Annual Report 2009

Beijer
ELECTRONICS

Invitation to the Annual General Meeting

The Annual General Meeting (AGM) will be held at 4 p.m. on Monday, April 26, 2010 at Malmö Börshus, Skeppsbron 2, Malmö, Sweden.

Entitlement to Participate in the AGM

For entitlement to participate in the AGM, shareholders should:

- First, be included in the share register maintained by Euroclear Sweden AB (formerly VPC AB) by no later than Tuesday, April 20, 2010;
- Second, notify the company of their intention to participate, with the number of assistants they wish to bring, by no later than 12 noon on Tuesday, April 20, 2010.

Notification

Notifications should state the shareholders' name, personal or corporate identity number, shareholding, address and telephone number. Notifications can be made via the company's Website, www.beijerelectronics.se, by telephone on +46 (0)40 35 86 44, by fax on +46 (0)40 29 26 70, by e-mail to arsstamma@beijerelectronics.se or by mail to Annika Johnsson, Beijer Electronics AB (publ), Box 426, 201 24 Malmö, Sweden (please mark the envelope 'AGM').

If participation is through power of attorney, a dated original should be sent to the company by no later than April 20, 2010. Representatives of legal entities should present certificates of incorporation or equivalent documentation stating authorized signatories.

In order to participate at the Meeting, shareholders' with nominee-registered holdings must temporarily register their shares in their own name. This re-registration should be complete by April 20, 2010, and shareholders should notify their nominees in good time before this date.

Dividends

The Board of Directors proposes that dividends of SEK 4.00 per share are paid for the financial year 2009, with the record date of April 29, 2010. Dividends are scheduled for payment via Euroclear Sweden AB on May 4, 2010.

Financial Information 2010

April 26, 2010....................AGM
April 26, 2010....................Three-month Interim Report
August 17, 2010....................Six-month Interim Report
October 19, 2010....................Nine-month Interim Report

All financial information is uploaded to Beijer Electronics' website www.beijerelectronics.se/Investor Relations, where an e-mail subscription list for press releases and financial reports is also available.

Questions relating to the Beijer Electronics group should be addressed to Corporate Communications Manager Katarina Erichs Emilson on tel +46 (0) 40 35 84 96, or via e-mail: info@beijerelectronics.se.

Introduction

The Group

Operations in 2009

Financial Information

Investor and Shareholder Information

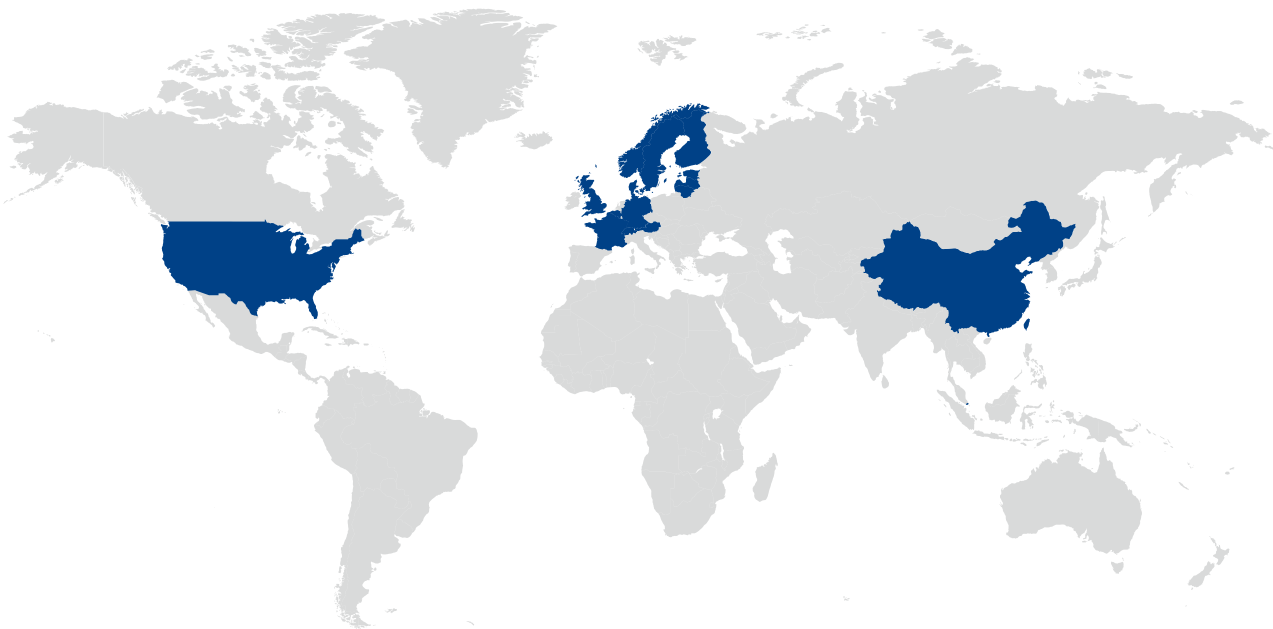
Beijer Electronics—Summary

Beijer Electronics is an expansive technology corporation with long-term experience of industrial automation and robust data communications. Since its start-up in 1981, Beijer Electronics has evolved into a multinational group with subsidiaries in 14 countries, some 500 employees and yearly sales of over SEK 1 billion.

We offer market-leading products and functionality to run, control and optimize critical processes and functions across a range of activities. Our offering also includes integrating and tailoring products into effective solutions for each customer.

By delivering high-quality industrial automation and communication solutions, we help enhance process efficiency, increase safety, cut energy costs, rationalize the consumption of resources and create a better working environment for users.

A Global Company with a Solid Platform for Growth



A Long History of Technological Innovation

We have always endeavored to stay at the leading edge of technological progress, and have launched globally unique products in HMI and industrial data communications over the years. In 2009, we secured our technology leadership, through channels including the launch of robust Ethernet switches and the iX HMI software platform.

1981
Beijer Electronics is formed and secures distribution rights for compact control systems

2004
Launch of EXTER, HMI with support for Windows Embedded

2005–2007
Acquisitions of companies including Westermo, a leader in robust data communications

2009
Launch of iX, the .net-based software platform; Launches of RedFox Ethernet switches

1981 · 1990 · 1999 · 2005–2007 · 2008 · 2009 · 2010

1990
Launch of the MAC series, the world's first HMI with transparent mode

1999
CIMREX, launch of the world's first HMI with web support

2008
Wolverine Ethernet Extenders released

Highlights of the Year

- Net sales were 1,088.5 MSEK (1,275.6).
- Operating profit was 63.8 MSEK (116.5), charged with non-recurring expenses of 7.5 MSEK for restructuring and inventory impairment losses of 10 MSEK.
- Profit after tax was 40.2 MSEK (77.2).
- Earnings per share after tax were 6.22 SEK (11.72).
- Cash flow from operations was 173.5 MSEK (82.5).
- The Board of Directors is proposing a dividend of 4.00 SEK (4.00) per share.
- The early implementation of a savings package resulted in cost reductions of 77 MSEK (currency adjusted).
- A sharper focus on direct sales and distributor relations paid off in the year.
- Reorganization of development team resulted in more effective product development through specialized development centers and a global product management strategy.
- Beijer Electronics' new, world-leading HMI software platform iX launched in November as standalone software and embedded in operator panels.
- The company's first range of routers and its second generation of Ethernet Extenders were launched in the year.
- The Swedish National Rail Administration appointed Beijer Electronics as its main vendor of robust industrial data communication equipment for ERTMS 2, a new EU-wide rail traffic control system.

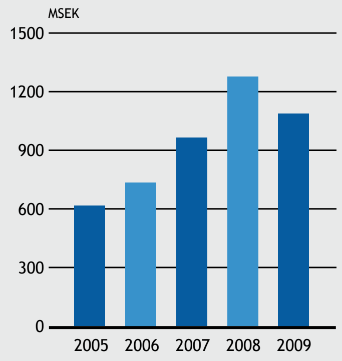
Key Financial Ratios

	2009	2008
Sales, MSEK	1,088.5	1,275.6
Operating profit, MSEK	63.8	116.5
Operating margin, %	5.9 [a]	9.1 [b]
Profit before tax, MSEK	60.9	96.4
Earnings per share, SEK	6.22	11.72
Dividend per share, SEK	4.00	4.00
Equity ratio, %	33.3	31.2
Average number of employees	534	595

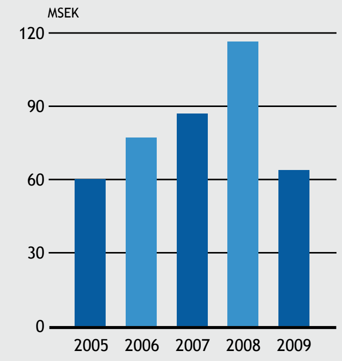
[a] *Including non-recurring expenses of 7.5 MSEK and inventory impairment of 10 MSEK.*
[b] *Including non-recurring expenses of 7.5 MSEK.*

MORE INFORMATION IN THE FIVE-YEAR SUMMARY ON PAGE 84.

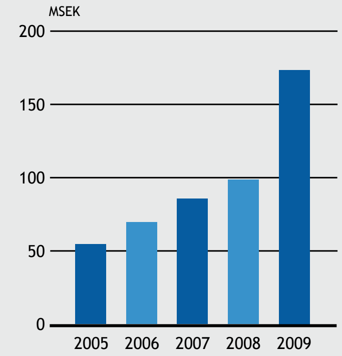
Sales, 2005-2009



Operating Profit, 2005-2009



Cash Flow from Operations, 2005-2009



Focusing on Innovation and Growth

2009 was something of an acid test for the whole automation sector. But thanks to cost savings implemented early, internal development work and active sales efforts, Beijer Electronics now has a stable platform for growth and a great starting-position for the future.

Nobody could claim that 2009 was a great year, for the global economy, large parts of the business world, or for us in the automation industry. That's why I'm so proud that at Beijer Electronics, we can look back at positive profits of 63.8 MSEK, a strong cash flow and advanced positioning on several markets. Tailoring our cost base to a declining market is often hard work, but the reward is maintained room to act and getting a good starting-position for growth when the market turns.

Early Cost Savings

Back at the beginning of the year, we addressed the beginnings of a cyclical sales downturn with a cost-savings package. In total, these measures cut our costs by 77 MSEK. We also implemented changes in our organization and processes, with measures including a sharper focus on core business and rationalizing our purchasing and logistics activities.

The Benefits of a Broad Offering

The breadth of our product offering and global presence are factors that favored us in the current economic conditions. While the demand for industrial automation products fell drastically on many of our markets, other segments fared better. HMI products were some of our offerings that achieved very good sales on Asian markets, and our industrial data communications business increased sales in the year thanks to a focus on infrastructure applications and new product launches.

Retained Development Focus

Despite a challenging market, we continued to focus on high-technology product development with undiminished strength. One positive in the year was the launch of iX, our new software platform for HMI products, which the market reacted very well to. In the Industrial Data Communications segment, we launched a range of new products and achieved major successes with our development work close to the customer in rail and other segments.

We implemented an extensive change process in our development organization, where we combined an overarching global product development strategy with specialized development centers. We expect this to generate major time and quality gains in product development.

A Sharper Sales Strategy

A lower tempo on the market can also open up new opportunities for vendors. We took the opportunity to consolidate relationships with our existing customers and create new contacts. The German industrial data communications market is a good example of how an active sales strategy can pay off. To counter the effects of a sharp demand downturn from industry, we shifted gear, upscaling our initiatives on the infrastructure segment, which triggered a sales turnaround in Germany.

In China, we implemented a strategic change with more focus on direct sales and a transition to a distributor strategy with several distributors on the same market, which has already achieved good results. The past year has reinforced the impression of Asia as a strategically decisive market for Beijer Electronics' onward development. We have already strengthened our positioning and have laid the foundation for continued expansion.

»Tailoring our cost base to a declining market is often hard work, but the reward is maintained room to act and getting a good starting-position for growth when the market turns.«

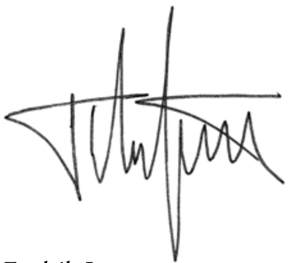
Fredrik Jönsson
CEO

A Future with Positive Signals

Back in late-2009, we had already noted a significant recovery on the market, and we're prepared for 2010 with a strong order book and leaner organization. In 2010, we will continue our growth strategy, whose building-blocks are developing attractive concept solutions, greater geographical presence and openness to more acquisitions.

There can be no doubt that automation is a segment of the future, and with our current focus on production efficiency, reduced energy consumption and environmental considerations, we've got a vital role to play.

Finally, I'd like to say a big thank-you to all our people, suppliers and customers for a good collaboration in a turbulent year. A lot of challenges still await us, and some markets will remain tough next year. But I'm convinced that Beijer Electronics is also well equipped to cope with these outstandingly.



Fredrik Jönsson
CEO, Beijer Electronics AB

Innovation and Simplicity

Beijer Electronics is a leading provider of industrial automation and communications solutions that center on quality, functionality and user-friendliness. Our product development is innovative, customers find us easy to collaborate with and we make a broad offering to the market.

Since start-up in 1981, Beijer Electronics has evolved into a multinational group with subsidiaries across 14 countries, 500 employees and sales of over SEK 1 billion. Thanks to our long-term experience of the industrial automation segment, we can offer our customers leading products and solutions to run, optimize and control critical functions and processes across a raft of different activities.

Our success builds on our ability to be innovative in product development, and how we create efficient complete solutions for our customers. But at the same time, we are easy to collaborate with and skilful at creating close relationships with our customers.

Three Strong Business Areas

Our operations are divided into three business areas with decentralized business responsibility. The Automation business area delivers leading industrial automation products and solutions on the Nordic and Baltic market. The HMI Products and Industrial Data Communications business areas are both active on the global market, developing and selling automation and communications solutions.

A Raft of Application Segments

Automation solutions are needed in a raft of segments. Most of Beijer Electronics' customers are in manufacturing, where we have a long tradition as a vendor to the automotive, food and engineering industries. OEMs, where our products are a part of manufacturers' overall offerings, are a key customer segment. There are also many applications for our solutions in the infrastructure segment, including the transportation sector, water treatment and energy production.

To further sharpen our customer offering, we identified a number of segments with especially high growth potential, where we have developed tailored concept solutions, services offerings and products. Read more about this to the right.

Product development for the future

With our development activities in HMI and data communications products, we are at the leading edge of two exciting technology segments with huge future potential. The task of our development organization is to integrate the new opportunities offered by general progress in IT with industrial standards of reliability and robustness.

A Multinational Company

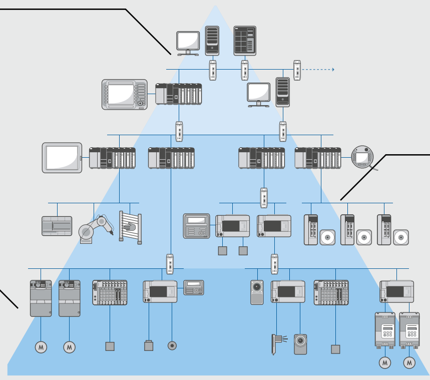
An international presence is a prerequisite for us being able to satisfy the standards of our global customers. We have sales and customer support in 14 countries through our subsidiaries and access another 44 countries through independent distributors. Our product development activities are also multinational, with development centers in Sweden, Germany and Taiwan.

An Overall Perspective

We offer products and solutions that give our customers effective automation at all levels—from sensors to links with ERP systems. With our help, customers create a natural hierarchy of functionality and the possibility to run and control systems optimally.

Links to ERP Systems

Production units link up to ERP systems for optimal running of procurement and inventory management, for example.



Centralized Control

Running and controlling a range of processes in a manufacturing plant or different units remotely, such as several waterworks or a real estate holding.

Localized Control

Running and controlling individual parts of a process such as a single machine in a manufacturing process.

Clear Customer Benefits with Tailored Concept Solutions

Economics

Openness and customer-specific solutions make our products cost-efficient to implement and run.

Efficiency

We assist our customers in finding the right automation level for their solutions for greater efficiency.

Energy

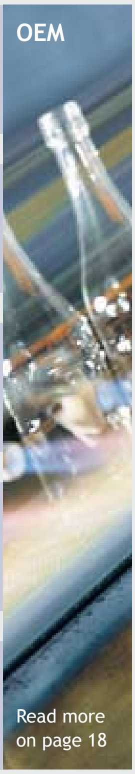
We offer solutions to reduce energy consumption and cut costs for our customers.

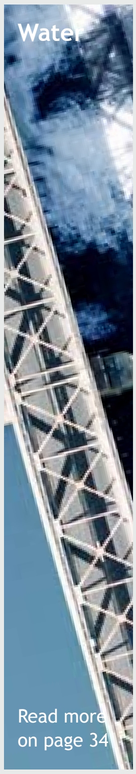
Ecology

We develop solutions that mean our customers can rationalize production and reduce their impact on the environment.

Ergonomics

Our products contribute to a better working environment for the user by centering on user-friendliness.





