

# 2009

## JANUARY-JUNE

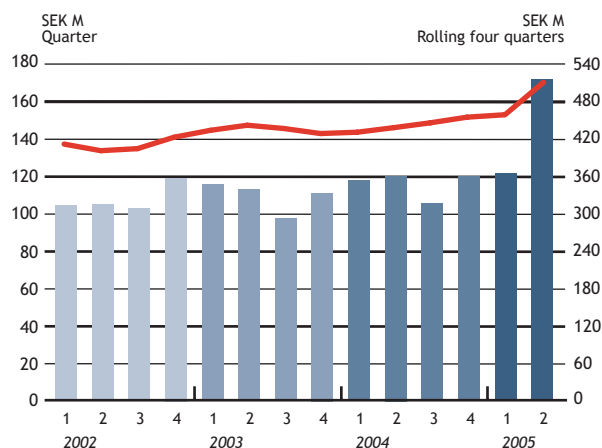
- Robust sales and profit increases
- Hitech acquisition progressing positively
- Net turnover rose 23 per cent to SEK 293.5 m (238.2) in the half-year
- Operating profit grew 15 per cent to SEK 28.5 m (24.7) m in the half-year
- Profit after tax was SEK 19.8 m (18.0)
- Earnings per share: SEK 3.18 (2.89)

INTERIM REPORT

# Beijer Electronics AB, Interim Report

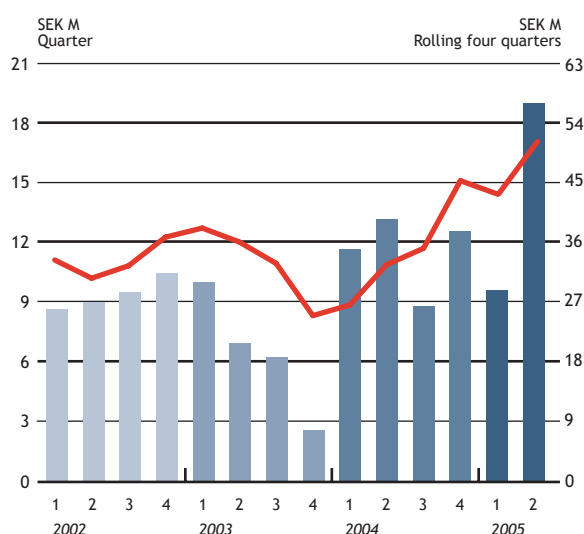
## 1 January – 30 June 2005

### Group Invoicing



▲ The bars and left-hand scale indicate quarterly invoicing. The 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		Operating Profit		Turnover		Operating Profit	
	2005	2004	2005	2004	2005	2004	2005	2004
Automation	102.1	87.3	10.0	7.6	189.3	172.0	15.8	13.2
HMI Products	83.5*	45.8	11.6	7.3	131.8*	90.3	17.5	14.9
Intra-group sales	-13.6	-12.7			-27.6	-24.1		
Central Costs			-2.6	-1.9			-4.8	-3.4
<b>Group</b>	<b>172.0</b>	<b>120.4</b>	<b>18.9</b>	<b>13.1</b>	<b>293.5</b>	<b>238.2</b>	<b>28.5</b>	<b>24.7</b>

\* Including the acquired Hitech Electronics.

### Comments from Göran Sigfridsson, our CEO

“Our acquisition of Hitech Electronics was a milestone in Beijer Electronics’ history and a momentous strategic step for the group. So far, Hitech’s integration has been very smooth, going completely according to plan, while the company’s sales and profits are better than expected. I’m also pleased that our business in HMI Products is maintaining its healthy expansion, particularly the new operator terminal, EXTER. Moreover, the coordination and reorganization of Automation is now generating palpable effects, with robust sales and profit gains.”

“During the second quarter, HMI Products posted its best-ever quarter in sales terms, including and excluding Hitech. And despite a heavier burden from development expenses, profits improved, even excluding Hitech. Other positives include very healthy sales performance in the US and Germany, and our launch of EXTER exceeding expectations.”

