



JANUARY—SEPTEMBER

Continued Growth and Profits Double in the Third Quarter

Nine months

- Order intake up 19% to 945.6 MSEK (792.3)
- Sales increased by 10% to 896.1 MSEK (812.7)
- Operating profit doubled to 89.4 MSEK (43.7)
- Profit after tax was 63.3 MSEK (27.5)
- Earnings per share were 9.78 SEK (4.26)

Third Quarter

- Order intake up 13% to 287.5 MSEK (254.1)
- Sales increased by 20% to 300.7 MSEK (250.3)
- Operating profit doubled to 34.7 MSEK (17.5)
- Profit after tax was 23.4 MSEK (13.2)

Interim Report, Beijer Electronics AB

Comments from Fredrik Jönsson, CEO

“The positive trend sustained in the third quarter, when Beijer Electronics posted continued good order intake growth. This high order intake has progressively fed through to higher sales growth in the year. Sales in the third quarter were up by 20%. Simultaneously, operating profit doubled, and an operating margin of over 11% was achieved. The strong profit gains are explained by higher volumes and continued good cost control. Beijer Electronics secured five major OEM accounts in the quarter.

The HMI Products business area is continuing to achieve healthy growth. Sales in the third quarter were this business area’s best to date, with an operating margin of over 16% achieved. We are seeing continued strong growth in China and the rest of Asia, gains in the US and a recovery in Germany. Access to components looks better, but still remains a worry in terms of coping with increasing demand.

The IDC business area also continued to improve with an operating margin of over 16% in the quarter. The acquisition of 37% of the Taiwanese company Korenix has already produced positive results. IDC is also making

an aggressive initiative on the US market, starting up a sales unit in the US in the third quarter. To some extent, the component shortage limited invoicing in the period.

The Automation business area achieved a trend-break in the quarter. Sales were up 9% and operating profit improved significantly year on year. Sweden is progressing positively and Finland took a sharp upturn. Weak progress in the marine sector continued to affect Norway, but this business has good profitability. But sales in Denmark remained at low levels.

In the first three quarters, the group’s profit after tax was just over 63 MSEK, nearly 60% higher than the profit for the full year 2009. Accordingly, the outlook for the full year 2010, with significantly higher sales and markedly better profits compared to 2009, is reiterated.”

Market and Surrounding World

The industrial automation market continued its positive trend in the third quarter. Simultaneously, Beijer Electronics advanced its positions on the market, and the group is achieving high growth in order intake and sales. The upturn in demand has been broad-based, covering most sectors and markets.

Business Area Sales and Operating Profit

MKR	Sales Quarter 3		Operating Profit Quarter 3		Sales 9 months		Operating Profit 9 months	
	1009	0909	1009	0909	1009	0909	1009	0909
Beijer Electronics Automation Group	112.4	102.8	5.7	-0.3	351.7	360.5	18.6	10.3*
Beijer Electronics Products Group	136.4	98.3	22.3	6.3	392.4	313.7	54.3	22.1*
Westermo Teleindustri Group	68.8	65.7	11.3	9.5	208.7	192.1	27.1	19.8*
Intra-group sales	-16.8	-16.5			-56.6	-53.6		
Group adjustments and depreciation			-4.5	2.0			-10.6	-0.9
Non-recurring items								-7.5
Beijer Electronics Group	300.7	250.3	34.7	17.5	896.1	812.7	89.3	43.7

* Excluding non-recurring items

The Group in the Third Quarter

The Beijer Electronics group continued its accelerating growth in the third quarter, with profits doubling. Order intake was up 13% to 287.5 MSEK (254.1). In local currencies, the increase was 19%.

Group sales increased by 20% to 300.7 MSEK (250.3). In local currencies, the increase was 27%. This increase is explained by strong demand and upscaled sales initiatives on markets mainly in China and the rest of Asia, as well as the US. Sales in Finland, the UK and Germany also achieved high growth. The upturn in Sweden was moderate, but remained weak in Norway and Denmark.