Effective Automation Sharpens Industrial Competitiveness

Drivers of progress on the automation market include more focus on energy efficiency, better utilization of production capacity and the desire of developing countries to match Western standards.

In recent years, the climate change debate has put effective utilization of resources and environmentally friendly energy production high up on the political agenda. Meanwhile, there is a huge need for more access to energy, especially in developing countries. Rapid urbanization, increased consumption and energy-intensive industrialization are increasing the need for energy, while across industry, the financial crisis has put the focus on long-term energy savings and production efficiency. Effective automation has a major role to play in all this.

Macroeconomic Development Factors

The global automation market is affected by a range of factors at the macro level that determine market up and downturns and that market players have to address. The most important are:

Industrial production. Growth of the automation market is closely related to global industrial production, which in turn, depends on GDP growth. Demand for automation and communication products is driven by new investment to cope with higher production levels, but also the demand for lower costs.

Capacity utilization. Effective utilization of the Earth's resources is all about getting more capacity from existing structures. New technology that enables more flexibility in energy production, for example, or solutions enabling greater loads on transportation systems, are part of the solution.

Stimulus packages. Central government grants for public investment in transport infrastructure and water treatment, for example, drive the demand for automation and communication products. The stimulus packages also addressing parts of manufacturing affect the global market.

A Market with Global Competition

Beijer Electronics' competitors on the automation market include several global players with broad product offerings and a highly international presence. But there are also many niche enterprises that operate locally or in specific product or technology segments. Global producers of automation solutions include Siemens (Germany), Rockwell (USA) and ABB Automation (Sweden).

In the HMI segment, Beijer Electronics competes with major global players and producers that are more focused on operating systems, like Proface (owned by Schneider Electric, France), B&R (Austria) and GE Fanuc (USA).

Industrial data communications is a broad segment with many sub-segments. Most competitors are niche players in product or geographical terms. Companies that compete with Beijer Electronics industrial data communications products include Hirschmann (owned by Belden, USA), Moxa (Taiwan) and Ruggedcom (USA).

Trends as the Foundation of Strategic Decisions

Technological advances and changing customer needs constantly alter the conditions for participants on the automation market. Regular monitoring of market progress and analyzing change on different markets are important components of Beijer Electronics' strategy work. Some of the main trends now affecting demand in the automation market are indicated to the right.

Current Market Trends

Higher Production Efficiency Standards

Intense competition and increased price pressure mean constantly increasing demands for effective industrial production.

Beijer Electronics offers effective solutions for automating industrial processes, cutting production costs and increasing flexibility.

Focusing on Energy Consumption and Environmental Issues

All parts of society have a sharper focus on reduced energy consumption and greater environmental consideration.

Beijer Electronics offers solutions for the effective utilization of energy structures and building automation, with results including cutting energy costs by up to 30%.

Global Vendors Have the Advantage

Greater globalization across many segments is increasing the demand for global project management and support.

Beijer Electronics has a global organization with a presence on all continents, which brings us close to the customer, from development and sales to training and support.

A Single Partner for the Whole Picture

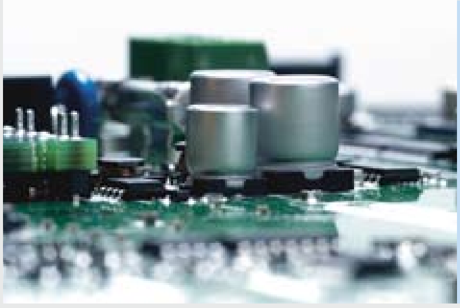
Demand for complete solutions is rising, with a single supplier satisfying many different parts of customer needs.

Beijer Electronics has broad operations with its different business areas and turnkey concept solutions that satisfy the customer's complete automation needs.

Higher Demand for Customer-specific Solutions

Demand for tailored solutions is increasing as a way of optimizing the results of an investment in automation.

Beijer Electronics has a broad array of off-the-shelf products to choose between and open, flexible solutions that can be quickly tailored to each customer's unique needs.



New Technologies

General technological progress and changeovers from obsolete systems to meet new challenges is an important driver in automation.

Beijer Electronics focuses on development in HMI and industrial data communications, which means we are well advanced in technological progress through close collaborations with our customers.

Stronger Positions on a Challenging Market

2009 was a tough year on the automation market. The recession and financial crisis hit the world's industrial investment hard. But progress in Asia and a growing industrial data communications market were positive signs.

In 2009, estimates indicate the value of the overall global industrial automation market at some SEK 600 billion, down some 20% on the previous year. The biggest downturns occurred in Europe, the USA and Japan, while markets in the rest of Asia did significantly better in the recession.

For Beijer Electronics' business areas, the biggest downturn was for Automation, where the Nordic and Baltic market contracted by some 25%. The global market for HMI products also reduced, while the industrial data communications market advanced somewhat.

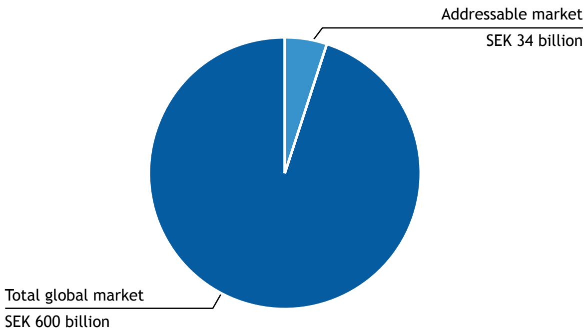
A Market with High Growth Potential

Beijer Electronics estimates its addressable market at some SEK 34 billion. Our offering to the market is in the application segment, where we combine products and solutions for specific functionality in automation systems.

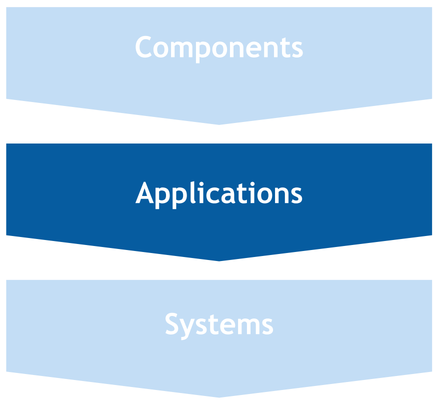
This orientation puts us in a good position with a broader offering than niche vendors, and simultaneously, more flexibility than system vendors.

Our strong positioning in the Nordic region and northern Europe gives our business a stable platform, while our successes in Asia and elsewhere demonstrate high potential for the company's future global growth. There is more on Beijer Electronics' growth strategies in the next section.

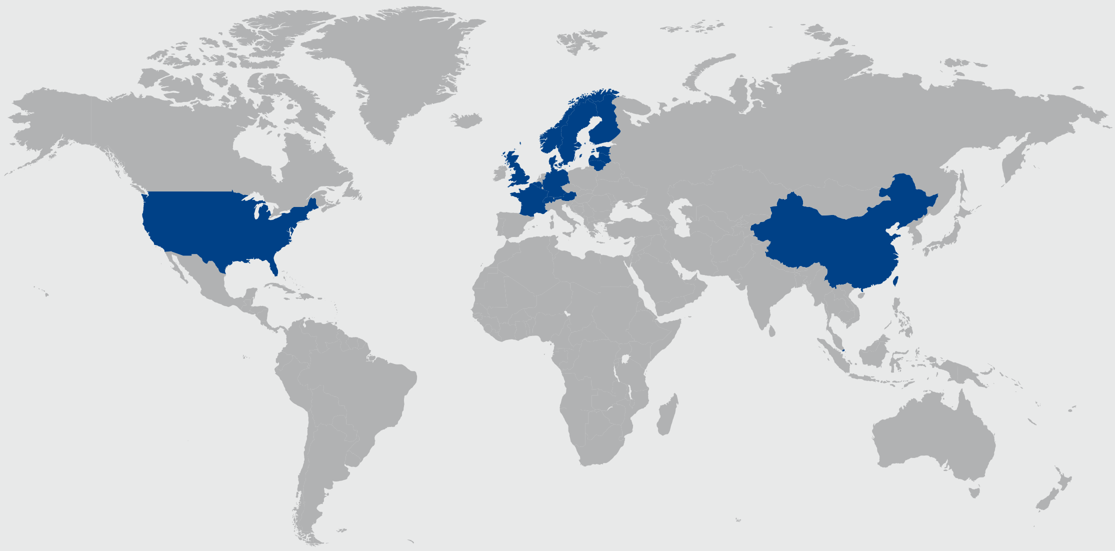
Addressable Market



Focus in the Value Chain



A Secure Foundation for Continued Expansion



Nordic and Baltic Region

Sales in 2009: 561 MSEK
Share: 52%

The Nordic and Baltic regions represent the majority of Beijer Electronics' sales and the region is also important as a test market for new solutions. The prevailing recession affected sales in the year, especially in the industrial sector. In the Baltics, downscaled investments in infrastructure projects due to the financial crisis subdued demand.

North America

Sales in 2009: 58 MSEK
Share: 5%

The North American market brings major challenges, but also offers high potential. Apart from a raft of OEM customers, the company's HMI and communication products have major business opportunities in infrastructure initiatives and modernization of the energy segment. Increasing the direct sales share is part of the ongoing strategy for North America.

Asia

Sales in 2009: 110 MSEK
Share: 10%

Asia is a highly significant region for Beijer Electronics' long-term progress. The company already has proprietary representation in China, Singapore and Taiwan, and is present through distributors on another six markets. Asia was the region with the best sales growth in the year, with China being an especially positive growth market. A realigned sales strategy in the region has paid off, with its focus on increased direct sales and more distributors.

Europe

Sales in 2009: 344 MSEK
Share: 32%

Germany is the largest European market for Beijer Electronics. Moreover, a partnership agreement was signed in the year to extend the product offering on the German market, which will further improve sales prospects there. However, forecast progress is weak in 2010 in Germany due to problems in the automotive industry. Other key European markets are France, the UK and southern European countries, which offer high growth potential.

Rest of World

Sales in 2009: 15 MSEK
Share: 1%

Markets in South America, the Middle East and Africa are of fairly low significance to Beijer Electronics' sales at present. But a number of deals were done in the Middle East, a region offering high potential, primarily in terms of energy, water treatment and building automation, but also in the food and packaging industries.

Strategy for Higher Growth

Our vision is to be a leading provider of user-friendly automation and communications solutions on a global basis. Building on our basic values, we formulate our business concept and strategies to realize our vision and achieve our financial and business goals.

In 2008, Beijer Electronics started work involving the whole company with the aim of creating a collective view of its business right the away from its business concept to the long-term vision of where the company is heading. Work has continued since then, on formulating strategies and action-plans for the short and long-term that will help the company's positive progress and long-term growth.

A Business Concept Supporting our Vision

Beijer Electronics' business concept means delivering reliable automation solutions to our customers that help increase efficiency in critical processes and functions proceeding from our in-depth knowledge of market needs, high level of technological competence and global presence.

We drive our business in the direction of realizing our vision of being a leading global provider of automation solutions featuring simplicity—in usage, implementation and operation.

Development Strategies

The strategic priorities of Beijer Electronics operations reflect work on two fronts. Our aggressive growth strategy, which advances the company's market position and provides economies of scale, is one important component. We combine this with a focus on good cost control and effective processes that give us room to act and stability, even in challenging market conditions. Four prioritized strategic segments have been identified, with a number of decisive activities defined for each.

Organic growth. We will increase our sales by reinforcing our sales resources and working actively on cross-sales, geographically and between business areas. We will also keep our focus on major OEM customers and other prioritized customer segments.

Geographical expansion. Geographical expansion through proprietary enterprises and new relations with selected distributors, and selective acquisitions to build specialist competence in new segments are included in our strategy for a greater international presence.

Market-driven product development. To achieve our goal of increased sales with good cost control, we have formulated a product development strategy with continued development of concept solutions and new products and platforms in a cost-efficient global development organization.

Efficiency. We work constantly for an efficient business with good cost control, through measures including improving our supply chain, effective sales and continuous improvement of our operating activities.

Our Business Foundation

Our ability to be committed, proactive and deliver solutions that customers can trust is the foundation of good progress and long-term growth. Building on our values and business concept, we have identified a number of strategic segments and activities to realize our financial and business goals, and our vision of being a leading provider of user-friendly automation solutions.

Commitment

Reflects our commitment and good relations with the outside world and each other.

Drive

Our go-ahead approach and proactivity in our attitude and technological progress.

Trust

Representing honesty and actions that inspire trust.

Vision

A leading provider of user-friendly automation solutions on a global basis.

Business Concept

Driven by a strong commitment to people and technology, we provide automation solutions that our customers can trust.

Financial Goals

Annual growth > 15%
Operating margin > 10%
Capital employed < 10%

Strategy

Prioritized strategic segments focusing on growth and profitability.

Prioritized Strategic Segments

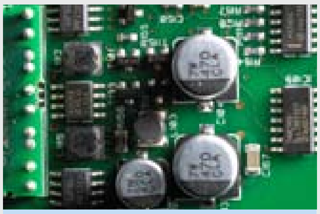
Growth — Cost Control

Organic Growth

- A sharper focus on sales
- Increased cross-sales
- Sustained focus on OEMs and prioritized customer segments

Geographical Expansion

- More proprietary companies
- Stronger distributor network
- Acquisitions



Market-driven Product Development

- Develop concept solutions
- Develop new platforms and products
- Global R&D

Efficiency

- Good cost control
- Improved supply chain
- Effective sales
- Continuous improvement

Technology Development for the Future

A strong development operation is a basic prerequisite for our success on the market. We drive product development globally, and proceed from our basic principles of user-friendliness, functionality and good design.

Beijer Electronics is a development-intensive company with extensive software development of concept and functional solutions as well as proprietary product development in HMI (human machine interface) and industrial data communications. Beijer Electronics invested 76 MSEK in technology and product development in 2009.

A Sharper Development Organization

Extensive reorganization of HMI was conducted in the year, with three development centers being assigned a collective plan and project management to increase the effectiveness of development. Meanwhile, Beijer Electronics put a clear focus on development work to gain a more effective development organization.

Industrial Data Communications' development activities are in Stora Sundby and Västerås. The units form a joint development center with a shared roadmap and project management.

Development Projects in 2009

The development of concept solutions for effective automation remained in focus in the year, with progress including the development of solutions for energy-efficient real estate operations. The focus in the HMI segment was on software development, with the highlight being the launch of iX. This software is offered on a standalone basis and embedded in Beijer Electronics' proprietary operator panels. Five models have already been launched, and iX will be the software in all new products developed through the coming years.

In 2009, development in Industrial Data Communications resulted in products including RedFox Ethernet switches and the second generation of the Wolverine range of Ethernet Extenders.

Future Development Initiatives

The big initiative in hardware and software development in HMI is to modularize hardware platforms and enhance the functionality of the iX software platform, and make it the common platform of all operating systems, panels and industrial PCs. By building a full range of HMI products with a limited number of modules, product development and production are streamlined, also enabling tailored solutions for customers.

For industrial data communications, the next year will bring a continued focus on development in Ethernet and extended support on routing and safety, but also development of off-the-shelf products for rail.

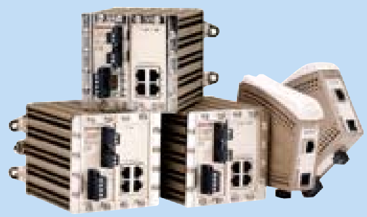
Quality Work in Development and Production

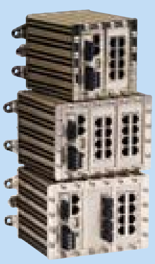
Organized quality work stayed in focus in development and production in 2009. An extensive change program based on Kaizen that began in 2008 continued in the year. This work involves continuous improvement to enhance quality and delivery fulfillment. Beijer Electronics also conducted a number of other quality-enhancing measures, including quality assurance work in production in Thailand and Taiwan.

Product certification, for marine use for example, is another important aspect of quality work, where Beijer Electronics is well advanced. One example from the year was certification of selected data communications products for environments at risk of explosions, opening business opportunities in the gas and oil industry.

A Global Development Organization

Product Launches in 2009





iX

Beijer Electronics launched iX, a .net-based software platform for HMI products in November. iX marks a technological leap opening a new, unique graphical dimension for HMI, and gives customers a scalable and flexible solution that brings simpler programming and facilitates integration with other systems. Five models of operator panels with iX were launched in the fall, and the software is also available on a standalone basis for use in existing operator systems.

Wolverine

The second generation of SHDSL products in the Wolverine range was launched in 2009. These products, Ethernet Extenders, enable far higher transmission speeds on existing cables. An enhancement of Wolverine will enable complex systems to be implemented cost-efficiently, thanks to new, powerful software with functionality for firewalls, monitoring, alarm management, etc.

RedFox

To satisfy security standards in IP-based data communication in demanding environments, Beijer Electronics has developed RedFox, a family of robust Ethernet switches with routing functionality. RedFox enables the creation of high-reliability industrial networks, where mission-critical information is well protected. Four products were launched in the RedFox range in the year, and more products in this family are in development.