“Automation has been able to benefit from a market rally, while we’re also noting a positive effect from our new group-wide pan-Nordic marketing and procurement structure. A new central warehousing unit is now on-stream on our logistics side, and its ramp-up has progressed well. The second quarter was the business area’s best so far in sales and profit terms, and Automation is now strongly positioned to respond to a growing market and increased competition.”

### Consolidated Revenues

The industrial automation market posted marked gains in the second quarter after an inconsistent start to the year. This progress corroborates increased willingness to invest across manufacturing and a nascent upturn in the investment cycle, which has been weak for several years.

Beijer Electronics’ consolidated revenues rose sharply in the second quarter, with revenues growing 43 per cent to SEK 172.0 m (120.4). The upturn can be explained

by the acquisition of Hitech Electronics, which was consolidated from 1 April and contributed SEK 33.0 m, and better sales across all the group's product areas and geographical markets.

Revenues grew by 23 per cent to SEK 293.5 m (238.2) in the first six months of the year. Sales in Sweden – some 46 per cent of the consolidated total – rose by over 10 per cent. Norway and Finland each posted gains of some 20 per cent. Sales in the US grew by over 50 per cent, although progress in Europe was more restrained. Sales in the rest of the world grew robustly because of the Hitech acquisition.

### Consolidated Operating Profit

The group posted significantly improved operating profit in the second quarter, rising 45 per cent to SEK 18.9 m (13.1), equivalent to an operating margin of 11.0 per cent (10.8). The gains are attributable to the acquisition of Hitech, which contributed SEK 3.2 m, and earnings gains by Automation and HMI Products.

Operating profit rose by 15 per cent in the first half-year to SEK 28.5 m (24.7), equivalent to a margin of 9.7 per cent (10.4). Development expenses, which exclusively relate to the HMI Products business area, amounted to SEK 13.1 m (13.4) in the period, of which SEK 4.1 m (7.3) was capitalized. Amortization of capitalized development expenses was SEK 2.1 m (0.3), and capitalized development expenses were SEK 21.4 m (10.9) net at the mid-point of the year.

### Consolidated Profit before and after Tax

The group posted negative net financial income/expenses of SEK -0.8 m (+0.2) in the second quarter because of the acquisition of Hitech. Net financial income/expenses for the half-year were SEK -0.6 m (+0.4). Profit before tax rose to SEK 18.2 m (13.3) in the second quarter and SEK 27.8 m (25.2) in the first six months of the year. Profit after estimated tax was SEK 12.9 m (9.5) in the second quarter and SEK 19.8 m (18.0) in the half-year. Earnings per share after estimated tax were SEK 3.18 (2.89) for the whole reporting period.

### The Automation Business Area

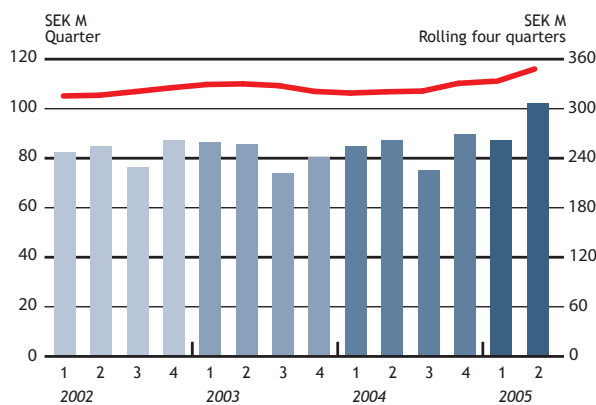
The domestic market – Sweden, Norway and Finland – which is serviced by the Automation business area, expanded sharply in the second quarter. The Swedish market made healthy progress, the Norwegian market progressed very positively, while the Finnish market continued its brisk rally.

