



JANUARY–JUNE 2012

Breakthrough on American Rail Market and Continued Positive Order Intake

First Half-year

- Order intake was 724.5 MSEK (731.4).
- Net sales were 689.1 MSEK (729.9).
- Operating profit was 52.0 MSEK (81.7).
- Profit after tax was 20.8 MSEK (57.4).
- Earnings per share were 1.00 SEK (2.92).

Second Quarter

- Order intake was 371.5 MSEK (381.0).
- Net sales were 350.2 MSEK (367.9).
- Operating profit was 26.5 MSEK (40.6).
- Profit after tax was 8.0 MSEK (29.0).
- Earnings per share were 0.39 SEK (1.47).
- Breakthrough 4 MUSD order in the rail segment from Toshiba.

Interim Report, Beijer Electronics AB

Comments from Fredrik Jönsson, CEO

“Beijer Electronics’ sales and profit were lower in the second quarter than in the corresponding period of the previous year. But order intake, sales and profit increased on the first quarter of 2012. Overall, order intake in the quarter was the group’s second best ever.

The severe euro crisis in the period triggered substantial uncertainty regarding ongoing economic progress and held decisions, investments and economic activity in check. This affected demand in Europe, and primarily, the group’s Automation business area.

Despite prevailing uncertainty in the market, Beijer Electronics has great confidence in the future and is continuing to invest in further marketing and sales resources. Product development is continuing at the same pace as previously, and in the first half-year the group launched a large number of new products, which overall put us in a strong technological position. The combination of lower sales volumes and higher overheads are affecting profitability for the short term, with lower operating margins.

For the long term, Beijer Electronics is sharpening its international competitiveness, with the group’s biggest single order to date of some 30 MSEK, secured by IDC in the US rail segment, providing clear evidence of this. This emphasizes our leading positioning in this segment, where we see major future market potential. After large-scale

product development investments in recent years, IDC is well equipped to handle future growth.

The HMI Products business area made good progress in the second quarter, with healthy growth and sharply improved profitability compared to recent quarters. Sales in the US remained very positive, with growth of 33% and Asia saw a clear recovery with growth of 43% on the second quarter. Overall, order intake in the quarter was the group’s best ever.

The Automation business area saw lower demand in the second quarter, especially in Sweden. The market is featuring increased caution, which means investments are being delayed. In turn, this is creating a growing pent-up need once uncertainty has eased. Simultaneously, the business area extended its product range, adding more Beijer Electronics-branded products, and sharpened its competitiveness in priority segments. In May, Automation secured a number of strategic real estate automation orders including one to the Swedish Royal Library.”

Market and Surrounding World

The global industrial automation market remained divided in the second quarter. The American market performed positively. Asia showed signs of a demand recovery, while the European market progressed poorly.

Business Area Sales and Operating Profit

	Sales		Operating Profit		Sales		Operating Profit	
	Quarter 2		Quarter 2		6 months		6 months	
MKR	1206	1106	1206	1106	1206	1106	1206	1106
Business Area Automation	116.5	131.2	6.3	9.2	241.2	256.9	15.9	18.7
Business Area HMI Products	166.6	162.2	21.1	25.1	312.2	335.5	34.4	52.9
Business Area IDC	95.1	101.1	7.7	11.9	188.8	184.6	15.6	18.2
Intra-group sales	-28.0	-26.6			-53.1	-47.0		
Group adjustments			-8.6	-5.6			-14.0	-8.1
Beijer Electronics Group	350.2	367.9	26.5	40.6	689.1	729.9	52.0	81.7

The Group in the Second Quarter

The group's order intake was 371.5 MSEK (381.0). The decrease is due to weaker demand in Europe and in the Automation business area. However, order intake in the period was the group's second best quarter to date, as a consequence of IDC's major order from Toshiba.