Group operating profit increased by 99% in the quarter to 34.7 MSEK (17.5). The operating margin was 11.5% (7.0). These sharp improvements are explained by increased sales volumes and good cost control. Total development expenses, which relate to HMI Products and IDC, were 15.3 MSEK (15.8).

Profit before tax rose to 31.8 MSEK (18.8). This was affected by negative net financial items of -2.9 MSEK (+1.3). Profit after tax was 23.4 MSEK (13.2), equivalent to earnings per share of 3.65 SEK (2.11).

The Group over Nine Months

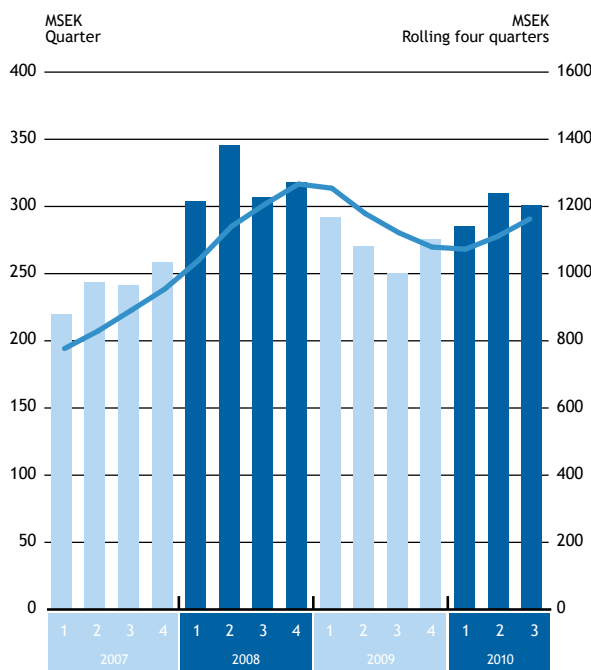
Order intake increased by 19% to 945.6 MSEK (792.3)

in the first nine months of the year. Group sales grew by 10% to 896.1 MSEK (812.7). Sales performance for the nine-month period was closely consistent with the third quarter. Beijer Electronics' sales now have a broader-based and balanced geographical diversity. In the first three quarters, Sweden represented 24% of group sales and the rest of the Nordic region 21%, other Europe 33%, of which Germany 16%. Asia represented 16%, of which China and Taiwan together were 11%, and North America some 6%.

Operating profit more than doubled to 89.4 MSEK (43.7). Net profit in 2009 was charged with non-recurring expenses of 7.5 MSEK. Adjusted for this, profit was 51.2 MSEK. Operating margin expanded to 10.0% (5.4 and adjusted, 6.3%). The sharp profit improvement is due to higher volumes, while fixed expenses were unchanged. Total development expenses, which relate to HMI Products and IDC, were 52.7 MSEK (51.3).

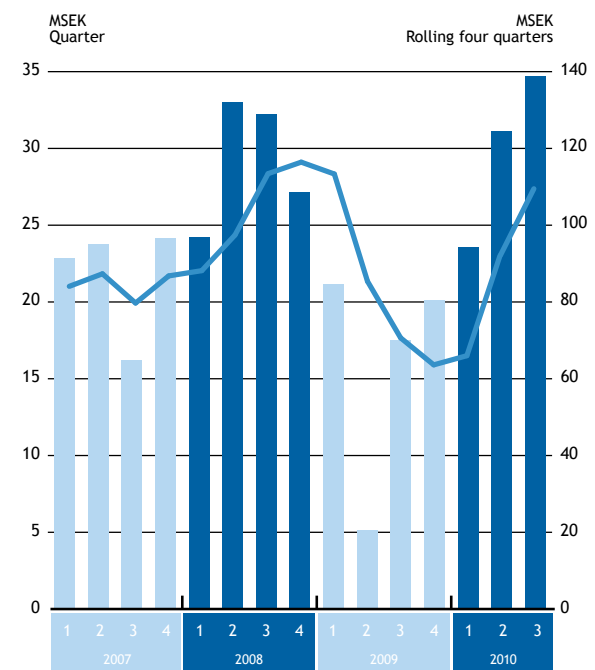
Group profit before tax increased to 87.2 MSEK (42.1). Profit was charged with negative net financial items of -2.2 MSEK (-1.6). Net financial items include a capital gain of 2.6 MSEK from the divestment of participations in Autic Systems in Norway in the second quarter. Profit after tax was 63.3 MSEK (27.5), equivalent to earnings per share of 9.78 SEK (4.26).