Apart from favorable markets, the re-organization over the past year, sharpening the market and sales focus, assisted the business area's positive progress. Sales rose

17 per cent to SEK 102.1 m (87.3) in the second quarter, and for the first half-year, sales were SEK 189.3 m (172.0), corresponding to a 10 per cent increase. All product areas contributed to the sales gains.

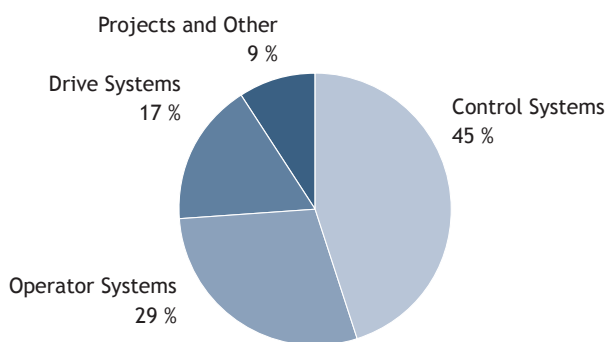
Business area operating profit grew 32 per cent to SEK 10.0 m (7.6) in the second quarter, equivalent to a 9.8 per cent (8.7) margin. Profit in the first half-year rose to SEK 15.8 m (13.2); margins were 8.4 per cent (7.7). Profit gains were due to higher volumes and the effect of reorganization and coordination 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

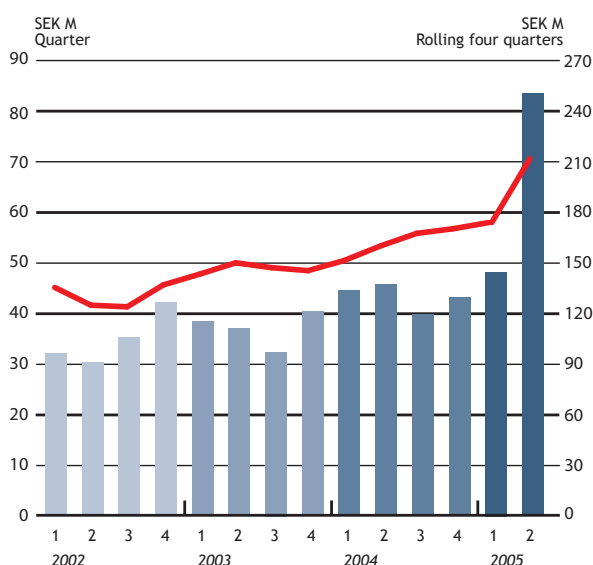


▲ Invoicing by the Automation business area's product areas in the first half-year 2005.

## The HMI Products Business Area

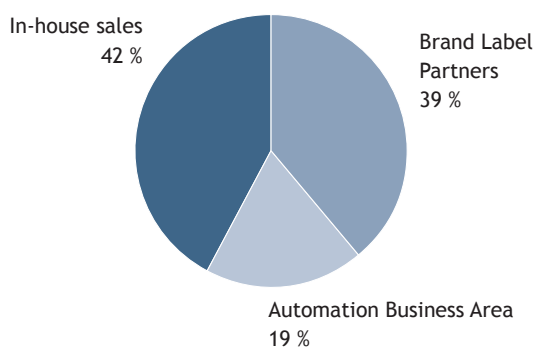
The market for HMI products progressed consistent with expectations, with the acquisition of Hitech Electronics making a significant contribution to Beijer Electronics. Business area sales grew 82 per cent to SEK 83.5 m (45.8), with Hitech contributing SEK 33.0 m in the second quarter. Sales rose by 46 per cent in the first six months to SEK 131.8 m (90.3). Sales of the group's new operator terminals maintained their positive progress, representing 20 per cent of business area sales excluding Hitech.

### 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 quarter 2005 includes Hitech Electronics.

### Invoicing by Sales Channel, HMI Products



▲ Invoicing by the HMI Products business area's sales channels in the first half-year 2005.