Group sales decreased by 5% to 350.2 MSEK (367.9). Sales in Sweden, the group's biggest single market, continued to do poorly due to the general uncertainty in the economy and deferred investment decisions. In Norway and Finland, as in Germany, sales also decreased, but increased somewhat in Denmark. Sales in the US maintained high growth, and in Asia sales increased notably quarter on quarter despite the market remaining weak.

The group's operating profit was 26.5 MSEK (40.6). The drop reflects decreased sales volumes and higher overheads due to upscaled marketing and sales initiatives. Total development expenses related to the HMI Products and IDC business areas, were 29.2 MSEK (28.5).

Profit before tax was 21.9 MSEK (36.6). Net financial income/expense was -4.6 MSEK (-4.0). Profit after estimated tax was 8.0 MSEK (29.0). Earnings per share after estimated tax were SEK 0.39 (1.47).

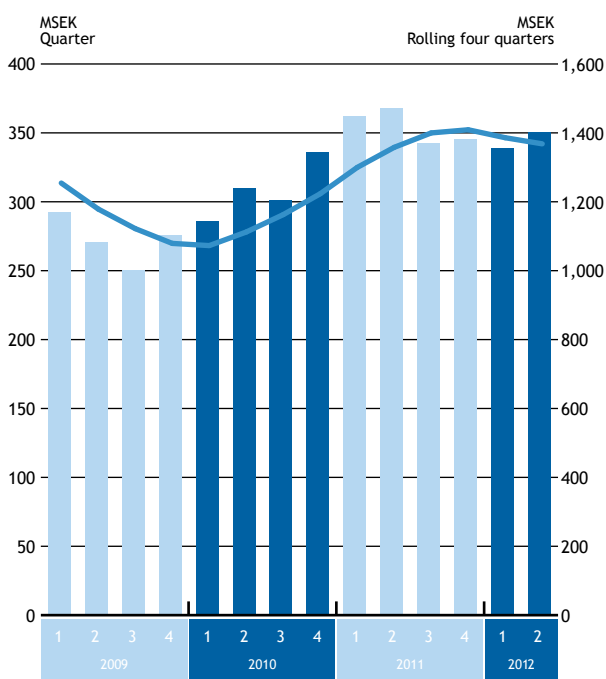
The Group in the First Half-year

Order intake was 724.5 MSEK (731.4). Sales decreased by 6% to 689.1 MSEK (729.9).

Group operating profit was 52.0 MSEK (81.7). This corresponded to an operating margin of 7.5% (11.2). Lower profit is due to reduced sales volumes and higher overheads because of upscaled marketing and sales initiatives and higher development expenses. Total development expenses related to the HMI Products and IDC business areas, were 56.3 MSEK (52.8).

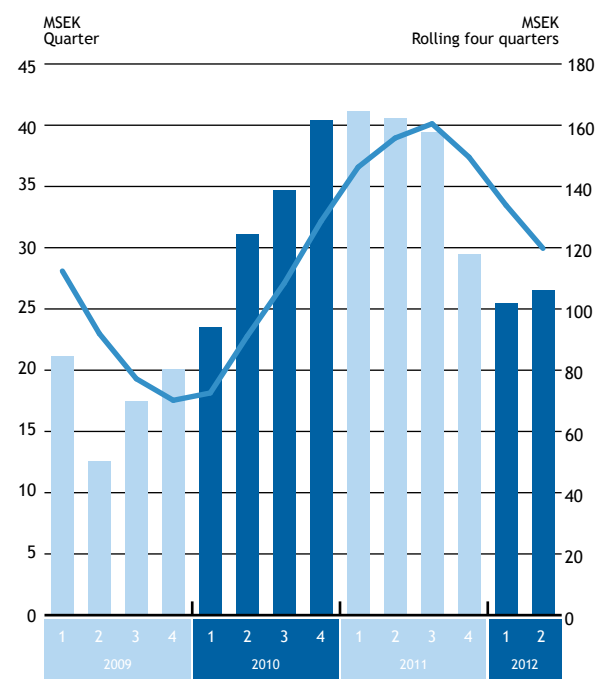
Profit before tax was 41.2 MSEK (73.6). Net financial income/expense was -10.8 MSEK (-8.2). Profit after estimated tax was 20.8 MSEK (57.4). Earnings per share after estimated tax were 1.00 SEK (2.92).