Group Sales



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

Group Operating Profit



▲ The bars and left-hand scale show quarterly profit after depreciation. The curve and right-hand scale show rolling four quarter profit after depreciation.

HMI Products Business Area

The market for HMI products continued to grow. More effective servicing of the market also resulted in increased market shares. The business area landed two major OEM wins during the third quarter, one in the food sector and one in manufacturing.

Third Quarter

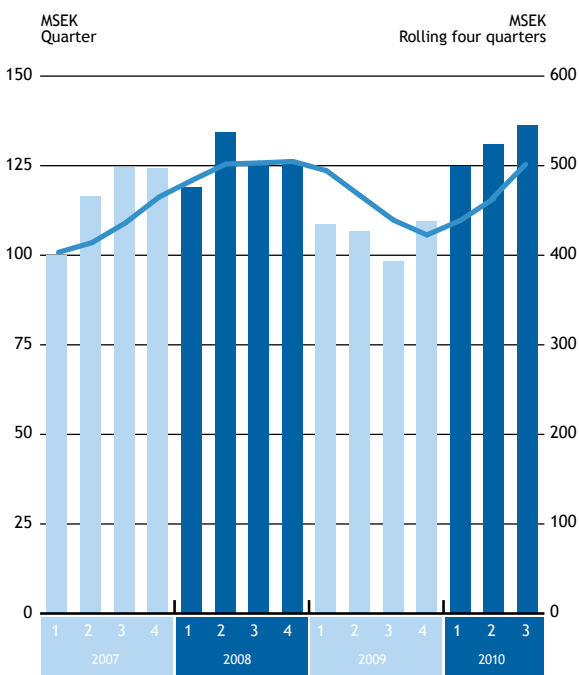
Continued positive order intake, which increased by 7% to 122.3 MSEK (113.8) in the third quarter. Sales rose by 39% to 136.4 MSEK (98.3). Operating profit continued to perform very robustly, growing by over 250% to 22.3

MSEK (6.3). This is equivalent to an operating margin of 16.4% (6.4). The sharp profit upturn is primarily due to higher sales volumes, and to some extent, a higher gross margin.

Nine Months

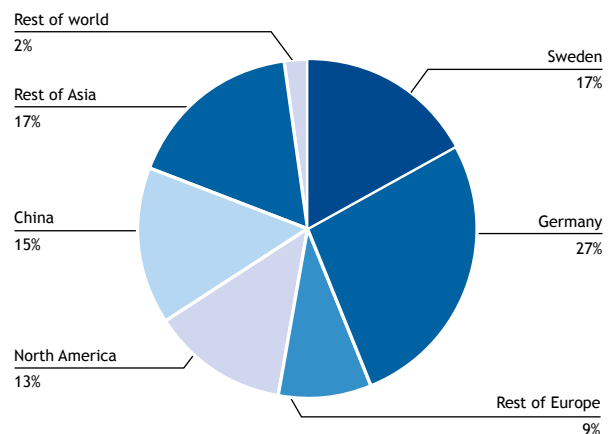
Order intake rose by 35% to 407.4 MSEK (301.8). Sales increased by 25% to 392.4 MSEK (313.7). Operating profit rose by 146% to 54.3 MSEK (22.1). This means an operating margin of 13.8% (7.0). The sharp improvements are due to higher volumes and good cost control.

Sales, HMI Products



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

Sales by Geographical Market, HMI Products



▲ Sales by geographical market in the first 9 months of 2010.

Automation Business Area

The Nordic markets continued to recover in the third quarter, even if the marine sector in Norway remained weak. Denmark also remains at low levels, while there was a marked improvement in Finland. Automation won two major orders in Finland during the period, one in the metal sector and the other one in the food sector.