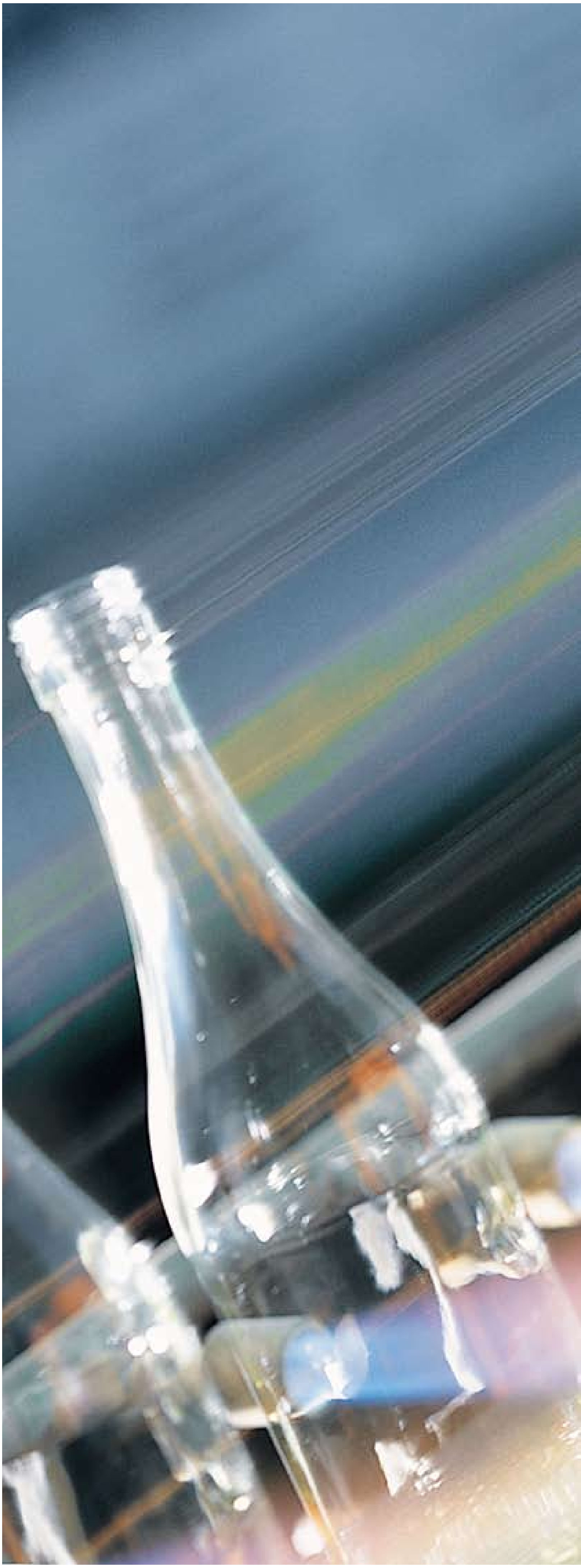
OEMs

OEM (original equipment manufacturers), who design and manufacture advanced machinery, need specialist, accessible support for designing control systems. Components and sub-systems are integrated into complete solutions that optimize the customer's production efficiency—a process where every component is important.

Our OEM team of salespeople and technicians has accumulated substantial knowledge of production technology and machinery design, which makes us a strong choice as a strategic partner. Our in-house product development makes us part of OEMs' strategic product development, and our global resources provide them with the necessary long-term security. We provide our OEM customers with:

- The advantage of a broad range of leading automation products with maximum performance at the right price
- Special development and tailoring through our in-house development organization
- Access to experience and competence in industrial production and machine building
- A global servicing organization for support, spare parts and updates

Alfa Laval
Alfa Laval has produced a standard solution for the machines its sells globally with tailored operator panels based on the iX software platform.



Strategic HR Work for Success

At Beijer Electronics, we view strategic HR work as an important part of our business and a necessary tool for achieving our goals. Proceeding from our collective values, we do goal-oriented work to attract, develop and retain competent people.

The goal of HR work at Beijer Electronics is to offer our employees an attractive workplace, where people can develop professionally and personally, in a culture featuring commitment, openness and participation.

Shared Values

Our core values are a key instrument in the creation of a global company with a common attitude at all our units worldwide. 'Commitment' reflects our commitment and good relations with the outside world and each other. 'Drive' shows our go-ahead approach and proactivity in our attitude and technological progress. 'Trust' represents honesty and actions that inspire trust.

An HR Agenda for the Future

The group's agenda for HR issues defines activities and overall goals for work on creating and implementing tools and processes that contribute to our vision of an integrated company on a growing global market. Priority segments for this work include leadership development, the supply of talent, remuneration systems, search and selection and working environment issues.

Supporting Personnel Changes

The HR function plays an important role when growth is high and there is a pressing need to hire staff. But also to maintain our competence base and make changes effective when our staffing downsizes.

Leadership Development and Competence Profiles

The supply and development of leaders is a continuous process for Beijer Electronics. HR works on competence and leadership development to support and enhance managers in their staff leadership roles. To ensure the long-term supply of talent, we have formulated a management review system, which conducts yearly reviews of all managers' competence profiles and development potential. Training is a part of Beijer Electronics' HR strategy for an effective operation.

Infrastructure for Participation

For a corporation like Beijer Electronics, with companies worldwide and acquisitions as part of its growth strategy, internal communication is a prerequisite for integration and unity.

Our Core Values

Commitment | **Drive** | **Trust**

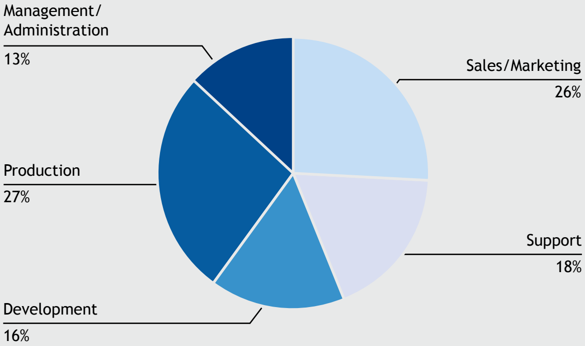
»Continuous leadership development and good internal communication channels are necessary conditions for the company's continued growth.«

Paula Terne
HR Manager

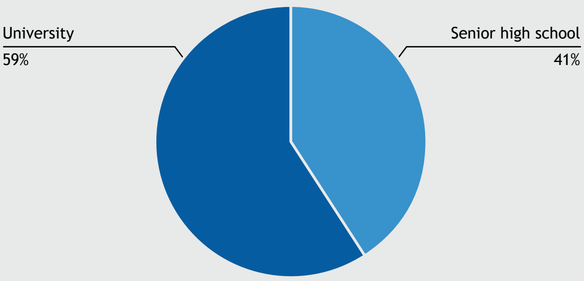
Human Resources Key Figures

	2009	2008
Ave. no. of full-time employees	534	595
Sales per employee, MSEK	2	2.1
Earnings per employee, SEK 000	75.2	129.7
Average age	40	39
Division men/women, %	73/27	69/31

Job Category



Education



Ethics and Sustainability

Our products and solutions often help our customers achieve their environmental goals. But long-term sustainability and ethical conduct are important building-blocks in our own operations.

Environmental Policy

Our environmental policy sets out our responsibilities to ensure that our products and services have the least environmental impact possible. This responsibility also includes actively influencing suppliers, partners and transport providers to work in the same way. The company's off-the-shelf products satisfy the RoHS directive, which has implications including banning lead from electrical or electronic products. To reduce our environmental impact, we have optimized our logistics chain with the aid of shared transportation through various distribution channels around the world. The operations of our Swedish companies are ISO 14001 certified to ensure that we satisfy applicable standards, that we take a structured approach to environmental matters and achieve continuous improvements. We also work actively to encourage our people to make good environmental choices by means including access to video equipment for teleconferencing and promoting environmental alternatives to company cars.

Code of Conduct

Beijer Electronics' code of conduct is approved by the company's Board each year, and states guidelines for our people's attitude to the world around us. Our code of conduct permeates all work in the company, from ethical standpoints in supplier relations to work on the working environment and environmental policy. Our ethical rules are stated in full at www.beijerelectronics.se

Marine

A vendor of automation solutions for Marine activities has a lot to live up to. Long vessel life-cycles and the special strains of the marine environment make high quality and reliability imperative. Special marine functionality is another important competitive edge.

Beijer Electronics offers a broad range of marine-certified products for the shipbuilding and offshore industries, and the skills to build effective control, monitoring and communication systems. Our solutions are used in applications like loading and unloading systems, tank gauges, incineration plans, ballast and pump controls. We offer marine and offshore customers:

- A broad range of marine-certified products
- Specially developed functionality such as dimmable screens and readability in strong sunlight
- Optimal control with benefits like reduced fuel consumption, higher safety and more effective operation.

Bastø Fosen

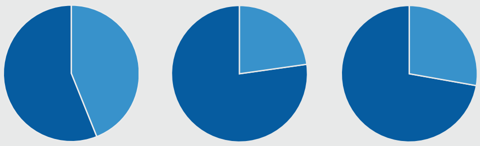
The skipper on the Horten to Moss ferry route in Norway stays in full control of fuel consumption through real-time measurement clearly indicated on an operator terminal from Beijer Electronics.

The Automation Business Area

The Automation business area delivers a broad range of products and complete solutions for effective automation on markets in the Nordic and Baltic regions. With its in-depth automation know-how and flexible working methods, Beijer Electronics is a strategic partner for effective automation—right the way from project start-ups to support. There are many applications for these products, from traditional industrial production to building automation, energy systems and marine operations. Customers include engineering consultants and integrators, OEMs and end-customers. Operations feature closeness to the customer; the business area presently has 21 offices across seven countries.

Market

Share of Group, 2009



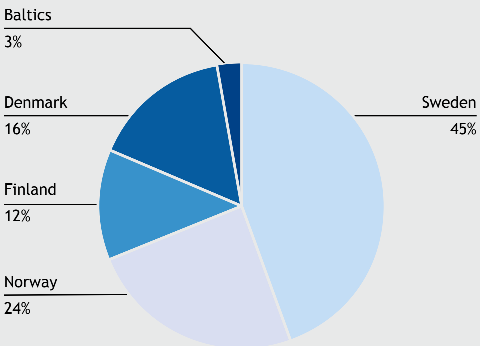
Sales: 44% Profit: 23% Staff: 28%

Sales and Profits, 2007-2009

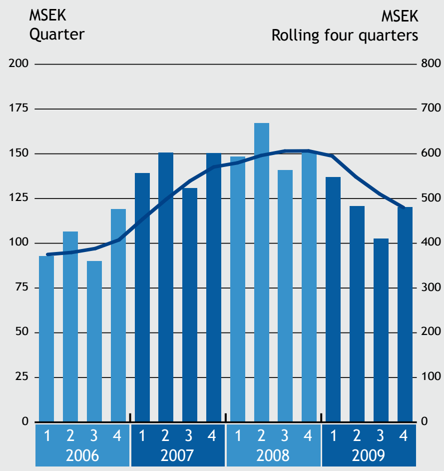
	2009	2008	2007
Sales, MSEK	480.8	607.1	571.3
Operating profit, MSEK	16.1*	39.2*	34.1
Operating margin, %	3.4*	6.5*	6.0

** Excluding non-recurring items.*

Sales by Geographical Market, 2009



Quarterly Sales, 2006-2009



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

»The strongest trend in the automation segment is a sustained sharp focus on reducing environmental impact and energy efficiency.«

Lars Ekelund
Business Area Manager, Automation

Concepts for Maximum Efficiency

During a year of tough market conditions, we maintained our focus on tailored concept solutions and active marketing work put the Automation business area in a good position for its future.

How was 2009 for the Automation Business Area?

2009 was definitely a year no one will miss. Meanwhile, a lot of good things came out of the tough market conditions—progress comes from crises. We were affected fairly late by the recession, in the second quarter, by which time we had already started to implement a cost savings package.

To sharpen our future competitiveness, we put a sharp focus on rationalizing our internal processes. For example, we overhauled and improved our whole logistics chain, from purchasing to delivery.

2009 also saw continued concentration on concept solutions for different application segments. One segment where we were successful was building automation, where we noted high interest in our solutions to reduce energy consumption, and we signed a number of new agreements in the year.

Overall, we saw sales reduce by 21% in the year, which we view as less of a downturn than the overall market. With early cost savings and active work on sales, we still posted profits of 16 MSEK, and feel that we're well-equipped to face our future.

How Was Progress on Your Different Markets?

Our business in Norway and Sweden had fairly good sales, although the marine market in Norway was heavily affected by the recession. On the Finnish market, we extended our customer base and were more active, although this market remains challenging. In the Baltics, the financial crisis had a big negative impact on sales, and progress in Denmark was also weak, mainly due to a downturn for the largest OEM customers.

What's Happening in the Automation Segment?

The strongest trend is a sustained strong focus on reduced environmental impact and energy efficiency, which is opening up business opportunities in all application segments. It's also interesting that there's increased interest for the overall perspective in automation from the industry, which goes beyond production process efficiency and also captures energy savings in real estate operation.

What Challenges Are You Facing and What Are Your Strategic Priorities for 2010?

We expect a moderate recovery on the market next year, but it will take time. Our focus will be on utilizing the efficiency gains we've made and creating more volume from existing resources. 2010 will also see continued initiatives in:

- Retaining and advancing our positioning on all markets through active marketing work
- Deepening partnerships with strategic OEM customers
- Enhancing our solutions for water treatment and building automation

Rail

In a world of greater environmental awareness, rail transport has good future prospects for transporting people and freight. Extensive investment in rail infrastructure and modern rolling stock is ongoing in many parts of the world, which also increases the demand for train and rail automation products.

The transition to onboard IP-based communications systems on trains and rail traffic systems is contributors to market growth. Our Ethernet products enable reliable and efficient Internet communication under extreme conditions and over long distances. Our experience of development close to the customer makes us a strong partner for train producers and rail authorities. We provide our rail customers with benefits including:

- Reliable and robust products that operate in temperatures of -40 to +70°C, in electromagnetic fields and other adverse conditions
- Cost savings through utilization of existing copper wire for high-speed communications instead of investing in fiber optic cables
- Straightforward integration with other equipment and time savings in modifications and installation

The Swedish National Rail Administration
Beijer Electronics delivers robust industrial data communications equipment to the Swedish National Rail Administration as part of a new traffic control system with benefits including easier planning for drivers.

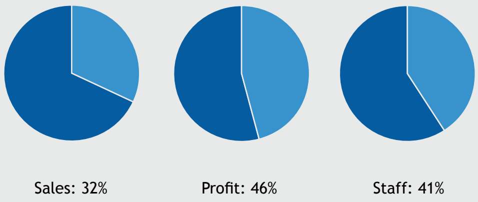
The HMI Products Business Area

HMI Products develops, manufactures and sells products for effective visualization, interpretation and control of information in the interaction between humans and machines (the human machine interface). Beijer Electronics' HMI products feature innovative design, user-friendliness and high functionality. With a broad product range of PC-based HMI, software, operator panels and LCD modules, HMI Products covers all price segments and applications, from a cost-efficient basic range to high-technology premium products.

Sales under Beijer Electronics brands are made through subsidiaries in China, Taiwan, Germany and the USA, and through a global network of independent distributors. The Automation business area markets and sells the product portfolio in the Nordic and Baltic regions. There are a number of brand label partners like ABB, Mitsubishi Electric and SEW Eurodrive, who sell products with under own brand.

Market

Share of Group, 2009

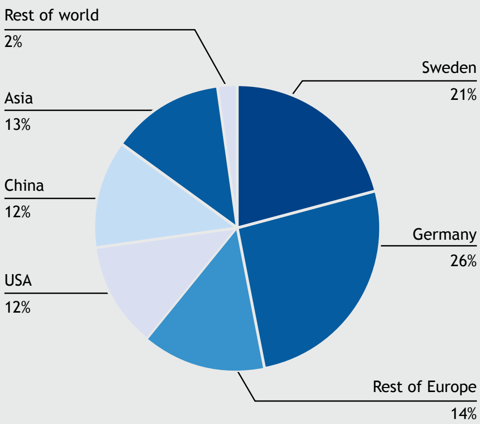


Sales and Profits, 2007-2009

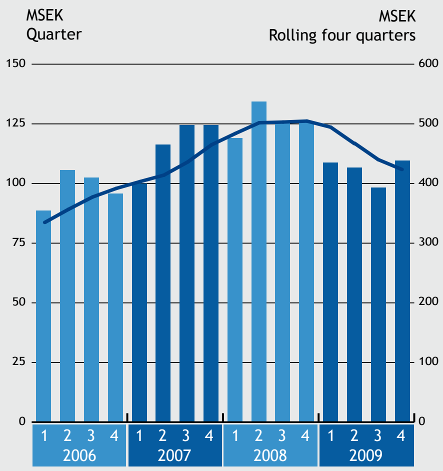
	2009	2008	2007
Sales, MSEK	423.2	505.1	465.4
Operating profit, MSEK	32.7*	63.7*	58.3
Operating margin, %	7.7*	12.6*	12.5

** Excluding non-recurring items.*

Sales by Geographical Market, 2009



Quarterly Sales, 2006-2009



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

»We can develop and launch products faster and more cost-efficiently with a unified development organization.«

Magnus Ekerot
Business Area Manager, HMI Products

Positive progress in China

The successful launch of our iX software platform was one of the highlights of HMI Products' year. An extensive reorganization of the product development function and implementation of a strategy for more effective sales were also in focus in the year.