Group Sales



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

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.

HMI Products Business Area

Sales in the HMI Products business area increased notably in the second quarter compared to the first quarter. Order intake was comparable to the first quarter, and was well up on the last two quarters of 2011. The euro crisis affected Europe with restrained demand and deferred investment decisions. In the US, growth remained high, and HMI Products is achieving continued high sales increases there. The recovery in Asia continued with increased order intake and sales in the second quarter. A year-on-year comparison indicates that profitability was negatively affected by lower volumes and higher expenses, but the quarterly operating margin remains somewhat above the long-term target.

Second Quarter

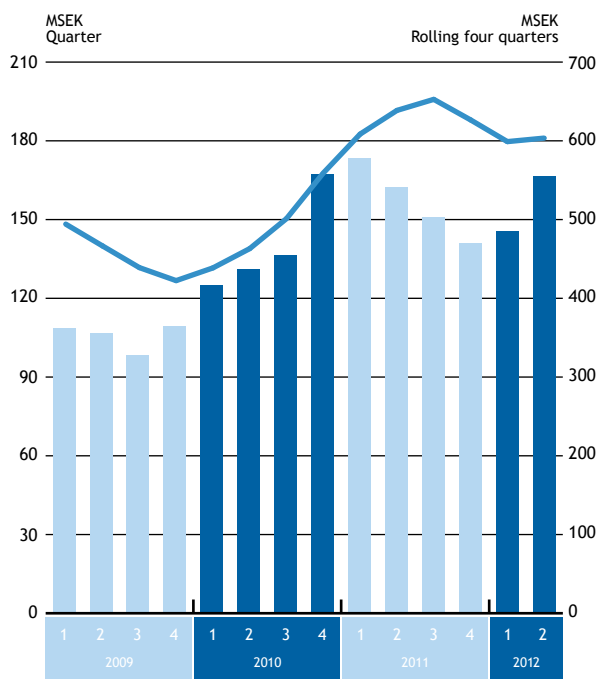
Sales increased by 3% to 166.6 MSEK (162.2), which is consistent with estimates and higher than the first quarter. Business area order intake decreased by 5% to 156.8 MSEK

(164.7). The decrease is due mainly to lower demand in Germany. Operating profit was 21.1 MSEK (25.1), or an operating margin of 12.7% (15.4).

First Half-year

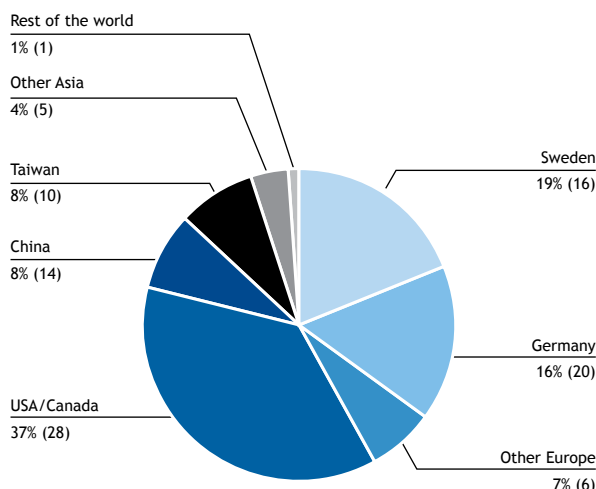
Order intake was 315.7 MSEK (333.6). Sales decreased by 7% to 312.2 MSEK (335.5). Operating profit was 34.4 MSEK (52.9). The operating margin was 11.0% (15.8). The lower profit is explained by reduced sales volumes and higher overheads resulting from aggressive initiatives in marketing and sales initiatives, as well as product development.