Third Quarter

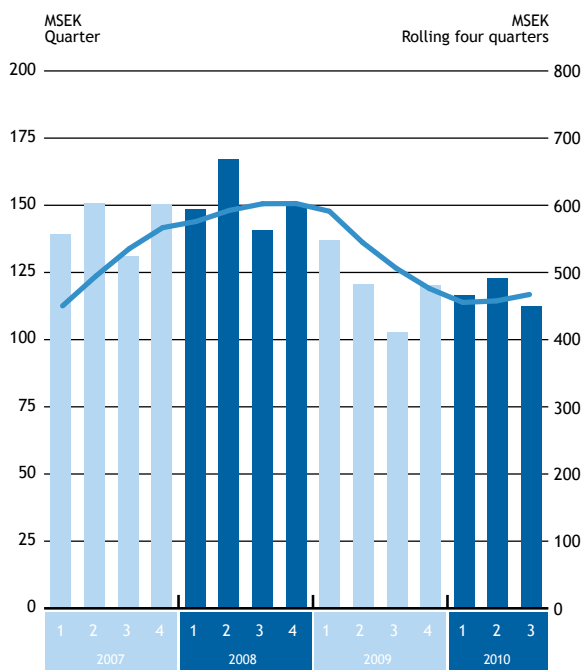
Order intake was 105.9 MSEK (104.9). Business area sales increased by 9% to 112.4 MSEK (102.8). Operating profit

increased to 5.7 MSEK (-0.3), equivalent to an operating margin of 5.0% (-0.3). The improvements are due to higher sales volumes and lower fixed expenses.

Nine Months

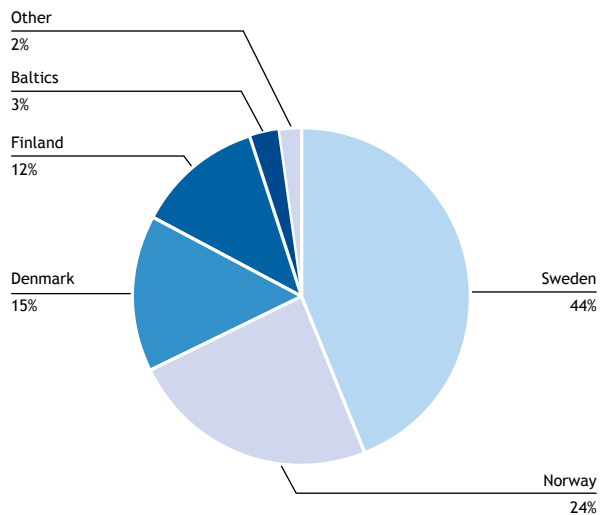
Order intake reduced somewhat in the first nine months to 354.1 MSEK (356.3). Sales were 351.7 MSEK (360.5). Operating profit rose by 81% to 18.6 MSEK (10.3), which corresponded to an operating margin of 5.3% (2.9). The improvements are due to sharply reduced fixed expenses.

Sales, Automation



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

Sales by Geographical Market, Automation



▲ Sales by geographical market in the first 9 months of 2010.

Industrial Data Communication

The market for industrial data communications is continuing its high trend growth. Infrastructure projects like rail systems and energy distribution are an important factor driving the market, which is also less cyclical. In July, IDC acquired 37% of the Taiwanese technology company Korenix. Korenix extends and complements IDC's industrial data communication product range. IDC started up a sales unit in the US in the third quarter and landed a large order in Germany to a customer that manufactures equipment used in the renewable energy sector.

Third Quarter

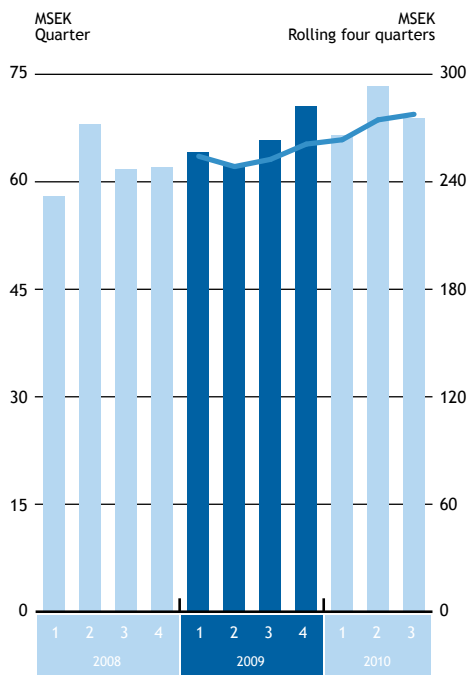
Order intake increased by 13% to 71.9 MSEK (63.9).