How was 2009 for HMI Products?

We went into 2009 with a strong order book, and then witnessed a heavy downturn in demand in the second quarter. But in the third and fourth quarters we saw a clear recovery, and in the two final months of the year, we had the strongest order intake in the company's history.

One prime focus in the year was the reorganization and rationalization of the product development function. By applying a global product management process and three specialized product development centers, we can develop and launch products faster and more cost-efficiently to satisfy customer needs better.

One major highlight of 2009 was the launch of iX, our new software platform based on .net technology. iX marks a technological leap, offering our customers an all-new HMI experience, while also saving time and money in programming and integration with other systems. The market has reacted very well to iX, and in time, it will be embedded in our full range of HMI products.

On the sales side, we put a sharper focus on direct sales, which has already paid off, especially in China. We also signed agreements with Mitsubishi Electric regarding sales rights for its products on the German market, which brings us good prospects of extra sales to existing and new customers.

How Was Progress on Your Different Markets?

The downturn in manufacturing affected demand in Europe and the USA, and the marine side also contracted, which had an impact on our business in Germany. Sales in Asia were maintained by positive progress in China, with demand driven by a major investment need in new technology, industry and infrastructure. We view the Chinese market as very promising for our ongoing development, and with our big presence in this region, we've got every possibility of continued growth in Asia.

What's Your View of Progress in the HMI Segment?

Right now, our focus is on new software technology, where with iX, we're well advanced. Development drivers include the demand for more functional and user-friendly interface solutions—HMI for the iPhone generation, if you like.

What Challenges Are You Facing and What Are Your Strategic Priorities for 2010?

We'll keep working on rationalizing product development, and in 2010, we'll be focusing on modularizing our hardware platforms. We'll also be concentrating more on the transportation segment, with solutions for rail, trucks and infrastructure solutions. Additionally, our strategic priorities for 2010 are:

- Focusing on growth with continued cost control
- Continuing to work on active sales on all our markets
- Increasing our geographical presence

Building

Pleasant indoor environments, good security and reduced energy costs are all important aspects of efficient real estate operation. A good solution for running and controlling heating and ventilation offers big gains for landlords—in anything from housing to industrial buildings.

Beijer Electronics has developed open standard systems specially tailored for building automation that make capturing daily operational data for optimizing energy utilization and climates easy. Openness makes systems quick to implement and easy to integrate with other equipment. We give landlords and operations managers:

- Up to 30% lower energy costs
- The opportunity of remote control and monitoring of ventilation and heating
- Open solutions that can easily integrate with other equipment
- Complete solutions to automate industrial processes and buildings

Scania
Scania's Södertälje plant probably has Sweden's largest building automation installation. A factory-specific system was replaced by an open solution from Beijer Electronics to optimize the control of ventilation systems and heating regulation.

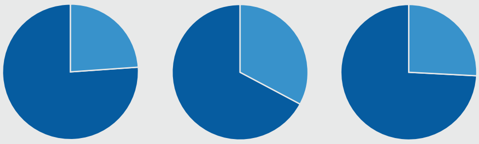
The Industrial Data Communications Business Area

The Industrial Data Communications business area develops, produces, markets and sells industrial data communications products, a market subject to very high robustness and reliability standards. The product range includes network switches, ADSL and 3G routers, fiber optic modems, GSM and analog lines and market-leading industrial Ethernet products.

The company has its own production facility outside Eskilstuna, Sweden, and markets its products under proprietary brands through sales companies in Sweden, the UK, Germany, France and Singapore, and through some 30 distributors worldwide. The demand for industrial data communications is driven by increasing needs for data transmission in basically all segments, such as water and energy systems, industrial production, traffic systems and rail.

Market

Share of Group, 2009

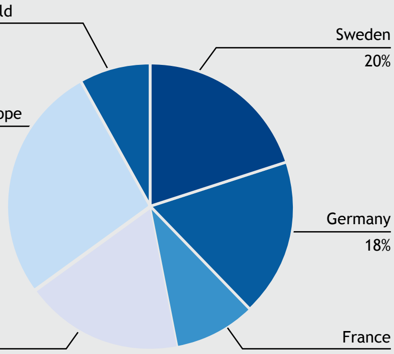


Sales and Profits, 2008-2009

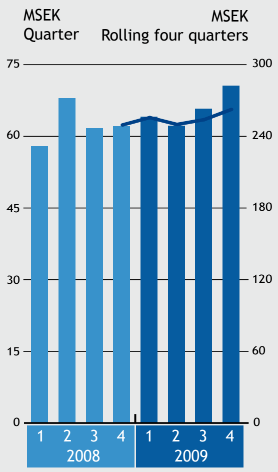
	2009	2008
Sales, MSEK	262.7	249.7
Operating profit, MSEK	28.6*	26.6
Operating margin, %	10.9*	10.7

** Excluding non-recurring items.*

Sales by Geographical Market, 2009



Quarterly Sales, 2008-2009



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

»We're benefiting from new investments and the transition to new technology in existing infrastructural facilities.«

Lars-Ola Lundkvist
Business Area Manager, Industrial Data Communications

Sustained High Growth

Rail and energy are two segments where the IDC business area scored major successes with its robust data communications products in a year when order intake and profitability increased.

How was 2009 for IDC?

2009 was a good year. We worked according to the strategy we had set out and order intake and profitability made good progress in the year.

Our focus on the infrastructure segment, with solutions for rail and energy applications was positive, benefiting from the need for new investment and the transition to new technology in existing structures. On the rail side, our major project with train producer Bombardier resulted in the first 'IP train' going operational, and we also started up partnerships with other customers in the rail segment.

We made several key product launches that will be very important for sales growth over the coming years. The launch of our first range of routing switches, RedFox, enables us to address market needs for security solutions for IP-based communication, and the launch of the second generation of Ethernet Extenders in the Wolverine range opens up opportunities for larger Ethernet communication projects in existing infrastructure.

How Was Progress on Your Different Markets?

We saw a substantial downturn on the industrial side in Europe, especially on the German market. Accordingly, we made an initiative in the infrastructure segment in Germany, which had positive results in the second half-year. Other European countries making good progress are Norway, Italy and the UK, where we won market shares in the year.

What's Your View of Progress in the IDC Segment?

The transition to IP-based communication remains the most important driver in our segment. As a result, there will be a greater need for security solutions to protect sensitive information transmitted over public networks. More effective utilization of energy and water supply systems with the aid of new technology is another key question, not least in the light of the climate debate and higher energy prices.

What Challenges Are You Facing and What Are Your Strategic Priorities for 2010?

We will continue to work on our prioritized application segments, and maintain a high tempo in developing technology. In-house, we've kept a focus on operational development in product development and manufacture—and notably, the link between them. Our strategic priorities include:

- Increasing our market coverage
- Concentrating on priority technology segments: remote access and Ethernet Extenders
- Continuing development of off-the-shelf products for rail, both train and track systems
- Rolling out more marketing initiatives in Sweden, Germany, the UK, Middle East, Italy and China
- Extend our Services Business concept with configuration, training and network design

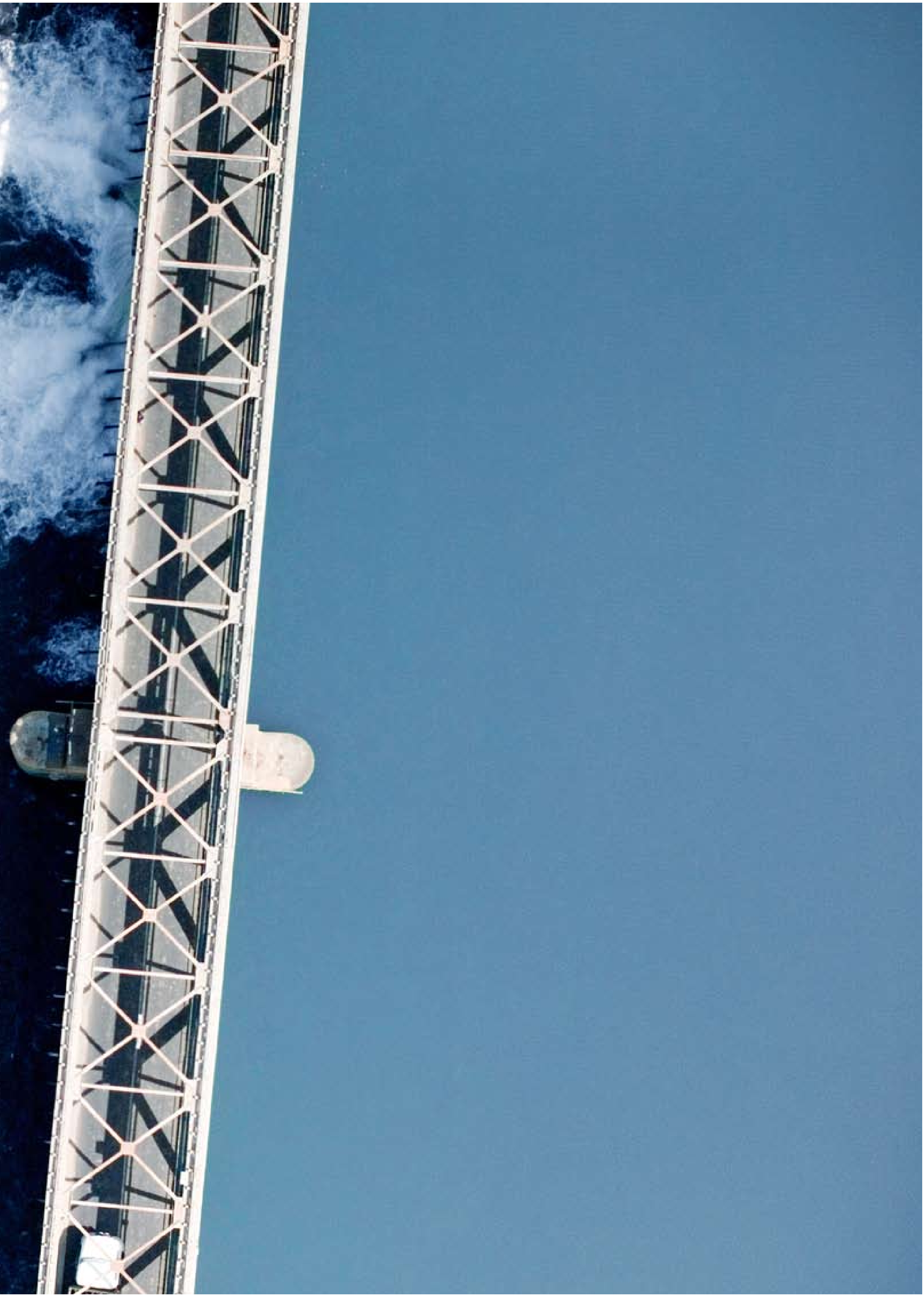
Water

Dependable access to clean water is vital for the whole world's population and a precondition for food production and other industries. New technology to run and control water treatment, distribution and watering saves time and money in installation and operation, and assists more effective utilization of the earth's resources.

Beijer Electronics has been assisting customers in the water and waste water segment to satisfy more stringent purification standards and exchange old equipment for modern automation solutions since back in the early-1990s. We deliver open concept solutions to control complete plants, and using our communication products, operators can monitor plants from anywhere. With our concept solutions, our water and waste water customers can:

- Update to more modern technology quickly and cost-efficiently
- Get easier access to relevant operational data
- Utilize the openness of our solutions to interconnect with other equipment
- Remote control multiple plants from a single site

Stockholm Vatten
Using Beijer Electronics control and monitoring solutions, Stockholm Vatten can manage its waterworks from a single site—and ensure that a million people get clean water.



Directors' Report

The Board of Directors and Chief Executive Officer of Beijer Electronics AB (publ), corporate identity number 556025-1851, hereby present the Annual Accounts and Consolidated Accounts for the financial year 2009.

Group Operations

Beijer Electronics is a company that develops, produces, markets and sells products and solutions in industrial automation and data communications. The company delivers products and solutions that feature high technology content, quality and user-friendliness. The group's vision is to be a leading vendor of user-friendly automation solutions on a global basis.

Beijer Electronics has an organizational structure comprising three business areas: Automation, HMI Products and Industrial Data Communications (IDC). Business is conducted through three sub-groups whose parent companies are Beijer Electronics Automation AB, Beijer Electronics Products AB and Westermo Teleindustri AB.

The parent company Beijer Electronics AB is a holding company with central functions like Strategic Development, Accounting & Finance, IT, HR, Quality and Environment and Corporate Communication. The business areas are subsidiaries of Beijer Electronics AB.

Beijer Electronics Automation AB also conducts operations through subsidiaries in Norway, Finland, Denmark, Estonia, Latvia and Lithuania. Beijer Electronics Products AB has subsidiaries in the USA, Germany, China and Taiwan. Westermo Teleindustri AB has subsidiaries in Sweden, the UK, Germany, France and Singapore.

Consolidated Sales and Profit

Growth on the global industrial automation market is driven by investments in new products, the ongoing rationalization of production controls and logistics, the rationalization of manufacturing processes and the need for more efficient energy consumption. Infrastructure like railways, highways, tunnels and water treatment are growing market segments for automation applications, industrial data communications and building automation.

The global financial and economic crisis had serious repercussions for the global automation market, whose volume contracted by an estimated some 20% in 2009. The European market, where the group has a high share of its sales, reduced by an estimated some 25%. In relative terms, the Asian market fared best, with a modest demand downturn. The Chinese market showed the main strong progress with positive growth numbers. Investments in infrastructure projects were fairly stable, while demand from manufacturing reduced markedly. In the second half-year, the rate of demand slowdown reduced, and by year-end, the market had stabilized at a low level.

This sharp demand downturn affected Beijer Electronics' sales in the year. Consolidated sales fell by 15% to 1,088.5 MSEK (1,275.6) in 2009. Adjusted for currency fluctuations, the downturn was 19%. Sales in Sweden, the group's single biggest market, fell by 15% to 277 MSEK. Full-year sales were lower on all markets apart from the rest of Europe and Asia, where sales increased in the three final quarters. For the year overall, the rest of Europe grew by 6% to 195 MSEK (184) and Asia rose by 8% to 110 MSEK (103).

Group operating profit was 63.8 MSEK (116.5). Profit was charged with non-recurring expenses of 7.5 MSEK and inventory impairment of 10 MSEK. Operating margin excluding non-recurring expenses was 6.6% (9.1). Beijer Electronics was well able to defend its gross margins. Lower profits were due to significantly lower sales volumes, which caused lower gross profit. Meanwhile, lower gross profit was offset by extensive rationalization measures and ongoing cost rationalization, which reduced overheads by 77 MSEK (currency adjusted) in the full year, helping mitigate the operating profit downturn.

The company maintained a sharp focus on product development. In total for the year, 76 MSEK (89) or 11% of its units' sales were invested in development within HMI products and IDC.

Group profit before tax was 60.9 MSEK (96.4). Net financial items were -2.9 MSEK (-20.2). Profit after estimated tax was 40.2 MSEK (77.2). Earnings per share after estimated tax for the full year were 6.22 SEK (11.72).

The Automation Business Area's Sales and Profits

The Automation business area addresses markets in Sweden, Norway, Denmark, Finland and the Baltics. Demand from the Nordic countries progressed negatively in the year. Order intake fell by 21% in the year. The downturn was sharpest in the first half-year, and was moderated to some extent in the second half-year. For the full year, Sweden, Finland and Norway fared best with downturns of 15-20%. Automation's initiatives on market segments like building automation and water treatment produced positive results and the segment area increased its sales share. Developments included Automation signing a long-term water and waste water automation agreement with Gislavedhus and securing a breakthrough order in Norway for IPC terminals in the marine segment.

Business area sales fell by 21% to 480.8 MSEK (607.1). The weaker Swedish krona had a positive effect on sales. Operating profit was 16.1 MSEK (32.7). The operating margin was 3.3% (5.4). Lower profits are explained by the loss of sales volumes and somewhat lower gross margins. Lower gross profit was offset by significantly lower overheads. Savings amounted to a total of 34 MSEK.

The HMI Products Business Area's Sales and Profits

HMI Products addresses the global market. Markets progressed very weakly, especially in the first half-year, when business area order intake fell by 26%. The rate of downturn moderated significantly in the third quarter, and in the fourth quarter, order intake increased by 10%. All markets had lower sales apart from Asia, which posted growth of 8% for the full year.

HMI Products signed an important partnership agreement with Mitsubishi Electric for the German market, where the business area will be marketing and selling Mitsubishi Electric's complete automation product range, alongside HMI products' own offerings. A reorganization of product development was completed in the year, with software development concentrated in Sweden and hardware development in Germany, plus a development center in Taiwan. The business area's new iX software platform was launched late in the year. iX is available as standalone software and embedded in

Beijer Electronics' own operator panels. Five panels were launched in the fall.