Sales, HMI Products



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

Sales by Geographical Market, HMI Products



▲ Sales by geographical market for the first half-year of 2012 compared to 2011.

Automation Business Area

The Nordic automation market suffered a downturn in the second quarter after stable progress in the first quarter. Increased uncertainty regarding future economic growth combined with the euro crisis caused greater caution with deferred investment decisions and lower economic activity as a consequence. Lower demand was especially apparent in Sweden. In Norway and Finland, the positive recovery early in the year transformed into negative growth in the second quarter. However, Denmark saw a modest increase after a poor start to the year.

In the second quarter, the business area secured a strategic order with SFV, the National Swedish Property Board, as the end-customer. This order involves Beijer Electronics' automation solutions for real estate operations in the Royal Library in Stockholm. To gain access to a far larger automation market, Automation launched a broader product range, with additional, Beijer Electronics-branded products.

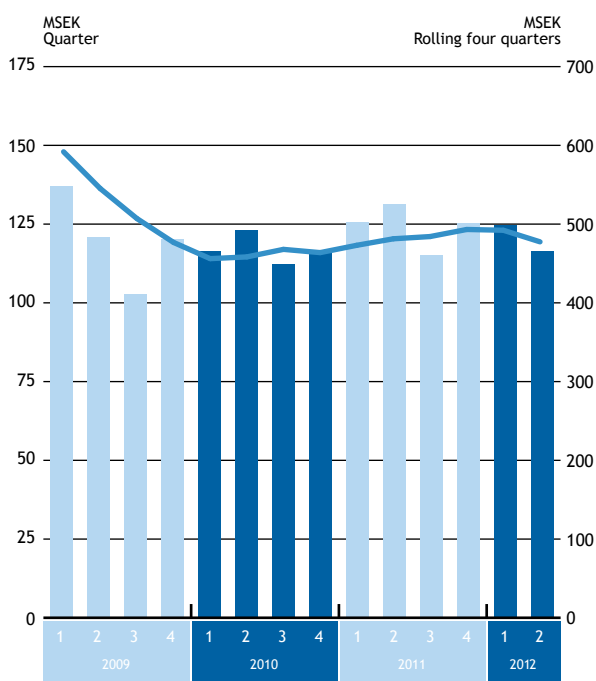
Second Quarter

Business area order intake increased by 11% to 117.2 MSEK (132.0). Sales were 116.5 MSEK (131.2). Operating profit was 6.3 MSEK (9.2). This equates to an operating margin of 5.4% (7.0). The decrease is wholly related to reduced sales volumes.

First Half-year

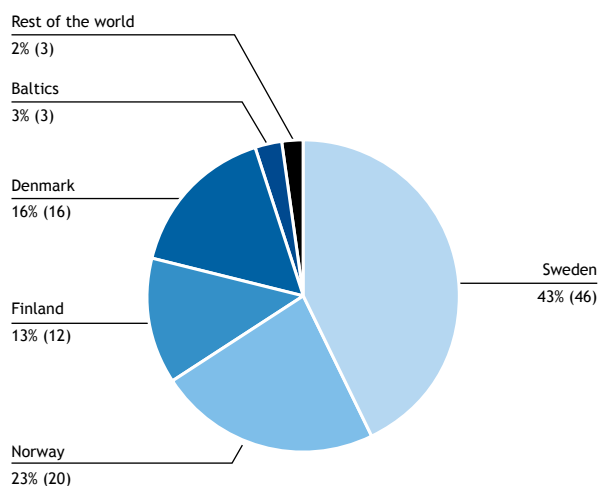
Order intake was 249.5 MSEK (259.4). Sales decreased to 241.2 MSEK (256.9). Operating profit was 15.9 MSEK (18.7), equating to an operating margin of 6.6% (7.3).

Sales, Automation



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

Sales by Geographical Market, Automation



▲ Sales by geographical market for the first half-year of 2012 compared to 2011.