Business area sales grew by 5% to 68.8 MSEK (65.7). Operating profit grew by 18%, and amounted to 11.3 MSEK (9.5), equivalent to a margin of 16.4% (14.5). The improvements are due to the combination of increased volumes and good cost control.

Nine Months

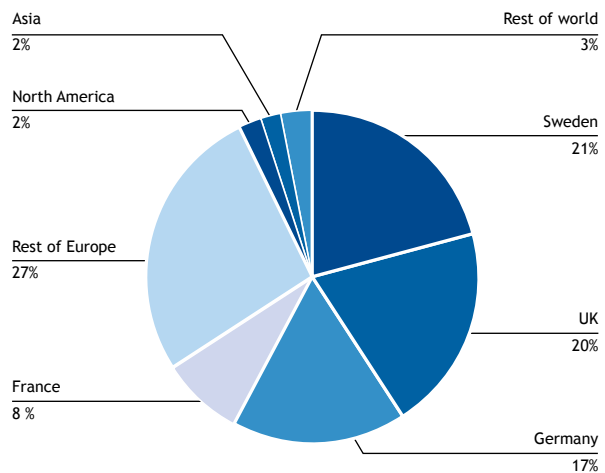
Order intake increased by 16% to 231.3 MSEK (199.3). Sales rose by 9% to 208.7 MSEK (192.1). Operating profits increased by 37% to 27.1 MSEK (19.8). This meant an operating margin of 13.0% (10.3). The improvement is due to higher sales volumes and somewhat lower fixed expenses.

Sales, IDC



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

Sales by Geographical Market, IDC



▲ Sales by geographical market in the first 9 months of 2010.

Other Financial Information

Group net investments including capitalized development expenses and acquisitions were 64.5 MSEK (25.0) in the first three quarters. Cash flow from operating activities was 97.5 MSEK (49.7). Equity was 306.4 MSEK (280.8) as of September 30, 2010. The equity ratio was 33.0% (32.1). Cash and cash equivalents were 91.5 MSEK (97.3). Interest-bearing liabilities were 353.5 MSEK (385.4). The average number of employees was 522 (549).

Outlook for the Full Year 2010

The continued positive trend in the third quarter means that Beijer Electronics judges that it will be able to post significantly higher sales and markedly better profits for the full year 2010.

Significant Events

In the first quarter, Beijer Electronics received its biggest single order yet for Ethernet switches from Bombardier, worth 1.5 MUSD. This order is for a train project for the Chicago Transit Authority, and involves deliveries for a total of 406 cars. Deliveries will be over the next two years.

In the second quarter, Beijer Electronics signed an agreement with QSI Corporation of the US, for a strategic collaboration on the sale of products and Beijer Electronics' new software platform, iX.

In the third quarter, Beijer Electronics acquired 37% of Taiwanese technology company Korenix. Korenix develops and sells industrial data communications equipment. The company has sales of some 60 MSEK and some 70 employees. This acquisition marks the start of a collaboration between Korenix and IDC, offering these companies access to a broader product range through complementary products, stronger sales channels and a mutual exchange of technology. There is also the possibility of joint component purchasing and more effective product development. The purchase price amounted to 41.5 MSEK. The three founders of this company will remain as partners and continue to run the company in their present roles.

Through the company Westermo, the IDC Business area started up its own sales unit in the US in the third quarter, to expand its presence and sales on the American market.

We have conducted a limited review of the Financial Statement for Beijer Electronics AB (publ) for the period January 1–September 30, 2010. The preparation and presentation of these interim financial statements pursuant to IAS 34 and the Swedish Annual Accounts Act are the responsibility of the Board of Directors and Chief Executive Officer. Our responsibility is to report our conclusions concerning these interim financial statements on the basis of our limited review.

