

G&L BEIJER Q2/2013

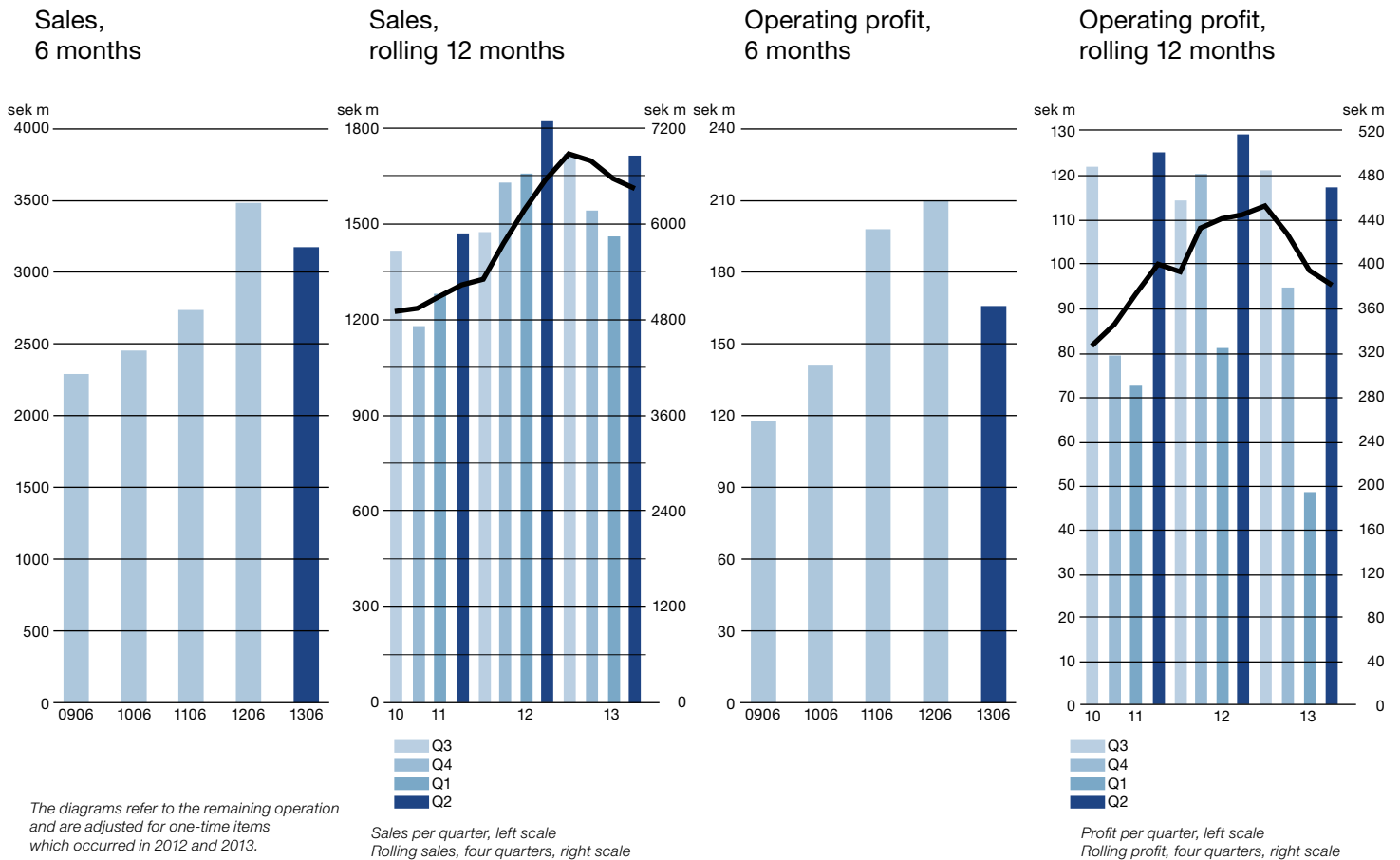
Six - Month Report 2013

- Net sales amounted to SEK 3,175.7M (3,481.1).
- Operating profit before one-time items was SEK 166.3M (210.1). Including one-time costs, operating profit was SEK 132.1M for the first half of 2013.
- Profit for the period excluding one-time items amounted to SEK 107.8M (150.4). Including one-time items, profit for the period was SEK 82.8M (172.4).
- Profit per share amounted to SEK 2.42 (3.42) excluding one-time items and to SEK 1.83 (3.94) including one-time items.
- Per Bertland appointed as the new Managing Director and CEO.





