

2009

JANUARY-SEPTEMBER

- Sales and profit continued to grow robustly through the third quarter.
- The Hitech acquisition continued to progress very positively, making significant sales and profit contributions.
- Turnover rose 30 per cent to SEK 446.9 m (343.8) in the nine-month period.
- Operating profit grew 31 per cent in the period to SEK 43.8 m (33.4); profit after tax was SEK 29.4 m (24.1).
- Earnings per share: SEK 4.73 (3.88).

INTERIM REPORT

Beijer Electronics AB, Interim Report 1 January - 30 September 2005

Comments from Göran Sigfridsson, our CEO

"I'm still very satisfied with our acquisition of Hitech Electronics, which has provided better sales and profit than we expected. Our collaboration is functioning superbly – we're now launching Hitech's products in Europe and the US under Beijer Electronics brands. The acquisition also meant the group's two business areas becoming equally sized in the third quarter. Hitech will also help Beijer Electronics achieve its best-ever year in 2005 in sales and profit terms."

"HMI Products sustained its healthy growth, even excluding Hitech, and was able to retain good profitability. We've relocated some of our operator terminal production to Thailand to respond to a stronger dollar and intensifying competition. Our aim is to preserve the business area's gross margins."

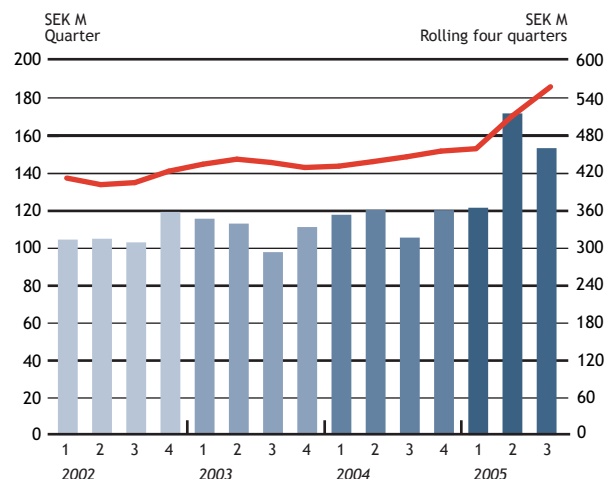
"Automation's sales also increased in the third quarter, which is a good sign of an investment cycle rally. Moreover, the business area has won market share. Beijer Electronics has reached an agreement with Cognex of the US in the vision systems product area, implying an extended product range in this segment."

Consolidated Revenues

The industrial automation market maintained growth in the third quarter. This firmer market is due to increased willingness to invest within manufacturing, the consequence of a latent investment need and growing demands for rationalization to reduce production expenses, which favors automation corporations like Beijer Electronics.

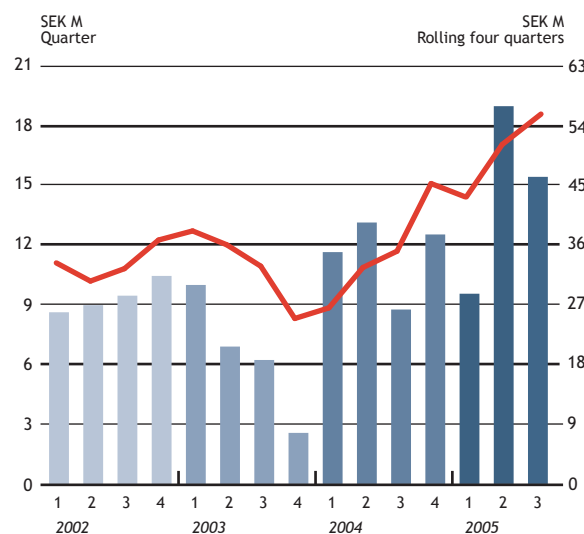
Beijer Electronics' consolidated revenues continued to rise in the third quarter, although this is its weakest quarter in seasonal terms because of vacation periods. Consolidated revenues grew 45 per cent to SEK 153.4 m (105.6) in the quarter. The upturn can be explained by the acquisition of Hitech Electronics, which was consolidated from 1 April and contributed SEK 36.4 m in the

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.