We have conducted our limited review pursuant to the Standard for Limited Review (SÖG) 2410 "Limited review of interim financial information conducted by the company's appointed auditor". A limited review consists of making inquiries, primarily to individuals responsible for financial and accounting matters, as well as performing analytical procedures and taking other limited review measures. A limited review has a different focus and significantly less scope than an audit according to RS Auditing Standards in Sweden and generally accepted auditing practice. The review procedures

undertaken in a limited review do not enable us to obtain a level of assurance where we would be aware of all important circumstances that would have been identified had an audit been conducted. Therefore, a conclusion reported on the basis of a limited review does not have the level of certainty of a conclusion reported on the basis of an audit.

Risk Management

Beijer Electronics is exposed to a number of risks and uncertainty factors, which are reviewed in the Annual Report for 2009. No significant risks are judged to have arisen over and above those reviewed in the Annual Report.

Accounting Principles

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The new and amended accounting principle for 2010 and that can be expected to have a material effect on the consolidated financial statements is IFRS 3 Business Combinations (revised). This revised standard includes alterations to how future business combinations will be reported. For example, all transaction expenses relating to business combinations are reported as an expense in the Income Statement. All payments for acquiring an operation are reported at fair value on the acquisition date, while subsequent conditional payments are classified as liabilities, which subsequently, are restated via the Income Statement. The group applies IFRS 3 (revised) for all business combinations from January 1, 2010 onwards.

The above revision did not have any material effect on the consolidated financial statements in the first half-year 2010. Otherwise, the same accounting principles and bases for judgment are used as in the Annual Accounts for 2009.

Malmö, Sweden, October 19, 2010

Fredrik Jönsson
President and CEO

For more information, please contact President and CEO, Fredrik Jönsson, at: +46 (0)40 35 86 10 or +46 (0)705 17 16 26 or CFO, Lennart Mauritzson, at: +46 (0)40 35 86 53, +46 (0)705 52 05 57.

undertaken in a limited review do not enable us to obtain a level of assurance where we would be aware of all important circumstances that would have been identified had an audit been conducted. Therefore, a conclusion reported on the basis of a limited review does not have the level of certainty of a conclusion reported on the basis of an audit.

Based on our limited review, no circumstances have come to our attention that would give us reason to believe that the interim financial statements have not been prepared pursuant to IAS 34 and the Swedish Annual Accounts Act for the group, and pursuant to the Swedish Annual Accounts Act for the parent company, in all material respects.

Malmö, Sweden, October 19, 2010

Sofia Götmar-Blomstedt
Authorized Public Accountant

Mikael Eriksson
Authorized Public Accountant

Interim Report in Summary

Income Statement—Group

MSEK	Quarter 3, 2010	Quarter 3, 2009	9 Mth., 2010	9 Mth., 2009	Full Year, 2009
Net turnover	300,720	250,340	896,119	812,715	1,088,451
Other operating revenue and operating expenses	-878	-2,436	-5,081	1,240	1,196
Operating expenses	-265,121	-230,435	-801,691	-770,250 ^a	-1,025,836 ^a
Operating profit	34,721	17,469	89,347	43,705	63,811
Net financial items	-2,913	1,324	-2,156 ^b	-1,640	-2,872
Profit before tax	31,808	18,793	87,191	42,065	60,939
Estimated tax	-8,410	-5,622	-23,917	-14,577	-20,759
Net profit	23,398	13,171	63,274	27,488	40,180
<i>Attributable to equity holders of the parent</i>	<i>22,719</i>	<i>13,114</i>	<i>60,877</i>	<i>26,526</i>	<i>38,718</i>
<i>Attributable to minority interest</i>	<i>679</i>	<i>57</i>	<i>2,397</i>	<i>962</i>	<i>1,462</i>
<i>Earnings per share, SEK</i>	<i>3.65</i>	<i>2.11</i>	<i>9.78</i>	<i>4.26</i>	<i>6.22</i>