Business area sales were 423.2 MSEK (505.1). Operating profit was 32.7 MSEK (62.7). Operating margin was 7.7% (12.4). Lower profits are due to reduced volumes and a narrower gross margin, while lower overheads of a total of 30 MSEK moderated the downturn.

The IDC Business Area's Sales and Profits

The markets the IDC business area addresses largely encompass infrastructure like energy, water treatment and transportation, and manufacturing. Some 90% of sales are to the European market. The market for industrial data communications is less cyclical, and accordingly, was less affected by the global economic and financial crisis. Business area order intake progressed positively throughout the year, with total gains of 10%.

In the year, IDC secured major orders from Bombardier Transportation for products including Ethernet routing switches. A major order for Ethernet switches was also secured from BAE Systems in the UK, worth a total of 35 MSEK. IDC was appointed as the main supplier of industrial data communications solutions for the Swedish National Rail Administration's new ERMTS 2 train signaling system. The business area also secured a major breakthrough order in the rail segment in Germany.

IDC's sales grew by 5% to 262.7 MSEK (249.7). Operating profit rose to 28.6 MSEK (26.6). The operating margin was 10.9% (10.6). The profit improvement is explained by good cost control, more efficient production and healthy sales.

Investments, Cash Flow and Financial Position

Group investments in fixed assets were 24.4 MSEK (36.2). Cash flow from operating activities including changes in working capital were 173.5 MSEK (82.5). Equity was 294.8 MSEK (295.5) at year-end. The equity ratio was 33.3% (31.2). Cash and cash equivalents were 127.4 MSEK (74.1). Interest-bearing liabilities were 352.4 MSEK (409.8) and net debt was 225.0 MSEK (335.6).

Profitability

Return on equity was 12.9% (28.8). Return on capital employed and net operating assets were 10.0% (21.4) and 10.8% (24.4) respectively.

Human Resources

The average number of employees reduced by 10% to 534 (595) as a result of the cost savings and rationalization package in the year in the development, purchasing and logistics organization. Sales per employee were 2.0 MSEK (2.1).

Product Development

The group's product development process is conducted in the HMI Products and IDC business areas. HMI Products develops operator panels and software used to give operators and maintenance staff fast and accurate data. Development includes the production of hardware, software and the associated documentation. The focus is on developing products with high functionality, user-friendliness and attractive design. Development work also includes modifying designs to include production technology and environmental considerations. The business area's new iX software platform was launched in the year. iX is delivered as standalone software and embedded in Beijer Electronics' own operator panels. Five models were launched in fall 2009. Development expenditure in HMI Products amounted to 44.2 MSEK (56.1). This corresponds to 10.4% (11.1) of sales.

IDC conducts extensive product development, which is an important part of operations and conducted in close collaboration with production. Development covers hardware and software. The business area launched the RedFox industrial routing switch in the year and the second generation of the Wolverine range of Internet extenders, with advanced switching and routing functionality. Development expenses were 34.9 MSEK (35.5), equivalent to 13.2% (14.2) of sales.

Currencies

Beijer Electronics' sales are conducted globally in different currencies. Euro-denominated sales were the equivalent of 393 MSEK, or 36% of group sales in 2009. Sales denominated in Swedish kronor were 276 MSEK, 122 MSEK denominated in USA dollars, 116 MSEK in Norwegian kroner, 75 MSEK in Danish kroner, 48 MSEK in sterling and 57 MSEK in other currencies.

Environmental Impact

Primarily, the group's environmental activities focus on the environmental impact of its products. Finding new alternatives requires substantial knowledge of the environmental impact of various substances. Close collaboration with suppliers is a key driver of environmental work. The company's standard products satisfy the RoHS directive, which prohibits the usage of lead in electrical and electronics products. The operations of the Swedish companies are ISO 14001 accredited to ensure that applicable standards are complied with, and work on environmental issues is structured and contributes to continuous improvements.

IFRS

Beijer Electronics adopted International Financial Reporting Standards (IFRS) for its financial reporting on January 1, 2005.

Risks

Beijer Electronics' business is affected by a number of exogenous factors, whose effects on consolidated profits and financial position can be controlled to varying degrees. The group has a close collaboration with Mitsubishi Electric, which is important to operations, and accordingly, is a risk factor. Mitsubishi Electric is a supplier to the group and buyer of Beijer Electronics products, creating a balance and mutual dependency that reduces these risks. The collaboration with Mitsubishi Electric has lasted over 25 years, and was strengthened by Mitsubishi Electric acquiring 15% of Beijer Electronics Automation in 2006.

Other business risks like market risks, collaboration agreements, product liability, technological progress and dependency on staff are subject to continual analysis, and where necessary, measures are taken to reduce the group's risk exposure. Beijer Electronics has sales and purchasing in foreign currencies and is thus exposed to currency risks. Normally, the group does not hedge its various currency flows. Beijer Electronics has some financial risks. Interest-bearing liabilities were 352.4 MSEK at year-end. Net debt amounted to 225.0 MSEK.

Shares and Ownership Structure

The parent company's share capital was SEK 6,221,488, divided between 6,221,488 shares with a quotient value of SEK 1, as of December 31, 2009.

At year-end, the largest shareholder of Beijer Electronics was Stena Sessan Rederi AB, holding 29.7% of the capital and votes. Svolder held 12.3% of the capital and votes.

Guidelines for Remuneration to Senior Executives

The Remuneration Committee is appointed each year by the Board of Directors. The Remuneration Committee prepares the Board of Directors' decisions on remuneration for the Chief Executive Officer. The Remuneration Committee decides on remuneration to other members of management and prepares proposals for potential incentive plans. The guidelines for determining remuneration and other employment terms for senior executives for the financial year 2010 will be subject to approval by the AGM in April. The principles governing the work of the Remuneration Committee are reviewed in more detail in the Corporate Governance Report on page 79.

Basic salary and customary employment benefits are paid to management, plus pension benefits and incentive plans that include warrants granted in 2008-2009, and a performance-related component. Guidelines for remuneration to, and other employment terms of, senior executives for the financial year 2009 were approved by the AGM 2009. In 2009, remuneration to the Board of Directors and management, and a review of the incentive plan, is stated in Note 8 on page 59-60.

Outlook for 2010

The market stabilized in the fourth quarter and the start of the new year has been positive. There are signs of recovery in demand.

Proposed Appropriation of Profit

The following funds are at the disposal of the Annual General Meeting:

SEK 000	
Retained profits	5,433
Net profit	48,749
Total	**54,182**

The Board of Directors and Chief Executive Officer propose that these funds are appropriated as follows:
Dividends of SEK 4.00 per share to shareholders.

SEK 000	
Total dividend	24,886
Carried forward	29,296
Total	**54,182**

The Board of Directors proposes that dividends are paid on May 4, 2010, subject to AGM resolution.

The proposed dividend reduces the group's equity ratio to 31.5% and the parent company's equity ratio to 8.2%. Against the background of the group's operations remaining profitable, the equity ratio is satisfactory. The Board of Directors also judges that the liquidity in the group can be maintained at a satisfactory level.

The Board considers that the proposed dividend is justifiable in terms of the stipulations of Chap. 17 §3 of the Swedish Annual Accounts Act relating to the requirements made by the nature, scope and risks of the operations on the amount of equity and need to strengthen the Balance Sheet, liquidity and financial position of the parent company and group generally.

Beijer Electronics AB's AGM in 2009 resolved to authorize the Board of Directors to take decisions to increase the company's share capital by a maximum of SEK 622,000 through the new issue of a maximum of 622,000 shares before the next AGM.

Until now, the Board of Directors has not considered it necessary to utilize its authorization, and accordingly, no new issue has been conducted. The Board of Directors has decided to propose to the AGM on April 26, 2010 to authorize the Board to increase the company's share capital by a maximum of SEK 622,000 through the new issue of a maximum of 622,000 shares before the next AGM.

The purpose of this authorization is to enable the company to issue shares to provide payment for purchase prices related to acquisitions of other companies, parts of companies or other assets the Board of Directors judges to be of value to the company's operations.

The Income Statement and Balance Sheet will be submitted to the AGM for adoption on April 26, 2010.

Subsequent events

There were no significant events after the end of the year until the time of signing of these Annual Accounts.

Beijer Electronics AB (publ)
Corporate identity number: 556025-1851
Address: Box 426, 201 24 Malmö, Sweden
Principal registered office: Malmö

The Board of Directors and Chief Executive Officer hereby certify that the Annual Accounts have been prepared in accordance with generally accepted accounting principles for listed companies in Sweden. The information provided is consistent with actual circumstances of operations, and no material omissions have been made that could affect the view of the group and parent company presented in the annual accounts.

Consolidated Income Statement

SEK 000	2009	2008	Note
Revenue	1,088,451	1,275,639	2
Cost of goods sold	-625,117	-713,667	3
Gross profit	**463,334**	**561,972**	
Sales overheads	-167,345	-202,696	3
Administration overheads	-233,374	-249,915	3
Other operating revenue	658	6,824	5
Share of profit in associated companies	538	337	16
Operating profit	**63,811**	**116,522**	2,6,7,8,9
Financial income	5,665	3,303	
Financial expenses	-8,537	-23,456	
Net financial items	**-2,872**	**-20,153**	10
Profit before tax	**60,939**	**96,369**	
Tax	-20,759	-19,191	12
Net profit	**40,180**	**77,178**	
Attributable to parent company shareholders	*38,718*	*72,917*	
Attributable to minority shareholding	*1,462*	*4,261*	
Earnings per share, SEK	*6.22*	*11.72*	21
Statement of Comprehensive Income			
Net profit	40,180	77,178	
Translation differences	-14,674	33,503	
Comprehensive income	**25,506**	**110,681**	
Attributable to parent company shareholders	*24,014*	*105,302*	
Attributable to minority shareholding	*1,492*	*5,379*	

Consolidated Balance Sheet

SEK 000	Dec. 31, 2009	Dec. 31, 2008	Note
ASSETS			
Fixed assets			
Property, plant and equipment	71,984	81,491	14
Intangible assets	395,526	406,059	13
Participations in associated companies	2,333	1,789	16
Long-term receivables	131	135	18
Deferred tax assets	19,284	16,377	26
Total fixed assets	**489,258**	**505,851**	
Current assets			
Inventories	131,814	181,815	19
Accounts receivable	150,890	176,010	20
Income taxes recoverable	8,004	16,631	
Other receivables	13,866	33,761	20
Prepaid expenses and accrued income	9,207	8,857	20
Cash and cash equivalents	127,439	74,076	
Total current assets	**441,220**	**491,150**	
Total assets	**930,478**	**997,001**	

Cont.

Consolidated Balance Sheet

SEK 000	Dec. 31, 2009	Dec. 31, 2008	Note
LIABILITIES AND EQUITY			
Equity			
Share capital	6,222	6,222	
Other contributed capital	1,943	1,826	
Translation reserves	1,426	16,130	
Accumulated profit or loss	285,165	271,332	
Equity attributable to parent company shareholders	294,756	295,510	
Minority share of equity	15,056	15,266	
Total equity	**309,812**	**310,776**	
Long-term liabilities			
Long-term interest-bearing liabilities	276,436	316,931	23
Other long-term liabilities	84	2,952	
Pension provisions	30,922	27,188	23,25
Deferred tax liabilities	57,245	58,019	26
Other provisions	2,603	4,506	
Total long-term liabilities	**367,290**	**409,596**	
Current liabilities			
Current interest-bearing liabilities	45,019	65,589	23
Customer advances	968	1,317	
Accounts payable	112,863	90,984	
Tax liabilities	8,998	11,968	
Other liabilities	16,490	36,517	
Accrued expenses and deferred income	69,038	70,254	28
Total current liabilities	**253,376**	**276,629**	
Total liabilities	**620,666**	**686,225**	
Total liabilities and equity	**930,478**	**997,001**	

Information on the group's assets pledged and contingent liabilities is in Note 30.

Consolidated Statement of Changes in Equity

SEK 000	Share Capital [a]	Other Contri-buted Capital	Translation Reserves	Accumulated Profit or Loss [b]	Total	Minority Shareholding	Total Equity
Opening equity, Jan. 1, 2008	6,222		-16,255	223,301	213,268	11,014	224,282
Net profit				72,917	72,917	4,261	77,178
Translation differences			32,385		32,385	1,118	33,503
Comprehensive income	**6,222**		**16,130**	**296,218**	**318,570**	**16,393**	**334,963**
Dividends				-24,886 [d]	-24,886	-1,279	-26,165
Acquisitions						152	152
Other contributed capital [c]		1,826			1,826		1,826
Closing equity, Dec. 31, 2008	**6,222**	**1,826**	**16,130**	**271,332**	**295,510**	**15,266**	**310,776**

SEK 000	Share Capital [a]	Other Contri-buted Capital	Translation Reserves	Accumulated Profit or Loss [b]	Total	Minority Shareholding	Total Equity
Opening equity, Jan. 1, 2009	6,222	1,826	16,130	271,332	295,510	15,266	310,776
Net profit				38,718	38,718	1,462	40,180
Translation differences			-14,704		-14,704	30	-14,674
Comprehensive income	**6,222**		**1,426**	**310,050**	**319,524**	**16,758**	**336,282**
Dividends				-24,886 [d]	-24,886	-1,162	-26,048
Acquisitions						-540	-540
Other contributed capital [c]		118			118		118
Closing equity, Dec. 31, 2009	**6,222**	**1,943**	**1,426**	**285,165**	**294,756**	**15,056**	**309,812**

[a] *6,221,488 shares with a quotient value of SEK 1. All shares are of the same class.*
[b] *Including net profit.*
[c] *Warrants, paid-up capital.*
[d] *Dividend per share was SEK 4.00 (4.00).*

Consolidated Cash Flow Statement

SEK 000	2009	2008	Note
Operating activities			32
Profit before tax	60,939	96,369	
Adjustments for non-cash items, etc	41,125	44,598	
Tax paid	-18,405	-42,388	
Cash flow from operating activities before changes in working capital	**83,659**	**98,579**	
Cash flow from changes in working capital			
Increase(-)/decrease(+) in inventories	47,264	-18,370	
Increase(-)/decrease(+) in trading receivables	42,893	-14,911	
Increase(+)/decrease(-) in trading liabilities	-359	17,163	
Cash flow from operating activities	**173,457**	**82,461**	
Investing activities			
Investments in intangible assets	-18,042	-20,456	
Investments in property, plant and equipment	-6,881	-14,928	
Divestments of property, plant and equipment	429	1,813	
Acquisitions of subsidiaries, net liquidity effect	-3,374	-235,396	4
Divestment of other financial assets	114	213	
Cash flow from investing activities	**-27,754**	**-268,754**	
Financing activities			
Borrowings		285,926	
Loan amortization	-65,840	-77,597	
Other paid-up capital	118	1,826	
Dividend paid to minority	-1,162	-1,279	
Dividend paid	-24,886	-24,886	
Cash flow from financing activities	**-91,770**	**183,990**	
Cash flow for the year	53,933	-2,303	
Cash and cash equivalents at beginning of year	74,076	71,939	
Exchange rate difference in cash and cash equivalents	-570	4,440	
Cash and cash equivalents at end of year	**127,439**	**74,076**	

Parent Company Income Statement

SEK 000	2009	2008	Note
Net turnover	49,893	60,889	31
	49,893	**60,889**	
Operating expenses			
Sales and administration overheads	-46,347	-62,012	
Operating profit	**3,546**	**-1,123**	6,7,8,9,31
Profit from financial items			
Profit from other securities and receivables classified as fixed assets	158	-358	10
Dividend from subsidiaries	46,584	5,976	10
Other interest income, etc.	4,497	17,702	10
Interest expenses, etc.	-9,708	-23,417	10
Profit after financial items	**45,077**	**-1,220**	
Appropriations	4,746	7,545	11
Profit before tax	**49,823**	**6,325**	
Tax on profit for the year	-1,074	1,451	12
Net profit	**48,749**	**7,776**	

Parent Company Balance Sheet

SEK 000	Dec. 31, 2009	Dec. 31, 2008	Note
ASSETS			
Fixed assets			
Intangible assets	**5,656**	**7,090**	13
Property, plant and equipment	**3,022**	**4,100**	14
Financial assets			
Participations in group companies	220,627	220,627	15
Receivables from group companies	193,217	196,045	17
Deferred tax assets	1,482	1,683	
Total financial assets	**415,326**	**418,355**	
Total fixed assets	**424,004**	**429,545**	
Current assets			
Current receivables			
Receivables from group companies	9,136	20,644	
Income taxes recoverable	137	8,655	
Other receivables	564	19,461	
Prepaid expenses and accrued income	3,550	3,814	20
Total current receivables	**13,387**	**52,574**	
Cash and bank balances	35,410	5,831	
Total current assets	**48,797**	**58,405**	
Total assets	**472,801**	**487,950**	

Cont.