Business Area Turnover and Operating Profit

SEK M	Turnover Quarter 3		Operating Profit Quarter 3		Turnover 9 months		Operating Profit 9 months	
	2005	2004	2005	2004	2005	2004	2005	2004
Automation	81.4	74.9	5.3	4.1	270.7	246.9	21.1	17.3
HMI Products	82.1	39.9	10.6	5.8	213.9	130.2	28.1	20.8
Intra-group sales	-10.1	-9.2			-37.7	-33.3		
Central Costs			-0.5	-1.2			-5.4	-4.7
Group	153.4	105.6	15.4	8.7	446.9	343.8	43.8	33.4

quarter, and increased sales across basically all product areas and geographical markets.

Revenues in the first three quarters grew 30 per cent to SEK 446.9 m (343.8), with Hitech contributing SEK 69.2 m. Sales in Sweden, representing some 43 per cent of consolidated sales, grew by 12 per cent-plus. Progress in Norway remained positive, with gains approaching 27 per cent, while in Finland, sales rose 8 per cent over the whole reporting period. Total sales in Europe including the Nordic region grew by 13 per cent in the period. Because of the Hitech acquisition, sales in the US and Asia grew very briskly.

Consolidated Operating Profit

The group continued to improve operating profit in the third quarter, rising 76 per cent to SEK 15.4 m (8.7), equivalent to an operating margin of 10.0 per cent (8.3). The gains are attributable to the acquisition of Hitech and earnings gains in the Automation and HMI Products business areas.

Operating profit rose by 31 per cent in the first nine months to SEK 43.8 m (33.4), equivalent to a margin of 9.8 per cent (9.7). Development expenses, which exclusively relate to the HMI Products business area, amounted to SEK 24.7 m (20.3) in the whole reporting period, of which SEK 7.5 m (10.5) was capitalized. Amortization of capitalized development expenses was SEK 3.7 m (0.5), and cumulative capitalized development expenses were SEK 23.8 m at the end of the reporting period.

Consolidated Profit before and after Tax

The group posted negative net financial income/expenses of SEK -0.4 m (-0.1) in the third quarter because of liabilities arising from the Hitech acquisition. Net finan-

cial income/expenses in the first three quarters of the year were SEK -1.1 m (+0.3). Profit before tax rose to SEK 15.0 m (8.6) in the third quarter and SEK 42.8 m (33.8) in the first nine months of the year. Profit after estimated tax was SEK 9.7 m (6.2) in the third quarter and SEK 29.4 m (24.1) in the nine-month period. Earnings per share after estimated tax were SEK 4.73 (3.88) for the whole reporting period.

The Automation Business Area

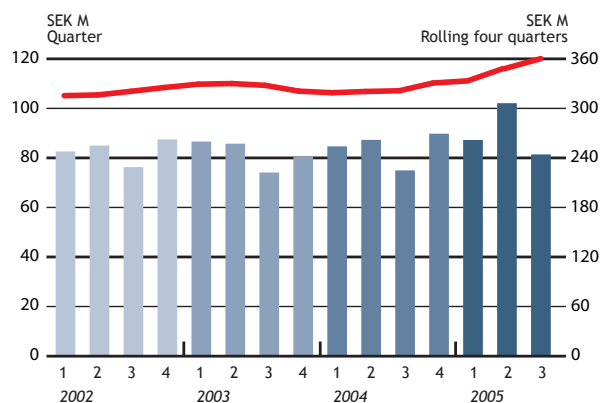
The domestic market – Sweden, Norway and Finland – which is serviced by the Automation business area, continued to progress positively generally in the third quarter. The Swedish market made healthy progress, the Norwegian market performed very firmly, while the Finnish market slowed. However, the third quarter is normally the business area's weakest in seasonal terms.

Business area sales grew by 9 per cent to SEK 81.4 m (74.9) in the third quarter, and for the first three quarters, sales were SEK 270.7 m (246.9), corresponding to a 10 per cent increase. All product areas contributed to the sales gains.

Operating profit grew 29 per cent to SEK 5.3 m (4.1) in the third quarter, equivalent to a 6.5 per cent (5.5) operating margin. Profit in the first nine months rose to SEK 21.1 m (17.3); margins were 7.8 per cent (7.0). Profit gains were due to higher volumes and the effect of reorganization and coordination packages.