The Industrial Data Communications Business Area

The IDC business area secured its biggest success to date with a major order of some 30 MSEK in June from Toshiba, with Washington Metro as the end-customer. This order corroborates IDC's international competitiveness in the demanding rail segment. In the second quarter, the rest of the market offered a mixed picture with continued good demand in the US and Asia, while parts of Europe saw a weaker development.

In the period, IDC continued to invest in growth with upscaled marketing and sales initiatives including starting up a sales unit in Shanghai. Product development activity was also high with product launches including WeOS 4.9 network software, and the development of Westermo IP Train with Viper 12 PoE and Ethernet Extender DDW-142.

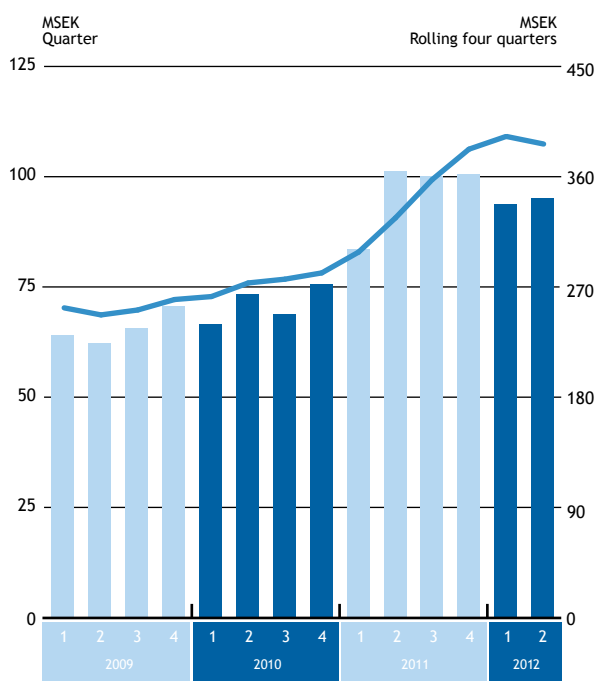
Second Quarter

Business area order intake increased by 14% to 120.5 MSEK (105.5). Sales decreased by 6% to 95.1 MSEK (101.1). Sales were negatively affected by lower demand from a few OEM customers. Operating profit was 7.7 MSEK (11.9), or a margin of 8.1% (11.8). The lower profit is explained by reduced sales and increased expenses for growth initiatives.

First Half-year

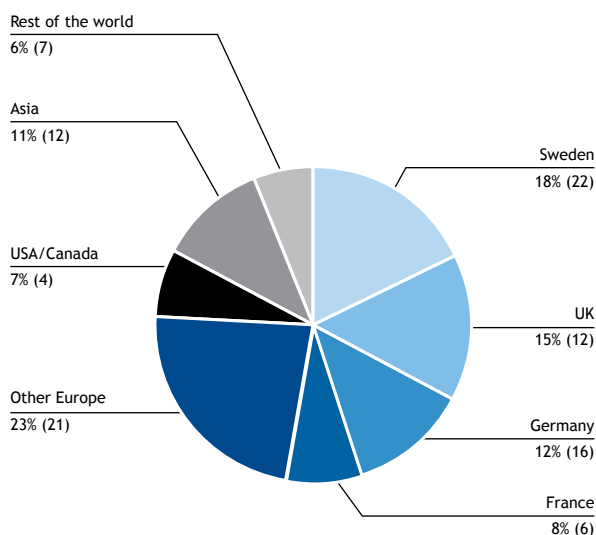
Order intake increased by 14% to 215.3 MSEK (189.2). Sales increased by 2% to 188.8 MSEK (184.6). Operating profit was 15.7 MSEK (18.2). The operating margin was 8.3% (9.9).

Sales, IDC



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

Sales by Geographical Market, IDC



▲ Sales by geographical market for the first half-year of 2012 compared to 2011.