Brand label sales remained largely unchanged in the first half-year. Sales in the Nordic region through the Automation business area increased somewhat, while sales outside the Nordic region through proprietary brands EXTER and CIMREX grew by more than 50 per cent. Hitech's sales also contributed to Beijer Electronics in-house sales. Total in-house sales, including sales through the Automation business area, were 61 per cent (42) of the business area's total sales.

Business area operating profit rose by 58 per cent in the second quarter to SEK 11.6 m (7.3), equating to a margin of 13.9 per cent (15.9). Profit in the first half-year grew to SEK 17.5 m (14.9). Margins were 13.3 per cent (16.5). The profit increase is due to expanded volumes and the acquisition of Hitech, which contributed SEK 3.2 m. Meanwhile, profit was subject to approximately SEK 2.1 m of amortization of development expenses.

The integration of Hitech Electronics has proceeded according to plan, with Hitech's second-quarter sales and profit somewhat above expectations. The coordination continues within the framework of Beijer Electronics' strategy, with EXTER now being launched in Taiwan as its first phase.

### Other Financial Information

Consolidated investments, including capitalized development expenses and acquisitions, amounted to SEK 123.8 m (8.8) in the reporting period. Cash flow from operating activities was SEK 25.3 m (16.4). Shareholders' equity was SEK 123.0 m (100.3) as of 30 June 2005. The equity ratio was 32.4 per cent (43.7). The decrease is due to the acquisition of Hitech Electronics, implying the expansion of the Consolidated Balance Sheet's assets and liabilities sides. More detail on the acquisition calculation is available in the dedicated section of this Half-year Interim Report. Liquid assets were SEK 46.8 m (59.9) at the mid-point of the year, when net debt was SEK 51.2 m (+46.1). The average number of employees was 288 (198).

### Consolidated Statement of Changes to Shareholders' Equity, 6 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			19,774
Translation difference		4,111	2,895
	6,222	36,585	80,224

## 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 second quarter 2004 were SEK 117,000 higher than in the previous accounting. Total assets, liabilities and shareholders' equity were SEK 6.1 m higher pursuant to IFRS at the end of the second quarter 2004 than in the previous accounting.

## Significant Events

In late-March, Beijer Electronics acquired Hitech Electronics in its HMI Products business area. Hitech Electronics had sales of SEK 118 m, a total of 85 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 9.9 m of liquid assets; acquired assets and liabilities amounted to SEK 117.9 m and SEK 23.7 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 last autumn, 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 will now be 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.

## Outlook for 2005

The market rallied in the second quarter and Beijer Electronics was able to post significant sales and profit gains, even without contributions from the acquired entity, Hitech. Beijer Electronics expects the market to continue expanding 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, 18 August 2005

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

# Transition to IFRS, Quarter 2 2004

SEK 000	CB (RR*) Q2 2004	IFRS Adj Q2 2004	CB (IFRS) Q2 2004
<b>Consolidated Income Statement</b>			
Intangible fixed assets	17,426	276	17,702
Tangible fixed assets	13,067	5,649	18,716
Financial fixed assets	1,338	353	1,691
Inventories	58,490	-	58,490
Current receivables	72,967	-171	72,796
Liquid assets	59,871	-	59,871
<b>Total assets</b>	<b>223,159</b>	<b>6,107</b>	<b>229,266</b>
Restricted equity	32,889	-	32,889
Non-restricted equity	68,004	-632	67,372
Long-term liabilities	25,732	4,425	30,157
Current liabilities	96,534	2,314	98,848
<b>Total liabilities and shareholders' equity</b>	<b>223,159</b>	<b>6,107</b>	<b>229,266</b>
<b>Consolidated Income Statement</b>			
Other external expenses	-35,416	931	-34,485
Depreciation and amortization of tangible and intangible fixed assets	-2,942	-734	-3,676
<b>Operating profit</b>	<b>24,513</b>	<b>197</b>	<b>24,710</b>
Interest expenses, etc.	-193	-142	-335
Tax on profit for the year	-7,253	62	-7,191
<b>Net profit</b>	<b>17,843</b>	<b>117</b>	<b>17,960</b>

\* 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 159,000 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 276,000 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 half-year 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.