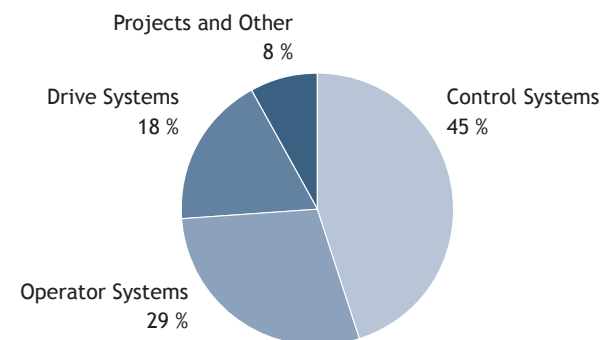
In September, the business area reached an agreement with Cognex of the US, which acquired DVT. Beijer Electronics has held the DVT vision systems agency for some time. Cognex is the world's largest provider of vision systems, and this deal means Beijer Electronics significantly extending its product range in this segment.

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 the first three quarters 2005.

The HMI Products Business Area

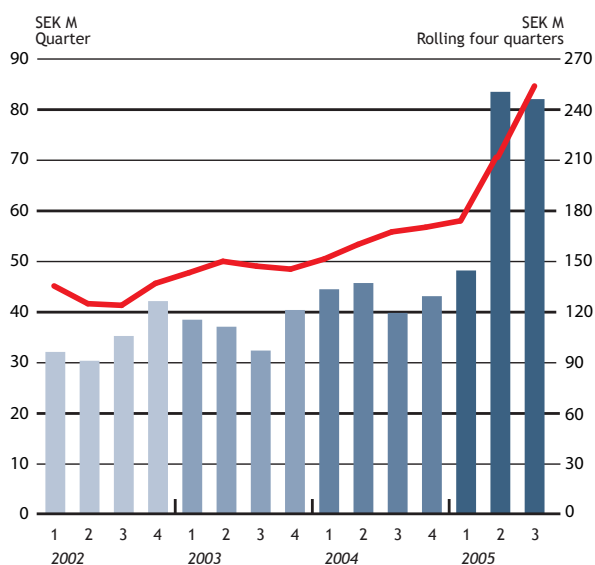
The market for HMI products was stable. The collaboration with the acquired enterprise Hitech Electronics progressed better than planned, with this company's sales and profits exceeding expectations.

Business area sales grew 106 per cent to SEK 82.1 m (39.9), with Hitech contributing SEK 36.6 m in the third quarter. Sales rose by 64 per cent in the first nine months to SEK 213.9 m (130.2). Sales of the group's new operator terminals, marketed through channels including the proprietary brand EXTER, progressed positively, representing 20 per cent of business area terminal sales on the European and North American market.

Brand label sales grew somewhat in the nine-month period. Sales in the Nordic region through the Automation business area increased fairly strongly. Sales outside the Nordic region through proprietary brands EXTER and CIMREX grew by some 36 per cent. Hitech's sales also contributed significantly to Beijer Electronics in-house sales. Total in-house sales, including sales through the Automation business area, were 64 per cent (42) of the business area's total sales in the first three quarters.

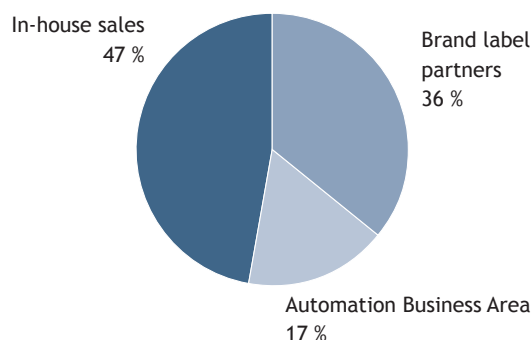
Business area operating profit rose by 80 per cent in the third quarter to SEK 10.6 m (5.8), equating to an operating margin of 12.9 per cent (14.7). Profit in the first nine months increased by 35 per cent to SEK 28.1 m (20.8).

Invoicing, HMI Products



▲ The bars and left-hand scale indicate quarterly invoicing. The curve and right-hand scale show rolling four quarter invoicing. The second and third quarters 2005 include Hitech Electronics.

Invoicing by Sales Channel, HMI Products



▲ Invoicing by the HMI Products business area's sales channels in the first three quarters of 2005.