Parent Company Balance Sheet

SEK 000	Dec. 31, 2009	Dec. 31, 2008	Note
LIABILITIES AND EQUITY			
Equity			
Restricted equity			
Share capital (6,221,488 shares)	6,222	6,222	
Statutory reserve	1,244	1,244	
Total restricted equity	**7,466**	**7,466**	
Non-restricted equity			
Retained earnings	5,433	22,425	
Net profit	48,749	7,776	
Total non-restricted equity	**54,182**	**30,201**	
Total equity	**61,648**	**37,667**	
Untaxed reserves	**29,112**	**33,859**	22
Provisions			
Pension provisions	2,121	1,880	
Total provisions	**2,121**	**1,880**	
Long-term liabilities			
Liabilities to credit institutions	271,793	310,542	24
Liabilities to group companies	27,768		
Total long-term liabilities	**301,682**	**312,422**	
Current liabilities			
Liabilities to credit institutions	40,000	41,008	24
Accounts payable	6,216	7,999	
Liabilities to group companies	23,553	28,304	
Other liabilities	449	17,148	
Accrued expenses and deferred income	10,141	9,543	28
Total current liabilities	**80,359**	**104,002**	
Total liabilities and equity	**472,801**	**487,950**	

Parent Company Assets Pledged and Contingent Liabilities

SEK 000	Dec. 31, 2009	Dec. 31, 2008	Note
Assets pledged	None	None	
Contingent liabilities	42	38	30

Summary Parent Company Statement of Changes in Equity

SEK 000	Restricted Equity Share Capital [a]	Restricted Equity Statutory Reserve	Non-restricted Equity Accumulated Profit or Loss	Non-restricted Equity Net Profit	Total Equity
Opening equity, Jan. 1, 2008	**6,222**	**1,244**	**45,486**		**52,952**
Other contributed capital [b]			1,826		1,826
Net profit				7,776	7,776
Total changes to net worth, exc. transactions with the company's shareholders			**47,312**	**7,776**	**60,728**
Dividend			-24,886		-24,886
Closing equity, Dec. 31, 2008	**6,222**	**1,244**	**22,425**	**7,776**	**37,667**

SEK 000	Restricted Equity Share Capital [a]	Restricted Equity Statutory Reserve	Non-restricted Equity Accumulated Profit or Loss	Non-restricted Equity Net Profit	Total Equity
Opening equity, Jan. 1, 2009	6,222	1,244	30,202		37,668
Other paid-up capital [b]			118		118
Net profit				48,749	48,749
Total changes to net worth, exc. transactions with the company's shareholders			**30,319**	**48,749**	**86,417**
Dividend			-24,886		-24,886
Closing equity, Dec. 31, 2009	**6,222**	**1,244**	**5,433**	**48,749**	**61,648**

[a] *6,221,488 shares with a quotient value of SEK 1. All shares are of the same class.*
[b] *Warrants, paid-up capital.*

Parent Company Cash Flow Statement

SEK 000	2009	2008	Note
Operating activities			
Profit after financial items	45,077	-1,220	32
Adjustments for non-cash items, etc.	5,916	2,494	
Tax paid	7,444	-1,640	
Cash flow from operating activities before changes in working capital	**58,437**	**-366**	
Cash flow from changes in working capital			
Increase (-)/decrease (+) in trading receivables	30,669	-25,653	
Increase (+/decrease (-) in trading liabilities	-22,635	35,941	
Cash flow from operating activities	**66,471**	**9,922**	
Investing activities			
Investments in intangible assets	-649	-2,850	
Investments in property, plant and equipment	-106	-2,044	
Investments/amortization of financial assets	3,029	-23,461	
Acquisitions of subsidiaries		-212,793	
Cash flow from investing activities	**2,274**	**-241,148**	
Financing activities			
Loans raised	32,945	280,155	
Increase/decrease of financial liabilities	-47,343	-20,117	
Other paid-up capital	118	1,826	
Dividends paid	-24,886	-24,886	
Cash flow from financing activities	**-39,166**	**236,978**	
Cash flow for the year	29,579	5,752	
Cash and cash equivalents at beginning of year	5,831	79	
Cash and cash equivalents at end of year	**35,410**	**5,831**	

Note 1

Accounting Principles

(a) General Information

Beijer Electronics AB and its subsidiaries form a multinational group that develops, markets and sells products and solutions in industrial automation. Beijer Electronics AB is registered in Sweden and has its registered office in Malmö, Sweden. The address of the head office is, Box 486, Krangatan 4, 201 24 Malmö, Sweden. The company is quoted on the Nasdaq OMX Nordic Stockholm Small Cap List. The most important accounting principles applied when preparing these Consolidated Accounts are stated below. These principles have been applied consistently for all years presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Consolidated Accounts have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1.2 Supplementary Accounting Regulations for Groups and IFRS (International Financial Reporting Standards) as endorsed by the EU and to the extent they came into force before January 1, 2010. Standards that came into force from January 1, 2010 onwards, for which earlier adoption has been encouraged, did not affect Beijer Electronics' accounting for 2009.

Introduction of New and Revised Accounting Principles

A number of revisions of existing standards from the International Accounting Standards Board (IASB) and interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC) came into force on January 1, 2009. These did not imply any changes to Beijer Electronics' accounting principles. A description of the effect of the introduction of these standards and statements on Beijer Electronics' financial statements follows:

IAS 1 (Revised), "Presentation of Financial Statements" (applies from January 1, 2009). The standard implies that changes to equity not related to transactions with shareholders are reported separately from changes in equity that relate to transactions with shareholders in a Statement of Comprehensive Income. Accordingly, the group is presenting all shareholder-related changes in equity in the Consolidated Statement of Changes in Equity while all changes in equity that do not relate to transactions with shareholders are reported in the Consolidated Statement of Comprehensive Income. Comparative information has been restated so that it is consistent with the revised standard. This change affects presentation and has no effect on earnings per share.

IFRS 2 (Amendment), "Share-based Payment" (applies from January 1, 2009). This revised standard deals with vesting conditions and cancellations. This standard does not have any effect on the Consolidated Accounts.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" applies from January 1, 2009. The amendment implies increased disclosures on measurement at fair value and liquidity risk. This amendment has no effect on earnings per share.

IAS 23 (Amendment) "Borrowing Costs" (applies from January 1, 2009). The standard implies that borrowing costs directly related to the purchase, design and production of an asset that takes significant time to complete is capitalized as part of cost of the asset, in cases where the first time of capitalization is January 1, 2009 or later. Previously, the group expensed all borrowing costs immediately. The amendment of this accounting principle has no material effect on the Consolidated Accounts.

When preparing the Consolidated Accounts as of December 31, 2009, a number of standards and interpretation statements were published that have not yet come into effect or been applied proactively. These are stated below:

IFRS 3 (Revised), "Business Combinations" (applies from July 1, 2009). This revised standard continues to stipulate the acquisition methods applied for business combinations, but with some significant changes. For example, all payments to purchase an operation are reported at fair value on the acquisition date, while subsequent conditional payments are classified as liabilities that are subsequently revalued via the Income Statement. There is freedom of choice regarding measuring holdings in the acquired operation without controlling influence either at fair value or at the proportional share of the acquired operation's net assets, which are held by the holder without controlling influence. All transaction expenses relating to acquisitions should be expensed. The group will be applying IFRS 3 (revised) proactively for all business combinations from January 1, 2010.

IFRS 9 "Financial Instruments." The standard applies to financial years starting January 1, 2013 or later. IFRS 9 deals with the measurement and classification of financial instruments. It contains two primary valuation categories: amortized cost and fair value. Classification is on the basis of the company's business model and characteristic qualities of contracted cash flows. If the company's business model is to hold the financial asset with the aim of receiving the contracted cash flows and the contracted cash flows consist exclusively of principal and interest, measurement should be at amortized cost. All other financial assets should be measured at fair value. Before it comes into effect, this standard will be supplemented by further parts relating to items including liabilities, impairment and hedge accounting. When the standard is complete, its effect on the Consolidated Accounts will be evaluated.

IAS 38 (Amendment), "Intangible Assets". The group will apply IAS 38 (amendment) from the same time as IFRS 3 (Revised). This amendment provides clarification on the measurement of an intangible asset acquired in a business combination at fair value. According to the amendment, intangible assets may be grouped and treated as a single asset if the assets have similar useful lives. The amendment will not have any material effect on the Consolidated Accounts.

IAS 1 (Amendment), "Presentation of Financial Statements." This amendment clarifies that the potential settlement of a liability through the issuance of shares is not relevant to its classification as current or long-term. By altering the definition of a current liability, the amendment permits a liability to be classified as long term (providing the company has an unconditional right to delay settlement by transferring cash or other assets for at least 12 months after the end of the accounting year) despite the counterparty being able to demand settlement in shares at any time. The group will apply IAS 1 (Amendment) from January 1, 2010. This is not expected to have any material effect on the Consolidated Accounts.

The parent company applies the Swedish Annual Accounts Act and RFR 2.2 Accounting for Legal Entities, which implies that the same accounting principles are applied as for the group with the exception of the cases indicated below in the paragraphs headed 'Parent company accounting principles.' The discrepancies occurring between the parent company and group accounting principles are caused by the limited scope for applying IFRS in the parent company as a result of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act, and in some cases, for tax reasons.

(b) Basis of Preparation of the Parent Company and Consolidated Accounts

The parent company's functional currency is Swedish krona (SEK), which is also the presentation currency for the parent company and the group. This implies that the financial statements are presented in SEK. All amounts, unless otherwise indicated, have been rounded to the nearest SEK 000. Assets and liabilities are reported at historical cost.

Preparing the financial statements in accordance with IFRS requires that the company management makes judgments and estimates as well as assumptions that influence the application of the accounting principles and the reported amounts for assets, liabilities, revenue and expenses. The estimates and assumptions are based on historical experiences and a number of other factors that appear reasonable in the prevailing circumstances. The result of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that would otherwise not be clearly apparent from other sources. Actual outcomes may differ from these estimates and judgments.

Assumptions relating to impairment tests for goodwill and other intangible assets and provisions for pension commitments are the area where estimates and assumptions could imply a risk for adjustments to reported values of assets and liabilities in future financial years. These estimates and assumptions are described in more detail in Note 13, Intangible assets and in Note 25, Pension Provisions, etc.

The estimates and assumptions are reviewed regularly. Changes to estimates are reported in the period the change was made if the change affects this period only, or in the period the change is made and future periods if the change affects both the relevant period and future periods.

The group's accounting principles outlined below have been applied consistently to all periods presented in the Consolidated Accounts, unless otherwise indicated below. The group's accounting principles have been applied consistently to reporting and the consolidation of the parent company, subsidiaries and associated companies. The Annual Accounts and Consolidated Accounts were approved for issuance by the Board of Directors on March 22, 2010. The Consolidated Income Statement and Balance Sheet and the parent company's Income Statement and Balance Sheet will be subject to adoption at the Annual General Meeting (AGM) on April 26, 2010.

(c) Segment Reporting

A segment is an identifiable part of the group in accounting terms, which either supplies products or services (business segments), or goods or services within a specified economic area (geographical region), which is exposed to risks and opportunities that differ from other segments.

Operating segments are reported in a manner that is consistent with internal reporting as submitted to the chief operating decision-maker. The chief operating decision-maker is the function that is responsible for allocating resources and assessing the results of operating segments. In the group, this function has been identified as the management group that takes strategic decisions.

(d) Classification etc.

Essentially, parent company and consolidated fixed assets and long-term liabilities are amounts expected to be recovered or paid after more than 12 months from the reporting date only. Essentially, parent company and consolidated current assets and current liabilities are amounts expected to be recovered or paid within 12 months of the reporting date only.

(e) Consolidation Principles

(i) Subsidiaries

Subsidiaries are companies that Beijer Electronics AB exerts a controlling influence over, which means a direct or indirect right to formulate a company's financial and operational strategy with the purpose of receiving economic benefit. Judgments of whether a controlling influence exists should consider potential shares conferring votes, which can be used or converted immediately.

Subsidiaries are reported pursuant to acquisition accounting, which means that the acquisition of a subsidiary is treated as a transaction whereby the group indirectly acquires a subsidiary's assets and takes over its liabilities and contingent liabilities. The consolidated cost is determined through an acquisition analysis related to the acquisition. This analysis partly determines the cost of the shares or operation, partly the fair value of the acquired identifiable assets at the acquisition date, and liabilities and contingent liabilities taken over. The cost of the subsidiary shares and operations is the fair value at the transfer date of assets, liabilities that have arisen or have been taken over, and issued equity instruments submitted as payment in exchange for the acquired net assets, and transaction expenses directly attributable to the acquisition. For business combinations where the acquisition costs exceed the net value of the acquired assets and liabilities taken over and contingent liabilities taken over, the difference is reported as goodwill. When negative, the difference is reported directly in the Income Statement.

Subsidiary financial statements are included in the Consolidated Accounts from acquisition date to the date the controlling influence ceases. The accounting principles for subsidiaries have, where applicable, been amended to guarantee the consistent application of the group's principles.

(ii) Associated Companies

Associated companies are those companies over which the group exerts a significant, but not controlling, influence, over operational and financial controls, usually through holdings of between 20 and 50% of the votes. From the time the significant influence is attained, participations in associated companies are reported according to the equity method in the Consolidated Accounts. The equity method means that the carrying amount of the participations in associated companies in the group corresponds to the group's participation in the associated company's equity, consolidated goodwill and other potential residual values of consolidated surplus values and deficits. The group's participation in associated companies' net profit after tax and minority adjusted for potential depreciation, impairment or dissolutions of acquired surplus values and deficits is reported as 'share of profit in associated companies' in the Consolidated Income Statement. Dividends received from the associated company reduce the carrying amount of the investment.

Potential differences upon acquisition between the cost of a holding and the owning company's share of fair value net of the associated company's identifiable assets, liabilities and contingent liabilities is reported pursuant to IFRS 3 Business Combinations.

When the group's share of reported losses in the associated company exceeds the carrying amount of the participations in the group, the value of the participations is reset to zero. Losses are also deducted against long-term financial balances without collateral, which in accounting terms, is that portion of the owning company's net investment in the associated company. Continued losses are not reported providing the group has not made guarantees to cover losses arising in the associated company. The equity method is applied from the time when the significant influence ceases.

(iii) Transactions Eliminated on Consolidation

Intra-group receivables and liabilities, revenues or expenses and unrealized profits or losses that arise from intra-group transactions between group companies are wholly eliminated when preparing the Consolidated Accounts.

Unrealized profits that arise from transactions with associated companies and jointly controlled companies are eliminated to the extent corresponding to the group's participating interest in the company. Unrealized losses are eliminated in the same way as unrealized profits, but only to the extent that there is no indication of any value impairment.

(f) Foreign Currency

(i) Transactions and Balance Sheet Items

Foreign currency transactions are translated to functional currency at the rate of exchange ruling on the transaction date. The functional currency is the currency in the primary accounting environments where the company conducts business. Foreign currency monetary assets and liabilities are translated to functional currency at the rate of exchange ruling at the reporting date. The exchange rate differences arising from translation are reported as a financial income or financial expense in the Income Statement.

(ii) Financial Statements of Foreign Operations

Assets and liabilities of foreign operations, including goodwill and other consolidated surplus values and deficits, are translated from the functional currency of the foreign operations to the group's presentation currency, Swedish kronor, at the rate of exchange ruling at the reporting date. Income and expenses of foreign operations are translated to Swedish kronor at an average rate of exchange, which is an approximation of the rates of exchange at each transaction date. Translation differences arising coincident with translation of foreign operations are reported directly against equity as a translation reserve.

(iii) Net Investment in a Foreign Operation

Translation differences arising coincident with translating a foreign net investment and the associated effects of hedging of net investments, are reported directly in the translation reserve in equity. On the divestment of a foreign operation, the accumulated translation differences attributable to the operation, less deductions for potential currency hedging, are reported to the Consolidated Income Statement.

(g) Revenues

(i) Goods Sales and Service Assignments

Consolidated revenue consists of sales of goods and services. Revenues are recognized when the essential risks and benefits associated with ownership have been transferred to the buyer. Revenue from service assignments are reported to the Income Statement when the assignment is completed. Revenue is not reported to accounts if it is considered probable that the economic benefits will not arise for the group. If there is significant uncertainty regarding payment, associated expenses or the risk of returns, and if the seller retains its commitment to ongoing management, usually associated with ownership, no revenue is recognized.

(h) Operating Expenses, Financial Income and Expenses

(i) Payments for Operating Leases

Payments for operating lease arrangements are reported on a straight-line basis in the Income Statement over the lease term. Benefits received coincident with signing the contracts are reported as a portion of the total lease expense in the Income Statement.

(ii) Payments Related to Finance Leases

Minimum lease charges are divided between interest expenses and amortization of the outstanding liability. Interest expenses are allocated over the lease term so each accounting period is subject to an amount corresponding to fixed interest rates for the liability reported for the relevant period. Variable expenses are expensed in the periods they arise.