G & L Beijer AB
Six-Month Report
January - June 2013



	6 months 2013	6 months 2012	6 months 2011
Sales, SEK M	3 175.7	3 481.1	2 741.5
Operating profit, SEK M	166.3	210.1	197.8
Net profit for the period, SEK M	107.8	150.4	139.4
Profit per share, SEK	2.42	3.42	3.20

The table refers to the remaining operation and is adjusted for one-time items.

Share split carried out on 29 June 2012. All comparative figures are recalculated taking into account the implemented split.



G & L Beijer is a technology-oriented trading Group which, through a combination of added-value agency products and products of the company's own development, offers competitive solutions within refrigeration and air conditioning.

Sales

G & L Beijer showed a better development during the second quarter of 2013 compared with the first quarter. However, sales were affected negatively by currency effects as a result of the strong SEK. In addition, the spring was unusually cold in Europe which affected demand.

Consolidated sales fell by nine per cent to SEK 3,175.7M (3,481.1) for the first half of the year. When adjusted for currency effects, sales fell by four per cent. Sales for the second quarter fell by six per cent to SEK 1,711.9M (1,826.3) and by two per cent when adjusted for currency effects.

The sales development varied between the Group's different regions. The Scandinavian countries and United Kingdom reported some recovery with rising sales volumes during the second quarter. Central Europe also reported a stabilisation with largely unchanged volumes. In southern and eastern Europe, sales volumes fell at the corresponding rate as in the first quarter. Southern Africa enjoyed strong volume growth.

Results

Consolidated operating profit excluding one-time items of SEK 34.2M amounted to SEK 166.3M (210.1) for the first half of the year. Including one-time items, operating profit was SEK 132.1M for 2013. For the second quarter, operating profit excluding one-time items amounted to SEK 117.6M (129.0). Including one-time items of SEK 34.2M charged to profit in the second quarter, operating profit was SEK 83.4M. The one-time items relate to costs for severance pay for the Managing Director of SEK 15.6M and structural measures of SEK 18.6M. The structural measures mainly comprise reductions of approximately 40 staff in Europe in order to meet lower demand. The measures are expected to generate annual savings of approximately SEK 25M with full effect from the third quarter.

Excluding one-time items, operating profit fell by nine per cent for the second quarter compared with a fall of 40 per cent for the first quarter and 21 per cent for the first six months as a whole.

The Group's financial income/expense excluding one-time items amounted to SEK -15.0M (-14.2) for the first half of the year. Financial income/expense in 2012 included a capital gain of SEK 22.0M from the divestment of a participation in an associated company. Profit before tax amounted to SEK 117.1M (217.9). Profit after tax was SEK 82.8M (172.4). Profit per share amounted to SEK 1.83 (3.94). Excluding one-time items, profit per share was SEK 2.42 (3.42) for the first half of the year. Financial income/expense for the second quarter amounted to SEK -9.6M (-7.5). Profit before tax was SEK 73.8M (121.5) and profit after tax amounted to SEK 50.4M (93.0). Profit per share was SEK 1.14 (2.12). Excluding one-time items, profit per share was SEK 1.73 for the second quarter.

Other financial information

Consolidated capital expenditure, including acquisitions, amounted to SEK 34.4M (55.1) for the first half of the year. Liquid funds, including unutilised bank overdraft facilities, were SEK 433.1M (491.9) on 30 June 2013. Shareholders' equity amounted to SEK 2,247.5M (2,375.9). The net debt was SEK 1,479.3M (1,418.8). The equity ratio amounted to 41.7 per cent (42.4). The average number of employees during the period was 2,106 (2,120).

Significant events

In April, G & L Beijer acquired the Danish refrigeration wholesaler, FK Teknik, which reported sales of approximately SEK 32M in 2012 and showed good profitability. The company, founded in 1956, enjoys a very good reputation in the market. FK Teknik has five employees. The acquisition is a step forward in the continued consolidation of the Danish market. G & L Beijer already has a strong position through its existing operation in Denmark. The acquisition is deemed to have a marginal positive effect on G & L Beijer's profit per share. FK Teknik is included in G & L Beijer's accounts from 1 April 2013.