Other Financial Information

Group investments including capitalized development expenses were 32.8 MSEK (33.6). Cash flow from operating activities was 28.1 MSEK (19.7). Equity was 399.8 MSEK (363.2) as of June 30, 2012. The equity ratio was 27.7% (27.3). Cash and cash equivalents were 137.0 MSEK (105.2). Interest-bearing liabilities amounted to 680.8 MSEK (544.0). The average number of employees was 686 (681).

Prospects for 2012

Beijer Electronics' sales and profit were lower in the second quarter of 2012 than in the corresponding quarter of 2011. Uncertainty regarding global economic growth increased in the period, especially in Europe, as a result of the euro crisis. Simultaneously, the group is executing forceful initiatives that will impact sales and profit. Overall, it is difficult to estimate financial performance for the full year 2012.

Significant Events

In May, Beijer Electronics launched two new operator panel product lines, the TxB and TxC, based on its new software, iX 2.0. These new panels are added to the TxA, which was launched in 2011. This new range of panels sharpens Beijer Electronics' competitiveness. The panels cut customers' development expenses significantly, while also offering innovative tools to tailor customer-specific applications.

Through its subsidiary Westermo, Beijer Electronics secured a major order of some 30 MSEK (4 MUSD) in June with the Washington Metropolitan Area Transit Authority (WMATA) as the end-customer. This order marked a breakthrough for Beijer Electronics and Westermo's new IP communication solutions for the rail segment (Westermo

IP Train) and corroborates the group's leadership in this segment. This order covers communication equipment like switches and routers for 364 commuter train cars. Shipping will start in the fourth quarter 2013 and deliveries will run for 2½ years. There is potential for extra orders as part of the WMATA's upgrade of the Washington subway and commuter train network. Beijer Electronics' order for communication equipment is part of an information system for commuter train transport to be delivered by Toshiba of Japan, which is thus Westermo's direct customer.

Accounting Principles

For the group, the Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. For the parent company, the Interim Report has been prepared in accordance with the Swedish Annual Accounts Act's chapter 9, Interim Reporting. The accounting principles applied for the group and parent company are consistent with those accounting principles used when preparing the latest annual accounts.

This Report has not been subject to review by the company's auditors.

Malmö, Sweden, July 13, 2012

The Board of Directors

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Board member

Fredrik Jönsson
Board member
CEO

Interim Report in Summary

Income Statement—Group

SEK 000	Quarter 2 2012	Quarter 2 2011	6 Mth. 2012	6 Mth. 2011	Full Year 2011
Net turnover	350,151	367,883	689,141	729,898	1,417,705
Other operating revenue	2,118	604	1,144	1,332	349
Operating expenses excluding depreciation and amortisation	-313,935	-314,526	-610,897	-623,384	-1,214,762
Operating profit before depreciation and amortization	38,334	53,961	79,388	107,846	203,292
Amortization, intangible assets	-9,468	-9,618	-19,162	-18,727	-37,168
Depreciation, property, plant and equipment	-2,351	-3,762	-8,239	-7,412	-15,854
Operating profit	26,515	40,581	51,987	81,707	150,270
Net financial items	-4,655	-4,016	-10,780	-8,157	-17,292
Profit before tax	21,860	36,565	41,207	73,550	132,978
Estimated tax	-13,858	-7,560	-20,384	-16,112	-33,854
Net profit	8,002	29,005	20,823	57,438	99,124
<i>Attributable to equity holders of the parent</i>	<i>7,312</i>	<i>27,886</i>	<i>18,982</i>	<i>55,254</i>	<i>95,288</i>
<i>Attributable to minority interest</i>	<i>690</i>	<i>1,119</i>	<i>1,841</i>	<i>2,184</i>	<i>3,836</i>
<i>Earnings per share, SEK</i>	<i>0.39</i>	<i>1.47</i>	<i>1.00</i>	<i>2.92</i>	<i>5.03</i>