# Second Quarter 2005 in Summary

## Income statement

SEK 000	Q2, 2005	Q2, 2004	6 MTH 2005	6 MTH 2004	12 MTH 2004
Net turnover	171,982	120,393	293,535	238,182	464,044
Other operating revenue	4,940	4,506	6,691	8,480	16,392
Operating expenses	-154,072	-110,057	-265,390	-218,276	-428,333
Depreciation	-3,922	-1,746	-6,379	-3,676	-6,157
<b>Operating profit</b>	<b>18,928</b>	<b>13,096</b>	<b>28,457</b>	<b>24,710</b>	<b>45,946</b>
Net financial position	-763	186	-645	441	-13
<b>Profit before tax</b>	<b>18,165</b>	<b>13,282</b>	<b>27,812</b>	<b>25,151</b>	<b>45,933</b>
Estimated tax	-5,250	-3,800	-8,038	-7,191	-13,275
<b>Net profit</b>	<b>12,915</b>	<b>9,482</b>	<b>19,774</b>	<b>17,960</b>	<b>32,658</b>
<i>Equiv. to earnings per share, SEK</i>	<i>2.08</i>	<i>1.52</i>	<i>3.18</i>	<i>2.89</i>	<i>5.25</i>

SEK 000	2005-06	2004-06	2005-12
<b>Balance Sheet</b>			
<b>Assets</b>			
Fixed assets	138,622	38,109	46,270
Current assets	193,858	131,286	112,653
Liquid assets and short-term investments	46,799	59,871	74,646
<b>Total assets</b>	<b>379,279</b>	<b>229,266</b>	<b>233,569</b>
<b>Liabilities and shareholders' equity</b>			
Shareholders' equity	123,031	100,261	114,915
Long-term liabilities	127,827	30,157	34,468
Current liabilities	128,421	98,848	84,186
<b>Total liabilities and shareholders' equity</b>	<b>379,279</b>	<b>229,266</b>	<b>233,569</b>
<i>Of which interest-bearing liabilities</i>	<i>98,012</i>	<i>13,843</i>	<i>14,525</i>
<b>Key Figures</b>			
Operating margin, %	9.7	10.4	9.9
Profit margin, %	6.7	7.5	7.0
Equity ratio, %	32.4	43.7	49.2
Shareholders' equity per share, SEK	19.78	16.12	18.47
Earnings per share, SEK	3.18	2.89	5.25
Rolling 12-month EPS, SEK	5.54	4.00	5.25
Return on equity after tax, %	30.9	25.6	30.5
Return on capital employed, %	30.1	31.7	38.4
Return on net operating assets, %	43.5	61.8	94.9
Average number of employees	288	198	199
<i>Number of shares 6,221,488</i>			
<b>Cash Flow Statement</b>			
Cash flow from operating activities before change in working capital	25,270	16,421	44,212
Change in working capital	6,418	-8,813	-6,010
Cash flow from investment activity	-120,703	-3,940	-19,527
Cash flow from financial activity	78,038	-	-
Dividends paid	-18,664	-17,109	-17,109
<b>Change in liquid assets</b>	<b>-29,641</b>	<b>-13,441</b>	<b>1,566</b>
Liquid assets and short-term investments, opening balance	74,646	73,175	73,175
Price/exch. rate change, liquid assets	1,794	137	-95
<b>Liquid assets and short-term investments, closing balance</b>	<b>46,799</b>	<b>59,871</b>	<b>74,646</b>



## 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](http://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](mailto:koncerninfo@beijer.se).

### Forthcoming Financial Information

20 October 2005.....	Nine-month Interim Report
9 February 2006.....	Financial Statement 2005 (NB: incorrect date stated in previous report)
April 2006.....	Annual Report 2005
25 April 2006.....	Three-month Interim Report
25 April 2006.....	Annual General Meeting

**Beijer**  
ELECTRONICS

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