In June, the Board of Directors appointed Per Bertland as the new Managing Director and CEO of

G & L Beijer. Per Bertland took up his duties on 1 July 2013. He has worked in different functions within the Group since 1990 and has been Head of the Beijer Ref business area and a Member of the Executive Management.

Risk assessment

The operations of the G & L Beijer Group are affected by a number of external factors, the effects of which on the Group's operating profit can be controlled to a varying degree. The Group's operations are dependent on the general economic trend, especially in Europe, which controls the demand for G & L Beijer's products and services. Acquisitions are normally linked with risks such as, for example, staff defection. Other operating risks, such as agency and supplier agreements, product responsibility and delivery undertaking, technical development, warranties, dependence on individuals, etc., are continually being analysed and, when necessary, action is taken to reduce the Group's risk exposure. In its operations, G & L Beijer is exposed to financial risks such as currency risk, interest risk and liquidity risk. The parent company's risk picture is the same as that of the Group. For further information, see G & L Beijer's Annual Report.

Financial information

- The Nine-Month Report will be published on 18 October 2013.
- The Year-End Report for 2013 will be published in February 2014.
- The Annual Report for 2013 will be published in April 2014.

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This interim report has not been the subject of an examination by the company's auditors.

Accounting principles

This interim report has been prepared in accordance with IAS 34, the Annual Accounts Act and RFR 2. G & L Beijer continues to apply the same accounting principles and valuation methods as those described in the latest Annual Report, with the exception of what is stated below, with application from 1 January 2013.

Amendments to IAS 1, 'Formulation of financial reports', has brought about demands on the classification of items reported in 'Other comprehensive income' based on whether they could come to be reclassified to the result or not. This has meant that new headlines have been added to the report, 'The Group's report on other comprehensive income'.

Application of IFRS 13, 'Fair value measurement', aims at reducing the complexity by giving a more precise definition of fair value and standardise the disclosure requirements. The Group's judgement is that the standard solely means extended supplementary disclosures.

As at 30 June 2013, the Group has derivatives for hedging purposes valued at fair value. The reported value amounts to SEK -6M. On 31 December 2012, the value of hedging instruments amounted to SEK -8M. Valuation has been made in accordance with valuation level 2. Derivatives in level 2 consist of interest swaps used for hedging purposes. The valuation of interest swaps is based on forward interest rates produced on the basis of observable yield curves. The Group has a holding in unlisted securities amounting to SEK 79M on 30 June 2013. On 31 December 2012, the value of this holding amounted to SEK 77M. This holding is classified as financial assets available for sale. It was not possible to calculate the fair value of these securities in a reliable way on 30 June 2013. Therefore, valuation has been made at the Group's acquisition value, i.e. in accordance with level 3. There is no observable market data and G & L Beijer has not been given access to information which can form the basis for an estimate. The book value of other financial assets and liabilities in the Group essentially corresponds with the fair value.

The amendment to IAS 19, 'Remuneration of employees' (retroactive application), means that all actuarial profits and losses are reported directly in other comprehensive income as they arise and that post-employment costs will be reported immediately. A net interest rate on the defined benefit net liability is calculated and reported in the result together with costs for the year's earnings.

Equity brought forward in 2012 has been affected negatively by approximately SEK 9M net after tax due to the fact that previously unreported actuarial losses have been reported taking into account deferred tax. This means an increase of SEK 12M in pension provisions and an increase of SEK 3M in deferred tax assets. The result for the year for the 2012 financial year has also been recalculated in accordance with the new principles and this has not brought about any tangible effect on the result for the year. Other comprehensive income for 2012 has been negatively affected by, in total, approximately SEK 6M net after tax due to previously unreported actuarial losses which have been reported during the period. The revaluation result is distributed evenly over the year. The total negative influence on equity carried forward for 2012 is, therefore, SEK 15M. This means that at the end of 2012, the provision for pensions has increased by SEK 20M and the deferred tax asset by SEK 5M, compared with previous principles.