Statement of Comprehensive Income

SEK 000	Quarter 2 2012	Quarter 2 2011	6 Mth. 2012	6 Mth. 2011	Full Year 2011
Net profit	8,002	29,005	20,823	57,438	99,124
Translation differences	11,224	11,729	3,114	-8,981	8,210
Comprehensive income	19,226	40,734	23,937	48,457	107,334
<i>Attributable to equity holders of the parent</i>	<i>18,790</i>	<i>39,656</i>	<i>22,174</i>	<i>46,993</i>	<i>104,070</i>
<i>Attributable to minority interest</i>	<i>436</i>	<i>1,078</i>	<i>1,763</i>	<i>1,464</i>	<i>3,264</i>

Balance Sheet—Group

SEK 000	Jun 30, 2012	Jun 30, 2011	Dec 31, 2011
Assets			
Fixed assets	808,851	780,530	798,092
Current assets	570,330	508,247	502,405
Cash equivalents and short-term investments	137,007	105,223	178,258
Total assets	1,516,188	1,394,000	1,478,755
Liabilities and shareholders' equity			
Shareholders' equity	399,836	363,188	420,265
Minority share of shareholders' equity	20,649	17,725	18,886
Long-term liabilities	544,197	626,226	585,910
Current liabilities	551,506	386,861	453,694
Total liabilities and shareholders' equity	1,516,188	1,394,000	1,478,755
<i>Of which interest-bearing liabilities</i>	<i>680,835</i>	<i>544,018</i>	<i>607,839</i>

Statement of Changes to Shareholders' Equity—Group

SEK 000	Jun 30, 2012	Jun 30, 2011	Dec 31, 2011
Attributable to equity holders of the parent			
Opening balance, shareholders' equity, 1 January	420,265	337,729	337,729
Other paid-up capital		15,705	15,705
New stock issue		90	90
Dividend	-42,603	-37,329	-37,329
Comprehensive income	22,174	46,993	104,070
Closing balance, shareholders' equity	399,836	363,188	420,265
Minority interest			
Opening balance, 1 January	18,886	27,640	27,640
Acquisitions		-11,379	-11,379
Dividend			-639
Comprehensive income	1,763	1,464	3,264
Closing balance	20,649	17,725	18,886

Key Figures

	Jun 30, 2012	Jun 30, 2011	Dec 31, 2011
Operating margin, %	7.5	11.2	10.6
Profit margin, %	3.0	7.9	7.0
Equity ratio, %	27.7	27.3	29.7
Shareholders' equity per share, SEK	21.1	19.2	22.2
Earnings per share, SEK	1.00	2.92	5.03
Return on equity after tax, %	15.6	30.5	24.6
Return on capital employed, %	12.1	19.0	17.3
Return on net operating assets, %	16.7	21.9	20.4
Average number of employees	686	681	668

Cash Flow Statement—Group

SEK 000	Jun 30, 2012	Jun 30, 2011	Dec 31, 2011
Cash flow from operating activities before changes in working capital	36,233	82,673	160,514
Change in working capital	-8,088	-62,946	-104,028
Cash flow from operating activities	28,145	19,727	56,486
Cash flow from investing activities	-35,472	-79,375	-107,260
Cash flow from finance activities	8,287	98,204	159,715
Dividends paid	-42,603	-37,329	-37,968
Change in cash equivalents	-41,643	1,227	70,973
Cash equivalents and short-term investments, opening balance	178,258	105,064	105,064
Exchange rate change, cash equivalents	392	-1,068	2,221
Cash equivalents and short-term investments, closing balance	137,007	105,223	178,258

