued to rally, posting a 16 per cent increase to SEK 35.1 m. US sales soared 89 per cent to SEK 58.2 m, and in Europe outside the Nordic region, sales rose 19 per cent to SEK 97.7 m. Sales in Asia increased more than fivefold, mainly because of the Hitech acquisition, achieving an aggregate total of SEK 79.2 m.

Consolidated Operating Profit

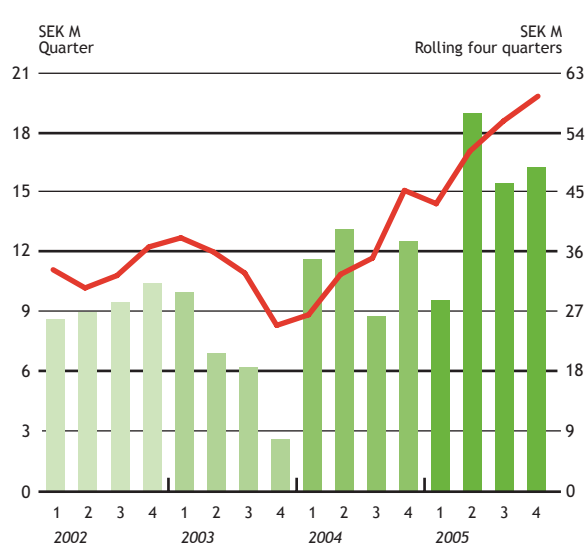
Positive profit performance sustained through the fourth quarter, when consolidated operating profit grew 30 per cent to SEK 16.2 m (12.5), corresponding to operating

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

margins of 9.6 per cent (10.4). Full-year 2005 operating profit grew 31 per cent to SEK 60.1 m (45.9) equivalent to an operating margin of 9.8 per cent (9.9).

The earnings gains are due to the Hitech acquisition, and improved earnings in both business areas, Automation and HMI Products. Meanwhile, earnings were subject to higher development expenses, higher amortization of development expenses and lower capitalized development expenses, which explains the somewhat lower operating margins in the fourth quarter.

Development expenses, relating entirely to the HMI Products business area, where SEK 36.0 m (29.0) for the full year, with Hitech representing the majority of this increase. SEK 11.8 m (15.3) of these development expenses were capitalized. Amortization of capitalized development expenses was SEK 4.1 m (0.2), and the book value of capitalized development expenses was SEK 27.0 m at year-end 2005.

Consolidated Profit before and after Tax

Earnings before tax rose SEK 15.8 m (12.2) in the fourth quarter, and to SEK 58.6 m (45.9) for the full year 2005. Fourth-quarter profit after estimated tax was SEK 11.7 m (8.5) and SEK 41.2 m (32.7) for the full year.

Earnings per Share after Estimated Tax

Earnings per share after estimated tax rose to SEK 6.62 (5.25) for the full year 2005.

Dividends

The Board of Directors is proposing dividends of SEK 3.25 (3.00) for the financial year 2005.

The Automation Business Area

Growth on the domestic market comprising Sweden, Norway and Finland, serviced by the Automation business area, advanced in the fourth quarter. Sales rose across all markets and in all product areas.

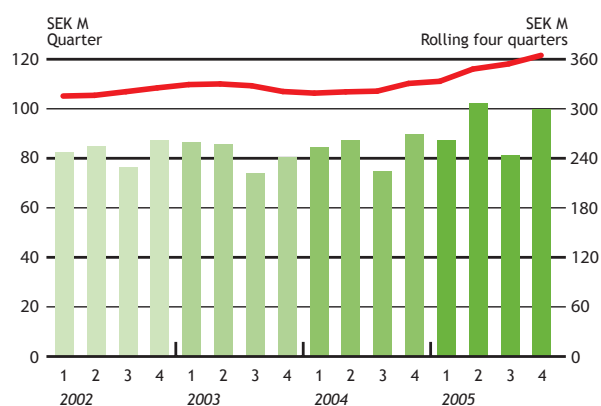
A new shared order management system and shared logistics facility at Malmö were brought on stream in spring 2005, initiatives that generated savings and enhanced customer service, particularly in terms of the share of completed deliveries. Meanwhile, inventories have reduced, and a new centralized pan-Nordic procurement function meant significant savings. The coordination into a single pan-Nordic marketing function has meant more efficient organizational resources and the opportunity to roll out harder-hitting marketing activities.