The Board of Directors and the Managing Director assure that this Six-Month Report gives a true and fair view of the company's and the Group's operations, position and results and describes significant risks and factors of uncertainty which the company and the companies included in the Group are facing.

Malmö, Sweden, 17 July 2013

Peter Jessen Jürgensen
Chairman

Bernt Ingman
Board Member

Anne-Marie Pålsson
Board Member

William Striebe
Board Member

Phillippe Delpech
Board Member

Harald Link
Board Member

Joel Magnusson
Board Member



Summarised profit and loss account (SEK M)

	6 months 2013	6 months 2012	Q2 2013	Q2 2012	Full year 2012
Net sales	3 175.7	3 481.1	1 711.9	1 826.3	6 758.3
Other operating income.....	4.5	3.7	2.7	2.2	11.3
Operating expenses.....	-3 017.2	-3 244.5	-1 616.2	-1 684.0	-6 291.3
Depreciation.....	-30.9	-30.2	-15.0	-15.5	-63.1
Operating profit ¹⁾	132.1	210.1	83.4	129.0	415.2
Net interest expense.....	-15.0	-15.7	-9.6	-7.5	-34.6
Other financial results ²⁾	—	23.5	—	—	24.3
Profit before tax	117.1	217.9	73.8	121.5	404.9
Tax.....	-34.3	-45.5	-23.4	-28.5	-99.1
Net profit for the period	82.8	172.4	50.4	93.0	305.8

1) Operating profit for 2013 includes one-time costs relating to severance pay and restructuring of SEK 34.2M.

Operating profit for 2012 full year includes costs of SEK 10.5M for the close-down of part of the operation in Switzerland.

2) Profit for 2012 (three months and full year) includes a capital gain of SEK 22.0M for the divestment of a participation in Förvaltnings AB Norra Vallgatan.

Net profit for the period attributable to:

The parent company's shareholders.....	77.7	166.9	48.1	89.7	295.2
Non-controlling interests.....	5.1	5.5	2.3	3.3	10.6

Net profit for the period per share

before and after dilution, sek.....	1.83	3.94	1.14	2.12	6.96
Net profit for the period per share excluding one-time items, sek	2.42	3.42	1.73	2.12	6.66

Share split carried out on 29 June 2012. All comparative figures are recalculated taking into account the implemented split.

The Group's report on other comprehensive income (SEK M)

	6 months 2013	6 months 2012	Q2 2013	Q2 2012	Full year 2012
Net profit for the period	82.8	172.4	50.4	93.0	305.8

Other comprehensive income

Items which will not be reversed in the profit and loss account

Revaluation of the net pension commitment.....	-0.2	-3.1	-0.2	-1.5	-6.1
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Items which can later be reversed in the profit and loss account

Exchange rate differences.....	-29.2	-12.2	79.4	22.8	-120.0
Cash flow hedging	1.0	-2.9	-0.1	-1.4	-4.8
Hedging of net investment.....	-1.1	5.8	-6.0	2.8	9.0
Other comprehensive income for the period	-29.5	-12.4	73.1	22.7	-121.9

Total comprehensive income for the period.....	53.3	160.0	123.5	115.7	183.9
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Attributable to:

The parent company's shareholders.....	47.6	155.3	120.3	112.7	174.6
Non-controlling interests.....	5.7	4.7	3.2	3.0	9.3

Summarised balance sheet (SEK M)

	2013 06-30	2012 06-30	2012 12-31
Assets			
Fixed assets	1 834.8	1 890.2	1 835.6
Current assets	3 364.0	3 501.0	2 988.9
Liquid funds	192.2	208.3	188.7
Total assets	5 391.0	5 599.5	5 013.2
Equity and liabilities			
Shareholders' equity	2 247.5	2 375.9	2 399.7
Long term liabilities	1 122.5	999.5	979.2
Current liabilities	2 021.0	2 224.1	1 634.3
Total equity and liabilities	5 391.0	5 599.5	5 013.2
Of which interest-bearing liabilities	1 671.5	1 627.1	1 417.2

Key figures

	2013 06-30	2012 06-30	2012 12-31
Equity ratio, %	41.7	42.4	47.9
Equity per share, sek	53	56	57
Return on equity after full tax, %	9.4	15.6	12.7
Return on capital employed, %	8.7	14.0	11.6
Return on capital employed in operations, %	9.1	14.0	11.8
Number of outstanding shares	42.391.030	42.391.030	42.391.030
Average number of outstanding shares	42.391.030	42.391.030	42.391.030
Holding of own shares	87.200	87.200	87.200

Share split carried out on 29 June 2012. All comparative figures are recalculated taking into account the implemented split.

