

2005

JANUARY – MARCH

- Net turnover increased by 3.2 per cent to SEK 121.6 m (117.8).
- Operating profit was SEK 9.5 m (11.6).
- Profit before tax amounted to SEK 9.6 m (11.9); profit after tax stood at SEK 6.9 m (8.5).
- Earnings per share after estimated tax were SEK 1.10 (1.36).
- Strategic acquisition of Hitech Electronics of Taiwan.
- Sales and profit are expected to increase for the full year 2005.

INTERIM REPORT

Beijer Electronics AB, Interim Report

1 January - 31 March 2005

Comments from Göran Sigfridsson, our CEO

“Our acquisition of Hitech Electronics, announced in March, has attracted major attention in the sector, signposting Beijer Electronics’ ambitions in the HMI market segment. This feels positive and may create more business opportunities. The acquisition is strategic, giving us an enviable platform to create long-term growth in the world’s most dynamic market region. Hitech Electronics has been consolidated from 1 April – coordination is already underway, a process headed by our Norwegian subsidiary’s CEO Tron Saastad.”

“The HMI Products business area’s healthy sales gains continued and I’m pleased that our in-house direct sales are performing positively, as are our main brand label channels. EXTER – our new operator terminals – have also been very well received on the market. After only three months, EXTER represented 16 per cent of business area sales.”

“The Automation business area’s market posted slightly lower growth in the period than the previous quarter, but the business area was able to defend its market shares, lifting sales and profits in the period. The fact that sales in Finland have started to rally, and the Norwegian business is posting good profits, is positive.”

Consolidated Revenues

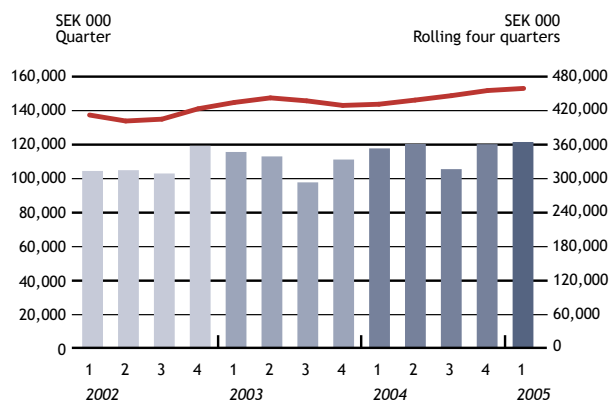
The industrial automation market presented a somewhat conflicting picture in the first three months of the year, with domestic market sales starting strongly, but slowing late in the period. Overall, the market performed slightly worse than expected. However, the international market for the group’s HMI products began the year slowly, but then really picked up the pace, and overall, rose consistent with expectations for the whole period.

Beijer Electronics’ consolidated sales grew by 3.2 per cent to SEK 121.6 m (117.8) in the first quarter. Sales in Sweden rose, albeit at a lower-than-expected rate. Sales in Finland recovered, growing by some 13 per cent. Sales in Norway were unchanged, but from a high initial level. Sales in the rest of Europe, and the US, decreased somewhat but grew robustly in the rest of the world.

Consolidated Operating Profit

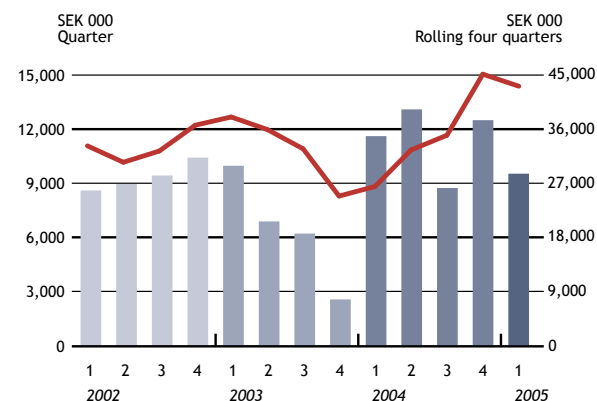
Consolidated operating profit was SEK 9.5 m (11.6) in the first quarter, corresponding to an operating margin of 7.8 per cent (9.9). Gross margins grew somewhat while overheads increased to the same extent. Development expenses, which relate exclusively to the HMI Products business area, were SEK 6.1 m (6.8) in the first quarter, of which SEK 1.3 m (3.2) was capitalized. Accumulated

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 Quarter 1		Operating Profit Quarter 1	
	2005	2004	2005	2004
Automation	87.2	84.7	5.8	5.7
HMI Products	48.3	44.5	5.9	7.6
Intra-group sales	-13.9	-11.4		
Central Costs			-2.2	-1.7
Group	121.6	117.8	9.5	11.6

development expenses as of 31 March 2005 were SEK 19.6 m (7.2).