Business area sales grew 11 per cent to SEK 99.9 m (89.8) in the fourth quarter. Sales rose 10 per cent in the full year to SEK 370.7 m (336.7). The Drive Systems product area traced the strongest performance, posting gains of over 20 per cent. Operator Systems' sales grew by

some 15 per cent, and Control Systems by approximately 6 per cent.

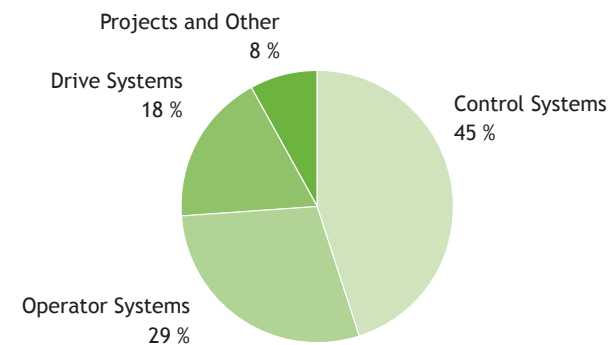
Operating profit rose 56 per cent to SEK 8.5 m (5.5) in the fourth quarter, equivalent to an operating margin of 8.6 per cent (6.1). Full-year operating profit grew by 30 per cent to SEK 29.6 m (22.8). Operating margins for the full year were 8.0 per cent (6.8). Earnings gains were due to expanded volumes and the effects of reorganization and rationalization packages.

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 Area, Automation



▲ Invoicing by the Automation business area's product areas in 2005.

Business Area Turnover and Operating Profit

SEK M	Turnover Quarter 4		Operating Profit Quarter 4		Turnover 12 months		Operating Profit 12 months	
	2005	2004	2005	2004	2005	2004	2005	2004
Automation	99.9	89.8	8.5	5.5	370.7	336.7	29.6	22.8
HMI Products	81.3	43.2	9.4	8.6	295.2	173.4	37.5	29.4
Intra-group sales	-12.9	-12.8			-50.6	-46.1		
Central Costs			-1.7	-1.6			-7.0	-6.3
Group	168.3	120.3	16.2	12.5	615.3	464.0	60.1	45.9

The HMI Products Business Area

The HMI products market posted good growth; the collaboration with acquired enterprise Hitech Electronics performed better than plan, with this company's sales and earnings exceeding expectations. Launches of the new EXTER terminal in China are prepared, with sales of Hitech's products – the new H-series – beginning through Beijer Electronics European and US organizational resources.

The development of six new mid-range terminals, based on the new BEPP (Beijer Electronics Power Panel) platform, concluded in the year. Production started around year-end, with the first deliveries scheduled for April 2006. The extended product range has enhanced HMI Products' competitiveness.

Business area sales rose by 88 per cent in the fourth quarter to SEK 81.3 m (43.2), with Hitech contributing SEK 31.1 m. Full-year turnover grew by 70 per cent to SEK 295.2 m (173.4). Hitech generated SEK 100.0 m of full-year sales. Sales of the group's new operator terminals with

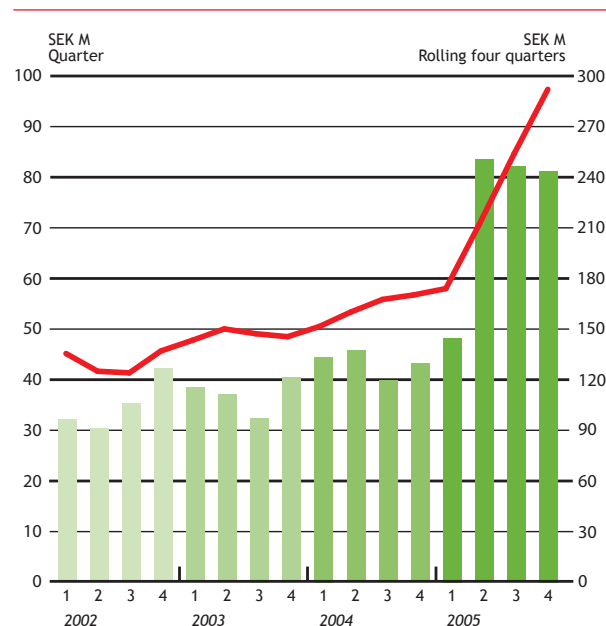
the proprietary brand EXTER and Mitsubishi Electric's counterpart, the E1000, progressed well, representing 20 per cent of business area sales excluding Hitech.