(iii) Financial Income and Expenses

Financial income and expenses are interest income on bank balances and receivables and interest-bearing securities, interest expenses on loans, dividend income, exchange rate differences, unrealized and realized gains on financial investments. Interest income is recognized as revenue allocated over the term by applying the effective interest method. The interest component of finance lease payments is reported in the Income Statement by adopting the effective interest method. Dividend income is reported when the right to receive the payment is determined. The group and parent company do not capitalize interest in the cost of assets.

(i) Financial Instruments

In the group, financial instruments are measured and reported pursuant to the stipulations of IAS 39.

Financial instruments reported on the assets side of the Balance Sheet include cash and cash equivalents, accounts receivable, shares and other equity instruments, loan receivables, bond receivables and derivatives. Accounts payable and loan liabilities are included in liabilities and equity.

Initially, financial instruments are reported at cost corresponding to the fair value of the instrument plus transaction expenses for all financial instruments apart from those belonging to the category of financial assets reported at fair value in the Income Statement, which are reported at fair value excluding transaction expenses. Later, reporting depends on how the instruments are classified, as follows.

A financial asset or liability is reported in the Balance Sheet when the company becomes party to the instrument's contracted terms. Accounts receivable are reported in the Balance Sheet when the invoice has been sent. Liabilities are recognized when the counterparty has delivered, and there is a contracted payment liability, even if no invoice has been received as yet. Accounts payable are recognized when invoices are received.

Financial assets are derecognized from the Balance Sheet when the contracted rights are realized, mature, or the company relinquishes control over them. The same applies to parts of a financial asset. A financial liability is derecognized from the Balance Sheet when the contracted commitments are fulfilled or extinguished in some other way. The same applies to parts of a financial liability.

Acquisitions and divestments of financial assets are reported on the transaction date, which is the date the company undertakes to buy or sell the asset, apart from those cases where the company buys or sells listed securities, when settlement day accounting is applied.

The company evaluates whether there are objective indications that a financial asset or a group of financial assets are impaired coincident with each financial statement. For equity instruments classified as saleable assets, a significant and extended reduction in the fair value below the instrument's cost is necessary before any impairment is effected. If there is value impairment for an asset in the saleable assets category, the previous potential accumulated value impairment is reported directly against equity in the Income Statement. The impairment of equity instruments reported in the Income Statement cannot be reversed via the Income Statement later.

IAS 39 classifies financial assets in four categories, with this classification depending on the purpose of the acquisition of the financial instrument. The company management determines classification at the original time of acquisition. The categories are as follows:

Financial Assets Measured at Fair Value via the Income Statement

This category is made up of two sub-groups: financial assets held for trading and other financial assets that the company initially chose to classify in this category. A financial asset is classified as held for trading if it is acquired with the aim of selling in the short term. Derivatives that are independent, and embedded derivatives, are classified as held for trading apart from when they are used for hedge accounting.

Loan Receivables and Accounts Receivable

"Loan receivables and accounts receivable" are classified as financial assets that are not derivatives with fixed payments or payments that can be determined, and that are not listed on a recognized marketplace. These receivables arise when the company supplies funds, goods and services directly to the borrower, without intending to conduct trading in the receivable rights. This category also includes acquired receivables. Assets in this category are measured at accrued cost. The balance sheet item termed long-term receivables is included in this category.

Investments Held until Maturity

Financial assets with payment flows that are fixed or can be determined in advance, and with a fixed term that the company has an express intention and capacity to retain to maturity. Assets in this category are measured at accrued cost. Accrued cost is determined on the basis of the effective interest calculated at the time of acquisition. This means that surplus values and deficits and direct transaction expenses are allocated over the term of the instrument.

Saleable Financial Assets

Financial assets that are not classified in any other category, or financial assets the company has initially chosen to classify in this category, are saleable financial assets. Assets in this category are measured at fair value on an ongoing basis with value changes against equity. When the investment is removed from the Balance Sheet, previously reported accumulated gains or losses are reported in equity in the Income Statement.

Financial Liabilities Measured at Fair Value via the Income Statement

This category is made up of financial liabilities held for trading and derivatives (independent and embedded) not used for hedge accounting. Liabilities in this category are measured at fair value on an ongoing basis, with value changes reported in the Income Statement.

Other Financial Liabilities

Financial liabilities not held for trading are measured at amortized cost. Amortized cost is determined on the basis of the effective interest calculated when the liability arose. This means that surplus values and deficits, and direct issue expenses, are allocated over the term of the liability.

Presently, Beijer Electronics holds financial instruments in the financial assets measured at fair value via the Income Statement, loan receivables, accounts receivable and other financial liabilities categories.

Cash and Cash Equivalents

Cash and cash equivalents are cash and immediately available receivables with banks and similar institutions plus short-term liquid investments with a term from the time of acquisition not exceeding three months that are subject to only a negligible risk of value fluctuations.

Financial Investments

Financial investments are either financial assets or short-term investments depending on the intention of the holding. If the term or anticipated period of holding is longer than one year, the investments are financial assets, and if shorter than one year, they are short-term investments.

Financial investments that are shares belong either to the category financial assets measured at fair value via the Income Statement, or as saleable financial assets.

Interest-bearing securities that have been acquired with the intention of being held until maturity belong to the category financial assets held until maturity and are measured at amortized cost. Interest-bearing securities where the intention is not to hold the asset until maturity are classified as financial assets measured at fair value via the Income Statement, or as saleable financial assets.

In connection with valuation at fair value via the Income Statement, the value change is reported to net financial income/expense.

Long-term Receivables and Other Current Receivables

Long-term receivables and other current receivables are receivables that arise when the company supplies funds without the intention of trading the right to receivables. If the anticipated period of holding is longer than one year, they are classified as long-term receivables, and if the period is shorter than one year, as other receivables. These receivables belong to the loan receivables and accounts receivable category.

Accounts Receivable

Accounts receivable are classified in the loan receivables and accounts receivable category. Accounts receivable are reported at the amount expected to be received after deductions for doubtful debt following individual assessment. The anticipated term of the accounts receivable is short, implying that the value is reported to accounts at the nominal amount without discounting. Provisions are made for depreciation of accounts receivable when there is objective evidence that the group will not obtain all amounts that are due to it according to the original terms and conditions of the receivables. Indicators of impairment of accounts receivable may include significant financial difficulties experienced by the debtor, probability that the debtor will enter bankruptcy or undergo financial reconstruction as well as absent or delayed payments (overdue by more than 30 days). Impairment of accounts receivable is reported under operating expenses.

Liabilities

Liabilities are classified as other financial liabilities, implying that they are initially reported to the accounts at the amount received after deductions for transaction expenses. After the time of acquisition, the loans are measured at amortized cost in accordance with the effective interest method. Long-term liabilities have an anticipated term of longer than one year while current liabilities have a term of less than one year.

(j) Derivatives and Hedge Accounting

Derivatives Used for Hedge Accounting

All derivatives are reported at fair value in the Balance Sheet. For hedging at fair value, value changes are reported in the Income Statement. For cash flow hedging and hedging of net investments in foreign currencies, value changes are reported in special categories in equity in anticipation of the hedged item being reported in the Income Statement. Hedge accounting is described in more detail below. The group holds no derivatives at present.

(k) Property, Plant and Equipment

(i) Owned Assets

Property, plant and equipment are reported as assets in the Balance Sheet if it is likely that future economic benefits will arise for the company, and the cost of the asset can be reliably measured. Property, plant and equipment are reported at cost in the group less accumulated depreciation and potential impairment. The purchase price and costs directly attributable to the asset to bring it to the place and condition to be utilized in accordance with the purpose of the acquisition are included in the cost. Examples of directly attributable expenses included in costs are expenses for delivery and processing, installation, registration, consulting and legal services. Borrowing costs are not included in the cost of fixed assets produced by the company. The accounting principles for impairment are stated below.

Property, plant and equipment that consist of components with differing useful lives are treated as separate components of property, plant and equipment.

The carrying amount of property, plant and equipment is derecognized from the Balance Sheet on obsolescence or disposal, or when no future economic benefits are expected from usage or disposal/divestment of the asset. Gains or losses arising from the divestment or obsolescence of an asset are the difference between the sales price and the asset's carrying amount less deductions for direct selling expenses. Gains and losses are reported as other operating revenue/expenses.

(ii) Leased Assets

IAS 17 is applied for leased assets. In the Consolidated Accounts, lease arrangements are classified as finance or operating leases. Finance leases occur when essentially, the economic risks and benefits associated with ownership are transferred to the lessee, and if not, they are classified as operating leases.

Assets held through finance lease arrangements have been reported as an asset in the Consolidated Balance Sheet. The obligation to pay future lease charges has been reported as long-term and current liabilities. The leased assets are subject to planned depreciation while lease payments are reported as interest and amortization of the liabilities.

In operating leases, lease charges are expensed during the term, proceeding from usage, which can differ from what is actually paid in lease charges de facto in the year.

(iii) Additional Expenditure

Additional expenditure is added to cost only if it is likely that the future economic benefits associated with the asset will arise for the company, and the cost can be reliably calculated. All other additional expenditure is reported as an expense in the period it arises.

When additional expenditure is added to cost, it is decisive whether this expenditure relates to the exchange of identifiable components, or parts of components, whereupon such expenditure is capitalized. In those cases when new components are created, expenditure is also added to cost. Potential un-depreciated carrying amounts of exchanged components, or parts of components, are subject to obsolescence and expensed at exchange. Repairs are expensed continuously.

(iv) Depreciation Principles

Depreciation is on a straight-line basis over the estimated useful life of an asset; land is not depreciated. The group utilizes component depreciation, which means that the assessed useful lives of components are the basis for depreciation.

Estimated useful lives:

- Buildings: real estate used in business operations 3–60 years
- Machinery and other plant 3–12 years
- Equipment, tools fixtures and fittings 2–8 years

Real estate used in business operations has a number of components with differing useful lives. The main division is between buildings and land. No depreciation is affected on the land component, whose useful life is considered indefinite. However, buildings have several components whose useful lives vary.

The useful lives of these components have been assessed to vary between 3 and 60 years.

The following main groups of components have been identified and form the basis for depreciation on buildings:

- Building decorations, Taiwan 3–5 years
- Other real estate components 45–60 years

The residual value and useful life of an asset is estimated yearly.

(l) Intangible Assets

(i) Goodwill

Goodwill is the difference between the cost of a business combination and the fair value of the acquired assets, liabilities taken over and contingent liabilities.

Goodwill is measured at cost less potential accumulated impairment. Goodwill is allocated to cash-generating units, and is no longer amortized, but subject to yearly impairment tests (see accounting principles (n). Goodwill arising from acquisitions of associated companies is included in the carrying amount of participations in associated companies.

At business combinations, where acquisition cost is less than the net value of the acquired assets and liabilities taken over, and contingent liabilities, the difference is reported directly to the Income Statement.

(ii) Development

Expenditure for development, where research results or other knowledge are used to achieve new products, is reported as an asset in the Balance Sheet, if the product is technically and commercially usable and the company has sufficient resources to complete development, and use or sell the intangible asset later. The carrying amount includes expenditure for materials, direct expenditure for salaries and indirect expenditure that can be attributed to the asset in a reasonable and consistent way. Other expenditure for development is reported in the Income Statement as an expense when it arises. Development expenditure is reported in the Balance Sheet at cost less accumulated depreciation and potential impairment.

(iii) Other Intangible Assets

Other intangible assets acquired by the group are reported at cost less accumulated depreciation (see below) and impairment (see accounting principles).

Disbursed expenses for internally generated goodwill and internally generated brands are reported in the Income Statement when the expense arises.

(iv) Additional Expenditure

Additional expenditure for capitalized intangible assets is reported as an asset in the Balance Sheet only when it increases the future economic benefits for the specific asset to which it is attributable. All other expenditure is expensed as it arises.

(v) Depreciation

Depreciation is reported in the Income Statement on a straight-line basis over the estimated useful lives of intangible assets, providing such useful lives are not indefinite. Goodwill and intangible assets with indefinite useful lives are subject to impairment tests yearly, or as soon as any indication that suggests that the asset's value is impaired arises. Intangible assets with determinable useful lives are amortized from the date they become available for use. The estimated useful lives are:

- Trademarks and brands 7–20 years

- Customer contracts (remaining contract term) 4–10 years
- Capitalized development expenditure 3–5 years
- Capitalized IT expenditure 3–5 years
- Technology platforms 5 years

(m) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is estimated using the FIFO method. The net realizable value is the estimated sales price in operating activities, less estimated expenses for completing and achieving a sale.

The cost of produced goods and work in progress includes a reasonable proportion of indirect expenses based on normal capacity.

(n) Impairment

The carrying amounts of the group's assets are subject to impairment tests at each year-end. An exemption is made for inventories and deferred tax assets. If there is an indication of value impairment, the assets' recoverable value is calculated. For assets subject to the above exemption, valuations are tested according to the relevant standards.

Recoverable values of goodwill and other intangible assets with indefinite useful lives and intangible assets not yet ready for use are calculated yearly.

If it is impossible to determine significant independent cash flows of an individual asset, when conducting impairment tests, assets should be grouped at the lowest level it is possible to identify significant independent cash flows (cash-generating unit). An impairment is reported when an asset's or cash-generating unit's carrying amount exceeds recoverable value. Impairment is reported to the Income Statement.

Impairment of assets attributable to a cash-generating unit (group of units) is primarily assigned to goodwill. Later, proportional impairment of other assets included in the unit is effected (group of units).

Goodwill and other intangible assets with indefinite lives are subject to impairment tests as of January 1, 2004 (the IFRS adoption date) and then, yearly.

When a reduction in the fair value of saleable financial assets was previously reported directly to equity and there is objective evidence of impairment, the accumulated deficit reported in equity should be transferred to the Income Statement. The value impairment reported in the Income Statement is the difference between cost and present fair value, less deductions for potential impairment effected previously.

(i) Calculating Recoverable Value

The recoverable value of assets in the investments held until maturity and loan receivables and accounts receivable categories should be reported at accrued cost, calculated as the present value of future cash flows, discounted by the effective interest prevailing when the asset was reported for the first time. Assets with short terms are not discounted.

The recoverable value of other assets is the greater of fair value less selling expenses and value in use. When calculating the value in use, future cash flows are discounted by a discount factor that considers risk-free interest, and the risk associated with the specific asset. For an asset that does not generate cash flow, which is significantly independent from other assets, the recoverable value of the cash-generating unit to which the asset belongs is calculated.

(ii) Reversal of Impairment

Impairment of investments held until maturity or loan receivables and accounts receivable reported at accrued cost are reversed if a subsequent increase in recoverable value can be objectively attributed to an event that has occurred after the impairment was effected. Goodwill impairment is not reversed. Impairment of other assets is reversed if a change in the assumptions that served as the basis for calculating the recoverable value has occurred.

Impairment is only reversed to the extent the asset's carrying amount after reversal does not exceed the carrying amount the assets would have had if no impairment had been effected, considering the depreciation that would then have been effected.

(o) Share Capital

(i) Re-purchase of Treasury Shares

Holdings of treasury shares and other equity instruments are reported as a reduction in equity. Acquisitions of such instruments are reported as a deduction from equity. Payment from divestments of equity instruments is reported as an increase in equity. Potential transaction expenses are reported directly against equity.

(ii) Dividends

Dividends are reported as a liability after AGM approval.

(p) Employee Benefits

(i) Defined-contribution Plans

A defined-contribution plan is a pension plan according to which the group pays fixed fees to a separate legal entity. The group is under no legal or informal obligation to pay any further fees if such legal entity does not hold sufficient assets to pay all employee benefits that are connected with the employee's service in the present or previous periods. Commitments relating to fees for defined-contribution plans are reported as an expense in the Income Statement when they arise.

(ii) Defined-benefit Plans

A defined-benefit plan is a pension plan that is not a defined contribution. The distinguishing feature of defined-benefit plans is that an amount is indicated for the pension benefit an employee will receive after retirement, usually based on one or several factors like age, period of employment and salary. The group has defined-benefit plans in the parent company, subsidiaries in Sweden and the subsidiary in Taiwan.

The group's net commitments regarding defined-benefit plans are calculated separately for each plan by estimating the future benefits the employee would have accrued through his/her service in present and previous periods; these benefits are discounted to present value, and the fair value of potential plan assets are deducted. The discount rate is the yield at the reporting date of an investment grade corporate bond with a maturity corresponding to the group's pension commitments. When there is no recognized market for such corporate bonds, market yields on government bonds with a corresponding maturity are used instead. The calculation is conducted by a qualified actuary using the "projected unit credit method."

When the benefits of a plan improve, the proportion of the increased benefit attributable to employee service in previous periods is reported as an expense on a straight-line basis in the Income Statement allocated over the average period until the benefits are fully vested. If the benefits are fully vested, an expense is reported in the Income Statement directly.

The corridor rule is applied for actuarial gains and losses arising when calculating the group's commitments in various plans. The corridor rule means that the portion of the accumulated actuarial gains and losses exceeding the higher of 10% of the present value and 10% of the commitments and the fair value of plan assets is reported over the expected average remaining length of service of those employees covered by the plan. Otherwise, actuarial gains and losses are not considered.