a Including non-recurring items amounting to 7.5 MSEK

b Including capital gain from sale of minority interests amounting to 2.6 MSEK

Statement of Comprehensive Income

MSEK	Quarter 3, 2010	Quarter 3, 2009	9 Mth., 2010	9 Mth., 2009	Full Year, 2009
Net profit	23,398	13,171	63,274	27,488	40,180
Translation differences	-20,823	-18,748	-25,334	-16,680	-14,674
Comprehensive income	2,575	-5,577	37,940	10,808	25,506
<i>Attributable to equity holders of the parent</i>	<i>2,265</i>	<i>-5,208</i>	<i>36,550</i>	<i>10,091</i>	<i>24,014</i>
<i>Attributable to minority interest</i>	<i>310</i>	<i>-369</i>	<i>1,390</i>	<i>717</i>	<i>1,492</i>

Balance Sheet—Group

MSEK	Sept 30, 2010	Sept 30, 2009	Dec 31, 2009
Assets			
Fixed assets	510,505	486,616	489,258
Current assets	373,850	336,535	313,781
Cash and cash equivalents and short-term investments	91,488	97,296	127,439
Total assets	975,843	920,447	930,478
Liabilities and equity			
Equity	306,420	280,833	294,756
Minority share of equity	16,007	14,281	15,056
Long-term liabilities	339,714	386,588	367,290
Current liabilities	313,702	238,745	253,376
Total liabilities and equity	975,843	920,447	930,478
<i>Of which interest-bearing liabilities</i>	<i>353,522</i>	<i>385,424</i>	<i>352,377</i>

Statement of Changes to Equity—Group

MSEK	Sept 30, 2010	Sept 30, 2009	Dec 31, 2009
Attributable to equity holders of the parent			
Opening equity, 1 January	294,756	295,510	295,510
Other paid-in capital		118	118
Dividend	-24,886	-24,886	-24,886
Comprehensive income	36,550	10,091	24,014
Closing equity	306,420	280,833	294,756
Minority share of equity			
Opening equity, 1 January	15,056	15,266	15,266
Acquisitions		-540	-540
Dividend	-439	-1,162	-1,162
Comprehensive income	1,390	717	1,492
Closing equity	16,007	14,281	15,056

Key Figures

	Sept 30, 2010	Sept 30, 2009	Dec 31, 2009
Operating margin, %	10.0	5.4	5.9
Operating margin excl. non-recurring items	10.0	6.3	6.6
Profit margin, %	7.1	3.4	3.7
Equity ratio, %	33.0	32.1	33.3
Equity per share, SEK	49.25	45.14	47.38
Earnings per share, SEK	9.78	4.26	6.22
Earnings per share, rolling 12 months	11.74	8.08	6.22
Return on equity after tax, %	20.5	18.5	12.9
Return on capital employed, %	16.7	10.7	10.0
Return on net operating assets, %	18.8	11.7	10.8
Average number of employees	522	549	534
<i>Number of shares 6,221,488</i>			

Cash Flow Statement—Group

MSEK	Sept 30, 2010	Sept 30, 2009	Dec 31, 2009
Cash flow from operating activities	97,453	49,667	83,659
Change in working capital	-33,501	54,399	89,798
Cash flow from investing activities	-64,455	-24,960	-27,754
Cash flow from financing activities	-2,609	-26,248	-65,722
Dividends paid	-25,325	-26,048	-26,048
Change in cash and cash equivalents	-28,437	26,810	53,933
Cash and cash equivalents and short-term investments, opening balance	127,439	74,076	74,076
Exchange rate change, cash and cash equivalents	-7,514	-3,590	-570
Cash and cash equivalents and short-term investments, closing balance	91,488	97,296	127,439