Brand label sales grew somewhat in the year. Sales in the Nordic region through the Automation business area increased by some 10 per cent. Sales outside the Nordic region through proprietary brands EXTER and IMREX grew by over 40 per cent. Brand label channels represented a total of 35 per cent (57) of sales in 2005, while in-house sales including Automation and Hitech, represented an aggregate total of 65 per cent (43).

Business area operating profit rose by 9 per cent in the fourth quarter to SEK 9.4 m (8.6), equivalent to an operating margin of 11.5 per cent (19.9). Full-year profit grew 28 per cent to SEK 37.5 m (29.4). Full-year operating margin was 12.7 per cent (16.9).

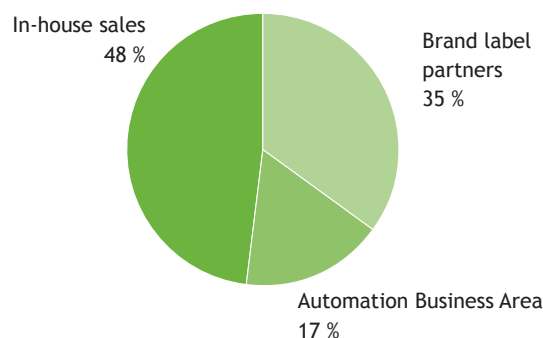
Profit gains are due to higher volumes and the Hitech acquisition. Gross margins for the fourth quarter and full year remain at unchanged, healthy levels; the operating margin contraction is mainly explained by profits being subject to increased amortization of development expenses, higher development expenses and lower capitalized development expenses. Fourth-quarter profit was also subject to increased expenses for the H-series' marketing and launch in Europe and the US.

Invoicing, HMI Products



▲ The bars and left-hand scale indicate quarterly invoicing. The curve and right-hand scale show rolling four quarter invoicing. Quarter 2, 3 and 4 include Hitech Electronics.

Invoicing by Sales Channel, HMI Products



▲ Invoicing by the HMI Products business area's sales channels in 2005.

Development expenses increased to SEK 36.0 m (29.0), mainly due to the Hitech acquisition, which was equivalent to 12.2 per cent (16.7) of business area sales.

Other Financial Information

Consolidated investments including capitalized development expenses and acquisitions were SEK 157.4 m (19.3) in the year. Cash flow from operating activities was SEK 54.5 m (36.4). Shareholders' equity was SEK 150.5 m (114.9) as of 31 December 2005. The equity ratio was 38.5 per cent (49.2), with the change dependent on the acquisition of Hitech Electronics, resulting in total assets expanding. Liquid assets at year-end were SEK 63.7 m (74.6), when net cash was SEK -18.7 m (60.1). The average number of employees was 294 (199).

Consolidated Statement of Changes to Shareholders' Equity, Nine Months 2005.

SEK 000	Share Capital	Restricted Equity	Non-restricted Equity
OB, IFRS, 1 Jan. 2005	6,222	32,474	76,219
Dividends			-18,664
Net profit			41,174
Translation difference		11,990	1,119
	6,222	44,464	99,848

IFRS

From 1 January 2005, Beijer Electronics is reporting pursuant to IFRS (International Financial Reporting Standards). The comparative figures for 2004 have been converted pursuant to IFRS. Consolidated net profits for 2004 were SEK 227,000 higher pursuant to IFRS than in the previous accounting. Total assets, liabilities and shareholders' equity were SEK 5.4 m higher pursuant to IFRS at the end of 2004 than in the previous accounting.