Margins were 13.1 per cent (16.0). The profit increase is due to expanded volumes and the acquisition of Hitech. Meanwhile, profit was subject to approximately SEK 3.1 m of amortized development expenses, which alongside lower capitalized development expenses, explained the lower margins.

The coordination with Hitech is continuing within the auspices of Beijer Electronics' strategy, with activities including EXTER now being launched in Asia and sales of Hitech products beginning through Beijer Electronics' European and US organizational resources. Beijer Electronics has also outsourced some of its operator terminal production to a contract manufacturer in Thailand, to compensate for a stronger dollar and to cut production expenses, with the aim of maintaining gross margins.

Other Financial Information

Consolidated investments, including capitalized development expenses and acquisitions, amounted to SEK 128.6 m (13.3) in the reporting period. Cash flow from operating activities was SEK 38.0 m (23.6). Shareholders' equity was SEK 133.2 m (106.3) as of 30 September 2005. The equity ratio was 35.5 per cent (48.4). The decrease is due to the acquisition of Hitech Electronics,

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			29,429
Translation difference		4,760	2,798
	6,222	37,234	89,782

implying the expansion of the Consolidated Balance Sheet's assets and liabilities sides. Liquid assets were SEK 45.6 m (53.3) at the end of the reporting period, when net debt was SEK 44.9 m (+39.1). The average number of employees was 293 (200).

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 the third quarter 2004 were SEK 158,000 higher than in the previous accounting. Total assets, liabilities and shareholders' equity were SEK 5.9 m higher pursuant to IFRS at the end of the third quarter 2004 than in the previous accounting.

Significant Events in 2005

In late-March, Beijer Electronics acquired Hitech Electronics of Taiwan in its HMI Products business area. Hitech Electronics had sales of SEK 118 m, a total of 91 staff and profit before tax of SEK 17 m in 2004.

The acquisition is strategic, establishing Beijer Electronics as a global player in HMI Products, while simultaneously, the group gains 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.

The total purchase price for Hitech Electronics was SEK 131.5 m, SEK 6.2 m of which comprises an estimated earnings-based supplement. Acquisition expenses of SEK 2.1 m are also included. The acquisition included SEK 10.1 m of liquid assets; acquired assets and liabilities amounted to SEK 117.4 m and SEK 23.2 m respectively. Thus acquired assets were SEK 94.2 m, with intangible fixed assets representing SEK 25.6 m of this total. Estimated goodwill of SEK 37.3 m arose additionally as a consequence of the difference between the total purchase price and acquired net assets.

In May, Beijer Electronics signed a new strategic master agreement with ABB regarding deliveries of its new generation of operator terminals built on the new

platform BEPP (Beijer Electronics Power Panel). BEPP was launched in autumn 2004, and the first deliveries, under the Beijer Electronics brand EXTER, occurred in early 2005.

ABB will be selling the new operator terminals globally through its worldwide organization. The terminals will be marketed and sold under ABB brands, and have an ABB design. This master agreement encompasses the entire product range Beijer Electronics has launched until the present, i.e. five terminals in the larger segment, three with touch screens and two with function keys. Beijer Electronics is tailoring its terminals to ABB's customer-specific needs, which implies integration with ABB's control systems, with hardware and software modifications. The first deliveries to ABB are scheduled for early 2006.

In September, Beijer Electronics acquired another 30 per cent of the shares of Nordic enterprise Autic System AS, and now holds a total of 40 per cent of this stock. Autic 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.

Outlook for 2005

The market rally continued in the third quarter and Beijer Electronics was able to post sales and profit gains, even without contributions from the Hitech acquisition. Beijer Electronics expects the market to remain positive for the rest of the year, offering the group good prospects to increase sales and profits for the full year 2005. Moreover, the acquisition of Hitech Electronics will make a positive contribution to consolidated sales and profits.

Göran Sigfridsson
CEO and President

Malmö, Sweden, 20 October 2005.