Consolidated Profit before and after Tax

The group posted positive net financial income/expenses of SEK 0.1 m (0.3). Consolidated profit before tax was SEK 9.6 m (11.9) in the period, while profit after estimated tax was SEK 6.9 m (8.5) and earnings per share were SEK 1.10 (1.36).

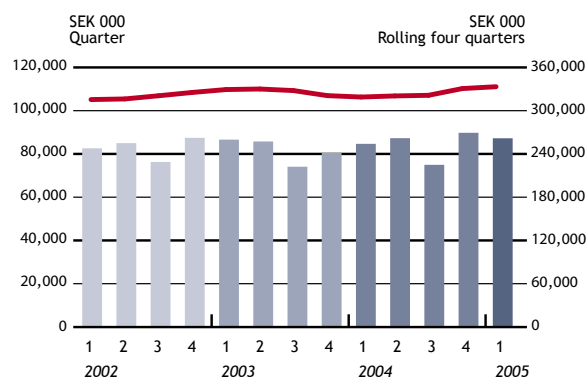
The Automation Business Area

The domestic market, serviced by the Automation business area, traced lower growth rates in the first quarter 2005 than in the preceding quarter. Sales on the Swedish market were the reason, which leveled off, late in the period particularly. Finland rallied strongly, while Norway maintained high levels.

The business area defended its market shares, with sales rising by 3.0 per cent to SEK 87.2 m (84.7) in the quarter. Sales in the Control Systems and Operator Systems product areas increased, but declined somewhat within Drive Systems.

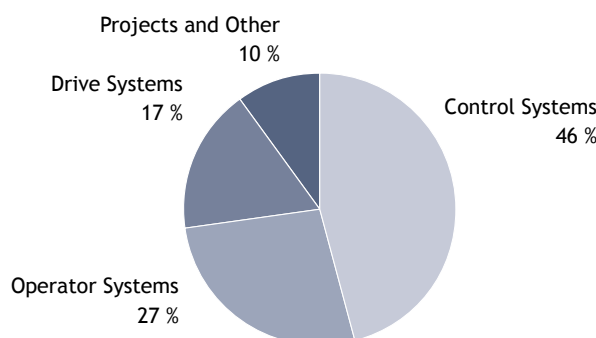
Business area operating profit grew somewhat to SEK 5.8 m (5.7), equivalent to an operating margin of 6.7 per cent (6.7). Profits were affected by lower-than-expected sales and expenses for our logistics project, intended to coordinate and enhance the efficiency of the business area's inventory processing. A new single central warehousing unit for the Nordic countries came on-stream in early May.

Invoicing, Automation



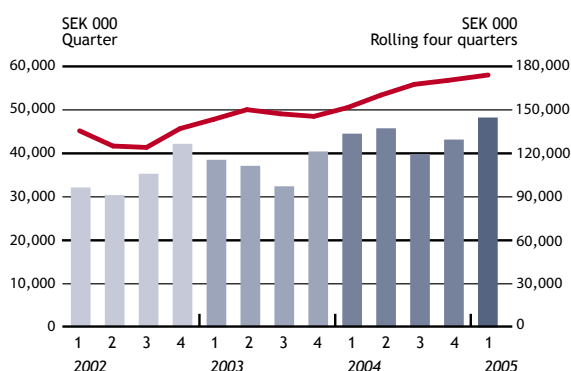
▲ The bars and left-hand scale indicate quarterly invoicing. The curve and right-hand scale show rolling four quarter invoicing.

