

PRESS RELEASE

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Cautious customers resulting in lower growth

As previously communicated in the 9 month report HMS has seen customers becoming more cautious under the present market situation. Due to the uncertainties in the market the company's sales volumes did not grow as expected.

Based on preliminary information net sales for 2011 increased with 11 % reaching SEK 384 m (345). Net sales for the fourth quarter was approximately SEK 95 m (92). The extensive expansion during 2011 increasing the company's sales- and development resources was performed according to plan and is now increasing operating expenses. Based on a preliminary assessment HMS operating margin for the fourth quarter will be approximately 8-10 % and approximately 18 % for the full year 2011.

"During the fourth quarter we have continued to see unstable market condition with fluctuating order intake on several markets. The last six month have been characterized by an uncertain development on the market rendering our existing customers to take a more cautious position. HMS still experience a good order intake related to custom designs based on our technology. These customized solutions will not affect net sales until later 2012 and going forward," says CEO Staffan Dahlström

The weakness of the Japanese market is expected to continue in the near future. The German market is slow but we do see positive signals in the automotive segment. The US market continues to develop positively.

The Company's yearend report will be presented on February 10, 2012

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HMS Networks AB (publ) is a world-leading supplier of communication technology for industrial automation. Sales for the last twelve months totaled SEK 380 million. Over 90% of these sales were to customers located outside Sweden. All product development and parts of the manufacturing are performed at the head office in Halmstad. Sales offices are located in Tokyo, Beijing, Karlsruhe, Chicago, Milan, Mulhouse, Pune, Coventry and Copenhagen. HMS has 230 employees and produces network interface cards and Gateways to interconnect different networks under the trademark Anybus® and products for remote management under the trademark Netbiter®. HMS is listed on NASDAQ-OMX Nordic Exchange in Stockholm in the category Small Cap, Information Technology.