Operating Segments

SEK 000	Quarter 2 2012	Quarter 2 2011	6 Mth. 2012	6 Mth. 2011	Full Year 2011
Net turnover					
Automation	116,513	131,184	241,206	256,856	497,201
HMI Products	166,636	162,204	312,172	335,462	627,177
IDC	95,061	101,143	188,815	184,613	385,216
Group adjustments	-28,059	-26,648	-53,052	-47,033	-91,889
Group	350,151	367,883	689,141	729,898	1,417,705
Operating profit before depreciation and amortization					
Automation	7,166	10,136	17,756	20,664	38,383
HMI Products	26,527	31,180	45,956	64,798	111,396
IDC	12,408	15,657	24,388	25,580	61,966
Parent company	-2,453	-236	-6,421	-252	-9,774
Group adjustments	-5,314	-2,776	-2,291	-2,944	1,321
Group	38,334	53,961	79,388	107,846	203,292
Operating profit					
Automation	6,283	9,182	15,931	18,670	34,480
HMI Products	21,102	25,058	34,391	52,889	87,354
IDC	7,727	11,949	15,637	18,249	46,243
Parent company	-3,445	-946	-8,416	-1,671	-12,887
Group adjustments	-5,152	-4,662	-5,556	-6,430	-4,920
Group	26,515	40,581	51,987	81,707	150,270
Net profit					
Automation	4,598	7,459	12,271	14,559	25,576
HMI Products	13,824	20,012	22,113	41,438	64,453
IDC	2,668	8,021	6,391	11,401	29,593
Parent company	2,917	33,223	-6,807	25,608	31,936
Group adjustments	-16,005	-39,710	-13,145	-35,568	-52,434
Group	8,002	29,005	20,823	57,438	99,124
<i>Attributable to equity holders of the parent</i>	<i>7,312</i>	<i>27,886</i>	<i>18,982</i>	<i>55,254</i>	<i>95,288</i>
<i>Attributable to minority interest</i>	<i>690</i>	<i>1,119</i>	<i>1,841</i>	<i>2,184</i>	<i>3,836</i>

Income Statement—Parent Company

SEK 000	Quarter 2 2012	Quarter 2 2011	6 Mth. 2012	6 Mth. 2011	Full Year 2011
Net turnover	17,017	13,887	31,090	27,585	65,059
Operating expenses	-20,464	-14,833	-39,508	-29,256	-77,946
Operating profit	-3,447	-946	-8,418	-1,671	-12,887
Net financial items *	6,845	33,373	-1,360	23,766	33,907
Profit before tax	3,398	32,427	-9,778	22,095	21,020
Appropriations					7,606
Estimated tax	-481	-184	2,971	2,533	3,310
Net profit	2,917	32,243	-6,807	24,628	31,936
<i>* of which is dividends from subsidiaries</i>	3.7	35.5	3.7	35.5	42.2

Balance Sheet—Parent Company

SEK 000	Jun 30, 2012	Jun 30, 2011	Dec 31, 2011
Assets			
Fixed assets	684,108	594,963	604,313
Current assets	21,131	67,297	100,489
Cash equivalents and short-term investments	244	119	116
Total assets	705,483	662,379	704,918
Liabilities and shareholders' equity			
Shareholders' equity	31,681	58,918	81,091
Untaxed reserves	14,284	21,890	14,284
Long-term liabilities	419,919	393,856	378,064
Current liabilities	239,599	187,715	231,479
Total liabilities and shareholders' equity	705,483	662,379	704,918
<i>Of which interest-bearing liabilities</i>	634,561	516,811	560,744

Beijer Electronics AB

Beijer Electronics is a fast-growing technology company active in industrial automation and data communications. The company develops and markets products and solutions that focus on the user. Since its start-up in 1981, Beijer Electronics has evolved into a multinational group present in 21 countries. The company is listed on NASDAQ OMX Nordic Exchange 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 86 00, or send an email: info@beijerelectronics.se.

Financial Calendar

October 25, 2012.....Nine-month Interim Report
February 7, 2013.....Financial Statement



JetBox industrial communication PCs

A new series of products for data communication has been introduced under the Beijer Electronics brand. Among the products are the JetBox communication PCs offering powerful performance and connectivity via all major interfaces in a compact format designed for industrial applications.

► [Read more at www.beijer.se](http://www.beijer.se)

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