Significant Events

In late-March, Beijer Electronics acquired Hitech Electronics in its HMI Products business area. The acquisition was strategic, establishing Beijer Electronics as a global player in HMI products, while simultaneously, the group gained a major addition to sales and profits. Hitech Electronics provides an enviable platform for creating long-term growth on the world's most dynamic regional market, while also offering synergy gains through extra sales, coordination of procurement and production, as well as product development. Hitech Electronics was consolidated in Beijer Electronics' accounts from 1 April 2005.

In May, Beijer Electronics signed a new strategic master agreement with ABB for the supply of the new generation of operator terminals, built on the new platform BEPP. The first BEPP platform was completed in autumn 2004, with the delivery of terminals with the Beijer Electronics' EXTER brand beginning in early 2005.

ABB is selling the new operator terminals globally through its worldwide organization. The terminals are marketed and sold under ABB brands, and have an ABB design. The first deliveries to ABB began in early 2006.

In September, Beijer Electronics acquired another 30 per cent of the shares of Norwegian enterprise Autic AS, and now holds a total of 40 per cent of this stock. Autic AS holds the agencies for Citect's SCADA systems in Norway, and Beijer Electronics has the agency for the Swedish market. The Norwegian company has sales of some SEK 8 m.

In September, the Automation business area signed an agreement with Cognex of the US, which acquired DVT. Beijer Electronics already has the agency for DVT's vision systems. Cognex is the world's largest supplier of vision systems, and this agreement significantly extends Beijer Electronics' product range in the segment.

Beijer Electronics signed a new long-term master agreement with Tetra Pak after the end of the year, regarding deliveries of new operator terminals based on the BEPP platform. Beijer Electronics has been collaborating with Tetra Pak since autumn 2003, when deliveries of the previous generation of terminals began. This master agreement is global, covering supplies of new operator terminals for the process equipment and machine controls that Tetra Pak produces and sells worldwide. Tetra Pak is one of the world's largest users of Automation equipment.

Annual General Meeting

Beijer Electronics' Annual General Meeting will be held at 4 p.m. on 25 April 2006 at the Malmö Concert Hall, Föreningsgatan 35, Malmö, Sweden.

Outlook for 2006

Beijer Electronics put in a strong finish to the past year, while early 2006 has been positive. Beijer Electronics anticipates a sustained healthy market, with Europe recovering in 2006. Beijer Electronics consolidated its product range in 2005, extended its sales channels and created a more effective organization. Overall, Beijer Electronics perceives bright prospects of also increasing sales and profits in 2006.

The Board of Directors
Malmö, Sweden, 9 February 2006

For more information, please contact CEO Göran Sigfridsson on tel: +46 (0)40 35 86 00 or +46 (0)70 535 8610.

This Report has not been reviewed by Beijer Electronics' auditors.

Transition to IFRS, full-year 2004

SEK 000	CB (RR*) Full-year 2004	IFRS Adj	CB (IFRS) Full-year 2004
Consolidated Income Statement			
Intangible fixed assets	26,641	552	27,193
Tangible fixed assets	12,467	4,593	17,060
Financial fixed assets	1,598	419	2,017
Inventories	53,861	-	53,861
Current receivables	58,952	-160	58,792
Liquid assets	74,646	-	74,646
Total assets	228,165	5,404	233,569
Restricted equity	38,696	-	38,696
Non-restricted equity	76,741	-522	76,219
Long-term liabilities	30,903	3,565	34,468
Current liabilities	81,825	2,361	84,186
Total liabilities and shareholders' equity	228,165	5,404	233,569
Consolidated Income Statement			
Other external expenses	-70,815	1,920	-68,895
Depreciation and amortization of tangible and intangible fixed assets	-4,620	-1,537	-6,157
Operating profit	45,563	383	45,946
Interest expenses, etc.	-743	-284	-1,027
Tax on profit for the year	-13,403	128	-13,275
Net profit	32,431	227	32,658

* RR = Redovisningsrådet, the Swedish Financial Accounting Standards Council

Transition to IFRS-Comments

The Directors' Report in Beijer Electronics' Annual Report for 2004 included a review of the accounting principles affected by the adoption of IFRS, and the financial effects on profit and position in 2004 (please also see Note 29 of the Annual Report). Comparative figures for 2004 have been recalculated pursuant to these standards, and other changes to the accounting principles are reviewed below:

IAS 1 Presentation of Financial Statements. Provisions are accounted as of 1 January 2004 as long-term liabilities.