Invoicing by product area, Automation



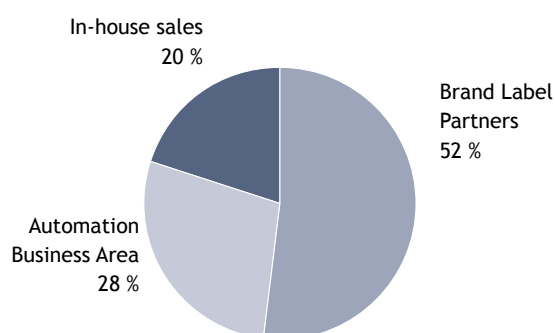
▲ Invoicing by the Automation business area's product areas in the first quarter 2005.

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 the first quarter 2005.

The HMI Products Business Area

The market for HMI products progressed in line with expectations, with business area sales rising by 8.3 per cent to SEK 48.3 m (44.5). Growth rates were slightly higher than the fourth quarter 2004. Beijer Electronics launched a new generation of operator terminals last autumn, the first proprietary-branded EXTER terminals were very positively received by the market, with deliveries starting at year-end. First-quarter sales were stronger than expected at some SEK 8 m, or 16 per cent of business area sales.

Brand label sales were lower in the quarter than in the corresponding period of 2004. However, sales through the two largest channels – Mitsubishi Electric and ABB – performed positively. Sales through the Automation business area continued to increase. Sales through the proprietary CIMREX and EXTER brands, through the group's global distributor network, climbed nearly 50 per cent. Sales through in-house channels including Automation were 48 per cent (40) of business area total sales.

Business area operating profit was SEK 5.9 m (7.6), equivalent to an operating margin of 12.3 per cent (17.1). The decline in profits is due to lower capitalized development expenses and higher depreciation and amortization.

Other Financial Information

Consolidated investments, including capitalized development expenses, amounted to SEK 3.4 m (4.0) in the period. Cash flow from operating activities was SEK 8.5 m (7.8). Shareholders' equity was SEK 122.4 m (107.9) as of 31 March. The change in shareholders' equity in the period was SEK 7.5 m (8.2), comprising net profits of SEK 6.9 m (8.5) and translation differences of SEK 0.6 m (-0.3). The equity ratio was 48.8 per cent (47.8) at the end of the quarter, when liquid assets were SEK 79.1 m (78.3). The average number of employees was 200 (198).

Consolidated Statement of Changes to Shareholders' Equity, Q1 2005

SEK 000	Share Capital	Restricted Equity	Non-restricted Equity
OB, IFRS, 1 Jan. 2005	6,222	32,474	76,219
Net profit			6,859
Translation difference		45	578
	6,222	32,519	83,656

Parent company

The parent company adopted RR 32 on accounting legal entities from 1 January 2005 onwards, which does not imply any change to the parent company's accounting principles.

Parent company sales for the first quarter were SEK 97.2 m (92.0). Profit after financial items was SEK 7.8 m (9.0), while investments of SEK 0.7 m (0.7) were made. Liquid assets were SEK 69.0 m (60.0) at the end of the period.

Accounting Principles pursuant to IFRS

From 1 January 2005, Beijer Electronics is reporting pursuant to IFRS (International Financial Reporting Standards) according to the IAS regulation adopted by the EU in 2002. This regulation stipulates that all companies quoted in the EU must adopt IFRS for their consolidated financial statements. Accordingly, this Interim Report has been prepared pursuant to IFRS and IAS 34. The comparative figures for 2004 have been converted pursuant to IFRS. Consolidated profits for the first quarter 2004 were SEK 29,000 higher than in the previous accounting. Total assets, liabilities and shareholders' equity were SEK 5.3 m higher pursuant to IFRS at the end of the first quarter 2004 than in the previous accounting.

Significant Events

In early April, Beijer Electronics acquired Hitech Electronics in its HMI Products business area. Hitech Electronics had sales of SEK 118 m in 2004, a total of 88 staff and profit before tax of SEK 17 m.

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 growing Asian 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 and will be managed as an autonomous company, although coordinated with Beijer Electronics and part of the HMI Products business area – the coordination process has already begun. Hitech Electronics' management will basically remain with the company, extended by Beijer Electronics' management resources. The CEO of Beijer Electronics' Norwegian

subsidiary Tron Saastad has been appointed to manage the coordination process on site in Taiwan. Comprehensive financial information on the acquisition will be provided in the Interim Report for the second quarter 2005.

Outlook for 2005

Beijer Electronics expects the market to improve in 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, 21 April 2005.