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, Quarter 3 2004

SEK 000	CB (RR*) Q3 2004	IFRS Adj Q3 2004	CB (IFRS) Q3 2004
Consolidated Income Statement			
Intangible fixed assets	20,132	414	20,546
Tangible fixed assets	12,967	5,238	18,205
Financial fixed assets	1,367	391	1,758
Inventories	58,252	-	58,252
Current receivables	67,636	-167	67,469
Liquid assets	53,263	-	53,263
Total assets	213,617	5,876	219,493
Restricted equity	32,881	-	32,881
Non-restricted equity	74,010	-591	73,419
Long-term liabilities	26,864	3,951	30,815
Current liabilities	79,862	2,516	82,378
Total liabilities and shareholders' equity	213,617	5,876	219,493
Consolidated Income Statement			
Other external expenses	-51,440	1,428	-50,012
Depreciation and amortization of tangible and intangible fixed assets	-4,734	-1,154	-5,888
Operating profit	33,175	274	33,449
Interest expenses, etc.	-379	-216	-595
Tax on profit for the year	-9,745	100	-9,645
Net profit	23,974	158	24,132

* 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 the first half-year 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 256,000 net (lower external expenses but higher depreciation, and interest expenses). This reclassification reduced previous retained earnings by SEK 749,000 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 414,000 in the period, and increased intangible fixed assets by the same amount.

IAS 32 and IAS 39 on financial instruments. Beijer Electronics did not experience any financial effect from such instruments in the first three quarters of 2005.

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

Third Quarter 2005 in Summary

Income Statement

SEK 000	Q3, 2005	Q3, 2004	9 MTH 2005	9 MTH 2004	12 MTH 2004
Net turnover	153,408	105,586	446,943	343,768	464,044
Other operating revenue	3,672	3,402	10,363	11,882	16,392
Operating expenses	-138,154	-98,037	-403,544	-316,313	-428,333
Depreciation	-3,543	-2,212	-9,922	-5,888	-6,157
Operating profit	15,383	8,739	43,840	33,449	45,946
Net financial position	-428	-113	-1,073	328	-13
Profit before tax	14,955	8,626	42,767	33,777	45,933
Estimated tax	-5,300	-2,454	-13,338	-9,645	-13,275
Net profit	9,655	6,172	29,429	24,132	32,658
<i>Equiv. to earnings per share, SEK</i>	<i>1.55</i>	<i>0.99</i>	<i>4.73</i>	<i>3.88</i>	<i>5.25</i>

Balance Sheet

SEK 000	Sep 2005	Sep 2004	Dec 2004
Assets			
Fixed assets	141,977	40,509	46,270
Current assets	187,261	125,721	112,653
Liquid assets and short-term investments	45,556	53,263	74,646
Total assets	374,794	219,493	233,569
Liabilities and shareholders' equity			
Shareholders' equity	133,238	106,300	114,915
Long-term liabilities	124,685	30,815	34,468
Current liabilities	116,871	82,378	84,186
Total liabilities and shareholders' equity	374,794	219,493	233,569
<i>Of which interest-bearing liabilities</i>	<i>90,511</i>	<i>14,226</i>	<i>14,525</i>

Key Figures

Operating margin, %	9.8	9.7	9.9
Profit margin, %	6.6	7.0	7.0
Equity ratio, %	35.5	48.4	49.2
Shareholders' equity per share, SEK	21.42	17.09	18.47
Earnings per share, SEK	4.73	3.88	5.25
Rolling 12-month EPS, SEK	6.10	4.24	5.25
Return on equity after tax, %	31.7	25.8	30.5
Return on capital employed, %	33.2	32.1	38.4
Return on net operating assets, %	45.9	57.8	94.9
Average number of employees	293	200	199

Number of shares 6,221,488

Cash Flow Statement

Cash flow from operating activities before change in working capital	38,039	23,644	44,212
Change in working capital	1,422	-18,987	-6,010
Cash flow from investment activity	-123,128	-7,564	-19,527
Cash flow from financial activity	71,945	-	-
Dividends paid	-18,664	-17,109	-17,109
Change in liquid assets	-30,386	-20,016	1,566
Liquid assets and short-term investments, opening balance	74,646	73,175	73,175
Price/exch. rate change, liquid assets	1,296	104	-95
Liquid assets and short-term investments, closing balance	45,556	53,263	74,646

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, 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.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

9 February 2006Financial Statement 2006
April 2006 Annual Report 2005
25 April 2006..... Three-month Interim Report
25 April 2006.....Annual General Meeting