IAS 17 Leases. Operating lease contracts have been reclassified as finance leasing contracts, reducing net profit by SEK 325,000 net (lower external expenses but higher depreciation, and interest expenses). This reclassification

reduced previous retained earnings by SEK 749,000 as of 1 January 2004 and increased tangible and financial fixed assets.

IFRS 3 Business Combinations. The reversal of the amortization of goodwill according to plan from acquisitions, replaced by impairment tests from 2005 onwards. This reversal reduced depreciation by SEK 552,000 in the period, and increased intangible fixed assets by the same amount.

In its consolidated financial statements, Beijer Electronics has chosen to zero translation differences for foreign subsidiaries. No profit effect has arisen. Acquisition values are used as a basis for calculating the depreciation of tangible fixed assets.

Year 2005 in Summary

Income Statement

SEK 000	Q4 2005	Q4 2004	12 mths 2005	12 mths 2004
Net turnover	168,345	120,276	615,288	464,044
Other operating revenue	4,826	4,510	15,189	16,392
Operating expenses	-152,665	-112,020	-556,209	-428,333
Depreciation	-4,282	-269	-14,204	-6,157
Operating profit	16,224	12,497	60,064	45,946
Net financial position	-395	-341	-1,468	-13
Profit before tax	15,829	12,156	58,596	45,933
Estimated tax	-4,084	-3,630	-17,422	-13,275
Net profit	11,745	8,526	41,174	32,658
<i>Equiv. to earnings per share, SEK</i>	<i>1.89</i>	<i>1.37</i>	<i>6.62</i>	<i>5.25</i>

Balance Sheet

SEK 000	2005-12	2004-12
Assets		
Fixed assets	155,350	46,270
Current assets	171,663	112,653
Liquid assets and short-term investments	63,743	74,646
Total assets	390,756	233,569
Liabilities and shareholders' equity		
Shareholders' equity	150,534	114,915
Long-term liabilities	108,281	34,468
Current liabilities	131,941	84,186
Total liabilities and shareholders' equity	390,756	233,569
<i>Of which interest-bearing liabilities</i>	<i>82,381</i>	<i>14,525</i>

Key Figures

Operating margin, %	9.8	9.9
Profit margin, %	6.7	7.0
Equity ratio, %	38.5	49.2
Shareholders' equity per share, SEK	24.20	18.47
Earnings per share, SEK	6.62	5.25
Rolling 12-month EPS, SEK	31.0	30.4
Return on capital employed, %	33.6	38.8
Return on net operating assets, %	53.6	97.4
Average number of employees	294	199
<i>Number of shares 6,221,488</i>		

Cash Flow Statement

Cash flow from operating activities before change in working capital	54,517	36,401
Change in working capital	23,491	-6,010
Cash flow from investment activity	-130,057	-11,716
Cash flow from financial activity	57,416	0
Dividends paid	-18,664	-17,109
Change in liquid assets	-13,297	1,566
Liquid assets and short-term investments, opening balance	74,646	73,175
Price/exch. rate change, liquid assets	2,394	-95
Liquid assets and short-term investments, closing balance	63,743	74,646

Beijer Electronics AB

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, and subsidiaries in Finland, Germany, Norway, Taiwan 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.beijer.se.

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: koncerninfo@beijer.se.

Forthcoming Financial Information

April 2006 Annual Report 2005
25 April 2006 Three-month Interim Report
25 April 2006 Annual General Meeting
17 August 2006 Six-month Interim Report
25 October 2006 Nine-month Interim Report

Beijer
ELECTRONICS

Beijer Electronics AB (publ)
Box 426, 201 24 Malmö, Telefon 040-35 86 00, Telefax 040-93 23 01
e-post info@beijer.se, www.beijer.se

org nr 556025-1851