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

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

Transition to IFRS, Quarter 1 2004

SEK 000	CB (RR*) Q1 2004	IFRS Adj Q1 2004	CB (IFRS) Q1 2004
Consolidated Income Statement			
Intangible fixed assets	13,927	138	14,065
Tangible fixed assets	13,198	5,013	18,211
Financial fixed assets	1,225	334	1,559
Inventories	50,733	-	50,733
Current receivables	62,820	-158	62,662
Liquid assets	78,299	-	78,299
Total assets	220,202	5,327	225,529
Restricted equity	32,905	-	32,905
Non-restricted equity	75,690	-720	74,970
Long-term liabilities	24,272	5,105	29,377
Current liabilities	87,335	942	88,277
Total liabilities and shareholders' equity	220,202	5,327	225,529
Consolidated Income Statement			
Other external expenses	-16,517	438	-16,079
Depreciation and amortization of tangible and intangible fixed assets	-1,545	-385	-1,930
Operating profit	11,561	53	11,614
Interest expenses, etc.	-100	-67	-167
Tax on profit for the year	-3,434	43	-3,391
Net profit	8,449	29	8,478

* 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 quarter 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 now accounted as long-term liabilities.

IAS 17 Leases. Operating lease contracts have been reclassified as finance leasing contracts, reducing net profit by SEK 109,000 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 138,000 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 effect of such instruments in the first quarter of 2005.

IFRS 1 First-time Adoption of IFRS. In its consolidated financial statements, Beijer Electronics has chosen to zero translation differences for foreign subsidiaries. No profit effect has arisen. For tangible fixed assets, accrued acquisition values are used as the basis for depreciation.

First quarter 2005 in summary

Income statement

SEK 000	Q1, 2005	Q1, 2004	12 MTH 2004
Net turnover	121,553	117,789	464,044
Other operating revenue	1,751	3,974	16,392
Operating expenses	-111,318	-108,219	-428,333
Depreciation	-2,457	-1,930	-6,157
Operating profit	9,529	11,614	45,946
Net financial position	118	255	-13
Profit before tax	9,647	11,869	45,933
Estimated tax	-2,788	-3,391	-13,275
Net profit	6,859	8,478	32,658
<i>Equiv. to earnings per share, SEK</i>	<i>1.10</i>	<i>1.36</i>	<i>5.25</i>

SEK 000	Q1, 2005	Q1, 2004	2004-12
Balance Sheet			
Assets			
Fixed assets	48,186	33,835	46,270
Current assets	123,726	113,395	112,653
Liquid assets and short-term investments	79,077	78,299	74,646
Total assets	250,989	225,529	233,569
Liabilities and shareholders' equity			
Shareholders' equity	122,397	107,875	114,915
Provisions	35,179	29,377	34,468
Current liabilities	93,413	88,277	84,186
Total liabilities and shareholders' equity	250,989	225,529	233,569
Of which interest-bearing liabilities	18,619	18,514	14,525
Key Figures			
Operating margin, %	7.8	9.9	9.9
Profit margin, %	5.6	7.2	7.0
Equity ratio, %	48.8	47.8	49.2
Shareholders' equity per share, SEK	19.67	17.34	18.47
Earnings per share, SEK	1.10	1.36	5.25
Rolling 12-month EPS, SEK	4.99	3.30	5.25
Return on equity after tax, %	27.0	19.0	30.5
Return on capital employed, %	33.5	23.6	38.4
Return on net operating assets, %	79.7	56.7	94.9
Average number of employees	200	198	199
<i>Number of shares 6,221,488</i>			

Cash Flow Statement

Cash flow from operating activities before change in working capital	8,509	7,790	44,212
Change in working capital	-1,858	-1,001	-6,010
Cash flow from investment activity	-2,464	-1,982	-19,527
Dividends paid	-	-	-17,109
Change in liquid assets	4,187	4,807	1,566
Liquid assets and short-term investments, opening balance	74,646	73,175	73,175
Price/exch. rate change, liquid assets	244	317	-95
Liquid assets and short-term investments, closing balance	79,077	78,299	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

18 August 2005.....Six-month Interim Report
20 October 2005.....Nine-month Interim Report
8 February 2006.....Financial Statement

Beijer
ELECTRONICS

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