Operating Segments

MSEK	Quarter 3, 2010	Quarter 3, 2009	9 Mth., 2010	9 Mth., 2009	Full Year, 2009
Net turnover					
Automation	112,354	102,788	351,676	360,482	480,797
HMI Products	136,388	98,313	392,386	313,718	423,240
IDC	68,827	65,736	208,675	192,088	262,699
Elimination	-16,849	-16,497	-56,618	-53,573	-78,285
Group	300,720	250,340	896,119	812,715	1,088,451
Operating profit					
Automation	5,660	-271	18,615	7,632	13,426
HMI Products	22,347	6,083	54,286	19,305	29,930
IDC	11,257	9,511	27,055	18,164	26,987
Other	-98	4,902	-1,795	4,410	3,546
Elimination	-4,445	-2,756	-8,814	-5,806	-10,078
Group	34,721	17,469	89,347	43,705*	63,811*
<i>* Including non-recurring items amounting to</i>				-7,500	-7,500
Net profit					
Automation	4,523	380	15,977	6,412	9,749
HMI Products	17,917	4,178	42,332	11,273	19,059
IDC	8,045	5,880	19,225	11,010	18,008
Other	5,567	2,591	16,467	47,339	48,749
Elimination	-12,654	142	-30,727	-48,546	-55,385
Group	23,398	13,171	63,274	27,488	40,180
<i>Attributable to equity holders of the parent</i>	<i>22,719</i>	<i>13,114</i>	<i>60,877</i>	<i>26,526</i>	<i>38,718</i>
<i>Attributable to minority interest</i>	<i>679</i>	<i>57</i>	<i>2,397</i>	<i>962</i>	<i>1,462</i>

Income Statement—Parent Company

MSEK	Quarter 3, 2010	Quarter 3, 2009	9 Mth., 2010	9 MMth., 2009	Full Year, 2009
Net turnover	13,148	13,731	39,191	37,743	49,893
Operating expenses	-13,246	-8,829	-40,986	-33,333	-46,347
Operating profit	-98	4,902	-1,795	4,410	3,546
Net financial items*	5,337	-1,386	15,401	43,199	41,531
Profit before tax	5,239	3,516	13,606	47,609	45,077
Appropriations					4,746
Estimated tax	328	-925	2,861	-270	-1,074
Net profit	5,567	2,591	16,467	47,339	48,749

* of which 24.5 MSEK (46.6) is dividend from subsidiaries. During quarter 3 the dividend amounted to 6.5 MSEK (0).

Balance Sheet—Parent Company

MSEK	Sept 30, 2010	Sept 30, 2009	Dec 31, 2009
Assets			
Fixed assets	418,805	423,967	424,004
Current assets	19,720	27,505	13,387
Cash equivalents and short-term investments	158	5,978	35,410
Total assets	438,683	457,450	472,801
Liabilities and equity			
Equity	53,229	60,238	61,648
Untaxed reserves	29,112	33,859	29,112
Long-term liabilities	254,979	290,799	301,682
Current liabilities	101,363	72,554	80,359
Total liabilities and equity	438,683	457,450	472,801
<i>Of which interest-bearing liabilities</i>	<i>312,517</i>	<i>320,799</i>	<i>313,914</i>



Falcon – the world's first industrial VDSL2 router

The world's first real industrial broadband router was launched in October. Falcon represents the next-generation solution in a world where connections to remote equipment are becoming increasingly important from financial and environmental perspectives. Falcon communicates through VDSL2 technology, and can transmit data up to 100 Mbit/s upstream and downstream, which is positive in industrial remote connections. The unit is extremely compact, in an industrially designed case developed to operate in harsh environments with high levels of disruption and temperatures ranging from -20 to +60°C. Security is critical in Internet connections, and accordingly, Falcon has a fully fledged integrated firewall and support for IPsec-encrypted VPN tunnels.

Read more about Falcon at www.westermo.com.

Beijer Electronics AB

Beijer Electronics is a fast-growing company with extensive experience of automation, developing and marketing competitive products and solutions with a focus on the user. Since start-up in 1981, Beijer Electronics has evolved into a multinational group present in 16 countries. The company is listed on NasdaqOMX Nordic Small Cap list under the ticker BELE.

More Information

You can subscribe for financial information on Beijer Electronics via e-mail. Subscribe easily at our website, www.beijerelectronics.se. If you have any questions about the Beijer Electronics group, please call +46 (0)40 35 84 96, or send an email: info@beijerelectronics.se.

Financial Calendar

February 10, 2011.....Financial Statement
April 27, 2011.....Three-month Interim Report
April 27, 2011.....Annual General Meeting

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