Summarised consolidated cash flow statement (SEK M)

	6 months 2013	6 months 2012	Full year 2012
Cash flow from current operations	91.2	154.6	335.4
Changes in working capital	-110.1	-211.4	-193.0
Cash flow from investment operations	-31.9	4.9	-15.2
Change in financing operation	260.6	216.2	23.7
Dividend paid	-201.4	-190.8	-190.8
Change in cash and bank	8.4	-26.5	-39.9
Exchange rate difference in liquid funds	-4.9	-2.6	-8.8
Cash and bank on 1 January	188.7	237.4	237.4
Cash and bank at the period end	192.2	208.3	188.7

Shareholders' equity (SEK M)

	2013 06-30	2012 06-30
Opening balance	2 415.1	2 418.9
Adjustment relating to new accounting principles	-15.4	-9.2
Adjusted opening balance	2 399.7	2 409.7
Total comprehensive income for the period	53.3	160.0
Dividend	-201.4	-190.8
Dividend to holders with non-controlling interest	-4.1	-3.0
Closing balance	2 247.5	2 375.9

Reporting for segments (sek m)

	Beijer Ref		Group	
	6 months 2013	6 months 2012	6 months 2013	6 months 2012
R e v e n u e s				
External revenues	3 175.7	3 481.1	3 175.7	3 481.1
Total revenues.....	3 175.7	3 481.1	3 175.7	3 481.1

R e s u l t s				
Result by operation ¹⁾	166.4	225.5	166.4	225.5
Undistributed costs ²⁾			-34.3	-15.4
Operating profit.....	166.4	225.5	132.1	210.1

1) The result for Beijer Ref in 2013 includes costs for restructuring of SEK 17.1M.

2) The item Undistributed costs for 2013 includes costs for severance pay and restructuring of SEK 17.1M.

	Beijer Ref		Group	
	2013 06-30	2012 06-30	2013 06-30	2012 06-30
A s s e t s				
Assets.....	5 494.4	5 625.1	5 494.4	5 625.1
Undistributed assets/eliminations			-103.4	-25.6
Total assets.....	5 494.4	5 625.1	5 391.0	5 599.5

Parent company profit and loss account in summary (SEK M)

	6 months 2013	6 months 2012	Full year 2012
Operating income	—	0.3	9.3
Operating expenses.....	-29.6	-16.0	-24.7
Depreciation and write-downs of intangible and tangible fixed assets	-0.3	-0.4	-0.7
Operating profit ¹⁾	-29.9	-16.1	-16.1
Net interest income/expense.....	1.4	1.9	2.7
Result of participations in Group companies and associated companies.....	99.3	168.9	301.5
Profit after financial investments	70.8	154.7	288.1
Appropriations	—	—	1.0
Profit before tax	70.8	154.7	289.1
Tax on the period's profit.....	6.3	3.7	0.8
Net profit	77.1	158.4	289.9

1) Operating profit for 2013 includes one-time costs for severance pay and restructuring of SEK 17.1M.

Parent company balance sheet in summary (SEK M)

	2013 06-30	2012 06-30	2012 12-31
A s s e t s			
Intangible and tangible fixed assets.....	1.2	1.6	1.3
Financial fixed assets.....	1 373.7	1 307.7	1 366.2
Current assets.....	220.2	301.6	355.4
Total assets	1 595.1	1 610.9	1 722.9
E q u i t y a n d l i a b i l i t i e s			
Shareholder's equity.....	1 565.9	1 558.7	1 690.2
Untaxed reserves.....	10.3	11.3	10.3
Long-term liabilities	—	28.1	—
Current liabilities	18.9	12.8	22.4
Total equity and liabilities	1 595.1	1 610.9	1 722.9

BEIJERS

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