When the calculation results in an asset for the group, the carrying amount of the asset is limited to the net of the un-reported actuarial losses and un-reported expenses for service in previous periods, and the present value of future repayments from the plan or reduced future contributions to the plan.

When there is a difference between how pension expenses are determined in a legal entity and the group, a provision or receivable regarding the special employers' contribution based on this difference is reported. The present value of the provision or receivable is not calculated.

(iii) Remuneration on Termination

A provision is reported coincident with notices of redundancy issued to staff, only if the company has a proven obligation to conclude employment before the normal time, or when remuneration is paid as an offering to encourage voluntary redundancy. In those cases the company issues redundancy notices, a detailed plan is prepared, which as a minimum, includes workplaces, positions and approximate number of affected staff, and remuneration for each staff category or position and the time of the plan's execution.

(iv) Bonus and Profit Share Plans

There are bonus and profit-share plans in the group. Profit-share plans are based on trading profit and are payable if a predetermined goal is achieved. The expenses for bonus and profit share plans are charged in the year when there is a requirement.

(q) Provisions

A provision is reported in the Balance Sheet when the group has an existing legal or informal obligation ensuing from an event that has occurred, and it is likely that an outflow of economic resources will be necessary to fulfill the commitment, and the amount can be reliably estimated. When the effect of the timing of the payment is significant, the provisions are calculated by discounting the expected future cash flow by an interest rate before tax that reflects the relevant market valuation of the time value of money and, if applicable, the risks associated with the liability.

(r) Tax

Income tax is made up of current tax and deferred tax. Income tax is reported in the Income Statement apart from when the underlying transaction is reported directly against equity, whereupon the associated tax effect is reported in equity.

Current tax is tax paid or received for the present year, applying the tax rates that are enacted or substantively enacted as of the reporting date, which also include current tax attributable to previous periods.

Deferred tax is calculated pursuant to the balance sheet method, proceeding from temporary differences between the book and taxable values of assets and liabilities. The following temporary differences are not considered: for temporary differences arising on first-time accounting of goodwill, first-time accounting of assets and liabilities that are not business combinations and neither influence reported nor taxable earnings at the time of the transaction. Nor are temporary differences attributable to shares in subsidiaries and associated companies that are not expected to be reversed in the foreseeable future considered. The valuation of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realized or settled. Deferred tax is calculated by applying those tax rates and tax regulations that are enacted or substantively enacted as of the reporting date.

Deferred tax assets regarding deductible temporary differences and loss carry-forwards are only reported to the extent that it is likely that they will be utilized. The value of deferred tax assets reduces when it is no longer considered likely that they can be utilized.

Deferred tax assets and liabilities are offset when there is a legal right to offset for current tax assets and tax liabilities and when the deferred tax assets and tax liabilities relate to tax debited by one and the same tax authority and either relate to the same taxpayer or different taxpayer, where there is an intent to settle the balances through net payments.

Potential additional income tax arising on dividends is reported as a liability.

(s) Contingent Liabilities

A contingent liability is reported when there is a possible commitment arising from events that have occurred, and whose incidence is confirmed only by one or more uncertain future events, or when there is a commitment that is not reported as a liability or a provision because it is unlikely that an outflow of resources will be necessary.

(t) Cash Flow Statement

The Cash Flow Statement has been prepared pursuant to the indirect method. Cash and cash equivalents are made up of cash funds and immediately available balances with banks and corresponding institutions, and short-term, liquid investments with a term of less than three months from the time of acquisition, exposed to only insignificant risk of value fluctuations.

Parent Company Accounting Principles

The parent company has prepared its Annual Accounts pursuant to the Swedish Annual Accounts Act and RFR 2.2 Accounting for Legal Entities. RFR 2.2 means that in its Annual Accounts for the legal entity, the parent company applies all the IFRS and statements endorsed by the EU, if this is possible within the framework of the Annual Accounts Act, and considering the relationship between accounting and taxation. The recommendation states the exemptions from, and supplements to, IFRS.

Differences between the Group's and Parent Company's Accounting Principles

Differences between the group's and parent company's accounting principles are stated below. The following accounting principles of the parent company have been applied consistently for all periods published in the parent company's financial statements.

Subsidiaries and Associated Companies

In the parent company, shares in subsidiaries and associated companies are reported pursuant to acquisition accounting. Dividends received are reported as income only if they arise from earnings accrued after the acquisition. Dividends exceeding these accrued earnings are considered as re-payment of the investment and reduce the carrying amount of the shares.

Long-term Monetary Dealings

Long-term monetary dealings between the parent company and independent foreign operations that represent an extension or reduction of the parent company's investment in foreign operations, are measured at historical rates of exchange in the parent company.

Financial Instruments

The parent company does not apply the valuation rules of IAS 39. However, what has been stated otherwise regarding financial instruments also applies to the parent company. In the parent company, financial assets are measured at cost less potential impairment, and financial current assets at the lower of cost or market.

Property, Plant and Equipment

Owned Assets

In the parent company, property, plant and equipment are reported at cost less deductions for accumulated depreciation and potential impairment in the same way as the group but with a supplement for potential write-ups.

Leased Assets

In the parent company, all lease arrangements are reported pursuant to the rules for operating leases.

Intangible Assets

Development

In the parent company, all development expenditure is reported as an expense in the Income Statement.

Employee Benefits

Defined-benefit Plans

The parent company uses a different basis for calculating defined-benefit plans than stipulated by IAS 19. The parent company follows the stipulations of the Swedish Pension Obligations Vesting Act and the Swedish Financial Supervisory Authority's instructions, because this is a pre-requisite for tax deductions. The most significant differences compared to IAS 19 are determining the discount rate, calculating the defined-benefit commitment on the basis of present salary levels and that all actuarial gains and losses are reported in the Income Statement when they arise.

Tax

In the parent company, untaxed provisions are reported including deferred tax liabilities. However, in the Consolidated Accounts, untaxed reserves are divided between deferred tax liabilities and equity.

Group Contributions and Shareholders' Contributions for Legal Entities

The company reports group contributions and shareholders' contributions pursuant to the relevant statement from RR's Emerging Issues Task Force. Shareholders' contributions are reported directly against the recipient's equity and are capitalized in shares and participations of the issuer, to the extent no impairment is necessary. Group contributions are reported according to their accounting implication, which means that group contributions made with the aim of minimizing the group's total tax are reported directly against profit brought forward after deducting for their current tax effect.

Group contributions that are equivalent to dividends are reported as dividends, which means that group contributions received and their current tax effects are reported in the Income Statement. Group contributions paid and their current tax effects are reported directly against retained earnings.

Considering their current tax effects, group contributions that are equivalent to shareholders' contributions are reported directly against the recipient's retained earnings. The issuer accounts the group contribution and its current tax effect as an investment in participations in group companies, to the extent that no impairment is necessary.

Note 2

Segment Reporting

Management has determined operating segments used to reach strategic decisions. Management judges operations from a product perspective, where operating segments are divided into the three business areas of Automation, HMI Products and IDC.

Automation markets and sells products from leading international vendors and operator systems from the HMI Product business area in the Nordic and Baltic regions. HMI Products develops, markets and sells operator terminals and IPC-based operator systems on a global basis. IDC develops, markets and sells industrial data communications products on a global basis. Other consists mainly of the parent company's shared functions.

Management judges operating segments based on a measure called EBIT (earnings before interest and taxes), which excludes non-recurring expenses from operating segments such as restructuring expenses.

Management also judges sales from a geographical perspective divided between the Nordic region, Rest of Europe, North America, Asia and Rest of World. The information presented for segment revenue is for the geographical regions grouped according to the location of customers.

2009

SEK 000	Automation	HMI Products	IDC	Other	Elimination	Total
Revenues						
External sales	479,659	348,078	260,714			1,088,451
Internal sales	1,138	75,162	1,985		-78,285	0
Total sales	**480,797**	**423,240**	**262,699**			**1,088,451**
Profit by operating segment	15,561	32,682	28,639	3,705	-9,814	70,773
Participations in associated companies' profits	538					538
Operating profit	**16,099**	**32,682**	**28,639**	**3,705**	**-9,814**	**71,311**
Restructuring expenses	-2,673	-2,752	-1,652	-159	-264	-7,500
Net financial items	1,738	-1,632	-837	41,531	-43,672	-2,872
Tax expense for the year	-5,414	-9,239	-8,142	-1,074	3,110	-20,759
Net profit	**9,750**	**19,059**	**18,008**	**44,003**	**-50,640**	**40,180**
Attributable to parent company shareholders						*38,718*
Attributable to minority shareholders						*1,462*
Assets	214,406	391,246	189,500	528,742	-395,749	928,145
Participations in associated companies	2,333					2,333
Total assets						**930,478**
Liabilities	116,365	277,868	140,461	467,094	-381,122	620,666
Total liabilities						**620,666**
Investments	391	10,628	15,554	755	169	27,497
Depreciation and amortization	5,632	16,930	7,571	3,393	6,735	40,261
Expenses in addition to depreciation and amortization not matched by payments made						863

2008

SEK 000	Automation	HMI Products	IDC	Other	Elimination	Total
Revenues						
External sales	605,830	421,059	248,750			1,275,639
Internal sales	1,280	84,012	984		-86,276	
Total sales	**607,110**	**505,071**	**249,734**			**1,275,639**
Profit by operating segment	32,349	62,745	26,580	-1,123	-4,366	116,185
Participations in associated companies' profits	337					337
Operating profit	**32,686**	**62,745**	**26,580**	**-1,123**	**-4,366**	**116,522**
Net financial items	3,753	-9,133	-1,405	-97	-13,271	-20,153
Tax expense for the year	-10,619	-12,986	-3,983	1,451	6,946	-19,191
Net profit	**25,820**	**40,626**	**21,192**	**231**	**-10,691**	**77,178**
Attributable to parent company shareholders						*72,917*
Attributable to minority shareholders						*4,261*
Assets	259,880	426,443	178,754	570,782	-440,647	995,212
Participations in associated companies	1,789					1,789
Total assets						**997,001**
Liabilities	174,032	283,799	133,526	499,256	-404,388	686,225
Total liabilities						**686,225**
Investments	3,512	12,824	48,212	224,601		288,549
Depreciation and amortization	5,936	16,987	5,769	3,086	6,704	38,482
Expenses in addition to depreciation and amortization not matched by payments made						6,116

Geographical Division of Sales

SEK 000	2009	2008
Sweden	276,897	325,517
Norway	132,734	153,741
Finland	59,488	73,303
Denmark	78,822	113,349
Nordic region	**547,941**	**665,911**
Germany	162,627	219,707
Rest of Europe	194,761	184,324
Total Europe	**905,329**	**1,069,942**
North America	58,004	86,415
Asia	110,247	102,510
Rest of world	14,872	16,772
Total	**1,088,451**	**1,275,639**

Internal pricing between the group's segments is determined on the basis of the arm's length principle, i.e. between parties that are mutually independent, well-informed and with an interest in the transactions. The segments' profits, assets and liabilities (including provisions) include directly related items, and items that can be allocated by segment in a reasonable and reliable way. The segments' investments in property, plant and equipment and intangible assets include all investments apart from investments in expendable equipment and inventories of lesser value.

Note 3

Cost Classes

Costs are classified by function in the Consolidated Income Statement. Information on significant cost classes follows:

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Cost of materials	516,540	627,175
Salaries, remuneration and social security expenses	321,414	333,730
Amortization and depreciation of intangible assets and property, plant and equipment	40,262	38,481
Other	147,620	166,892
	1,025,836	**1,166,278**

Note 4

Business Combinations

Acquisitions of minority shareholdings were conducted via subsidiaries amounting to a total purchase price of 3,374,000 SEK (44,928). Information on acquired goodwill and intangible assets follows:

SEK 000	2009	2008
Purchase price		
Aggregate purchase price	3,374	44,928
Acquired equity	-560	-27,825
Intangible assets	-789	-1,876
Goodwill	**2,025**	**15,227**

Beijer Electronics Automation AB acquired Swedish company Westermo Teleindustri AB and its subsidiaries in 2008. Information on acquired net assets and goodwill follows:

SEK 000	2008
Purchase price	
Aggregate purchase price	212,792
Fair value of acquired net assets	-92,858
Goodwill	**119,934**

Note 5

Other Operating Revenue and Operating Expenses

SEK 000	2009	2008
Group		
Profit from sales of fixed assets	429	1,207
Exchange rate gains/losses on receivables/liabilities relating to operations	-885	5,525
Other	1,114	91
	658	**6,823**

Note 6

Fees and Reimbursement to Auditors

SEK 000	2009	2008
Group		
PricewaterhouseCoopers		
Auditing	1,562	1,336
Other assignments	1,349	1,158
Other auditors		
Auditing	460	220
Other assignments	338	165
Parent company		
PricewaterhouseCoopers		
Auditing	510	450
Other assignments	1,103	677
Other auditors		
Other assignments	200	

Note 7

Operating Lease Payments

SEK 000	2009	2008
Group		
Total lease expenses	**23,200**	**21,216**
Contracted future minimum lease payments related to irrevocable contracts due for payment:		
Within one year	23,549	21,195
Between one and five years	33,355	40,774
Total	**56,904**	**61,969**
Parent Company		
Total lease expenses	**8,790**	**8,654**
Contracted future minimum lease payments related to irrevocable contracts due for payment:		
Within one year	10,197	9,204
Between one and five years	19,085	27,418
Total lease expenses	**29,282**	**36,622**

Note 8

Employees and Personnel Expenses

Average number of employees

	2009	Of which Men, %	2008	Of which Men, %
Parent company				
Sweden	26	60	24	50
Total in parent company	**26**		**24**	
Subsidiaries				
Denmark	17	71	22	84
Estonia	4	100	4	100
UK	16	86	16	87
Finland	23	83	23	83
France	10	68	9	67
China	10	60	5	60
Latvia	3	67	5	75
Lithuania	3	67	3	67
Norway	32	84	34	85
Singapore	2	50	2	50
Sweden	219	85	253	81
Taiwan	95	41	112	41
Germany	69	73	74	66
USA	5	80	8	88
Total in subsidiaries	**508**	**74**	**570**	**70**
Group total	**534**	**73**	**594**	**69**

Division between sexes, group management

	Dec 31, 2009	Dec 31, 2008
	Prop. Women	*Prop. Women*
Parent company		
Board	14%	14%
Other senior executives	17%	17%
Group total		
Board	7%	12%
Other senior executives	10%	7%

Salary, other remuneration and social security expenses

SEK 000	2009		2008	
	Salary and Remuneration	*Social Security Expenses*	*Salary and Remuneration*	*Social Security Expenses*
Parent company	15,534	8,746	15,600	9,880
(of which pension expenses)		*(2,717)* [a]		*(3,279)* [a]
Subsidiaries	223,775	61,658	238,141	66,805
(of which pension expenses)		*(18,951)*		*(17,416)*
Group total	**239,309**	**70,404**	**253,741**	**76,685**
(of which pension expenses)		*(21,668)* [b]		*(20,695)* [b]

[a] Of parent company pension expenses, 1,158,000 (1,968,000) relates to the Board and CEO.

[b] Of consolidated pension expenses, 3,010,000 (4,830,000) relates to the Board and CEO.

Salary and other remuneration by country, and between Board members, etc. and other employees

SEK 000	2009		2008	
	Board and CEO	*Other Employees*	*Board and CEO*	*Other Employees*
Parent company				
Sweden	4,051	11,484	4,657	10,943
(of which bonuses, etc.)	*(220)*	*(215)*	*(862)*	*(768)*
Parent company total	**4,051**	**11,484**	**4,657**	**10,943**
(of which bonuses, etc.)	*(220)*	*(215)*	*(862)*	*(768)*
Subsidiaries in Sweden	**4,229**	**94,910**	**4,806**	**105,728**
(of which bonuses, etc.)	*(464)*	*(2,358)*	*(604)*	*(4,149)*
Foreign subsidiaries				
Taiwan	1,151	20,545	1,037	21,640
(of which bonuses, etc.)		*(4,602)*	*(693)*	*(4,246)*
Denmark	1,222	13,449	1,238	13,832
(of which bonuses, etc.)	*(17)*	*(24)*	*(24)*	*(86)*
Norway	1,091	19,882	1,172	19,795
(of which bonuses, etc.)			*(145)*	*(1,952)*
Finland	775	9,007		10,729
(of which bonuses, etc.)				
Estonia		1,055		927
(of which bonuses, etc.)				
Lithuania	6	391	28	353
(of which bonuses, etc.)				
Latvia		1,385		1,203
(of which bonuses, etc.)				
USA	963	2,499	901	3,568
(of which bonuses, etc.)	*(99)*	*(46)*	*(158)*	*(99)*
China		971		792
(of which bonuses, etc.)		*(138)*		*(111)*
Germany	1,561	35,274	1,239	37,083
(of which bonuses, etc.)	*(170)*	*(1,742)*	*(115)*	*(1,806)*
France		4,950		4,057
(of which bonuses, etc.)		*(149)*		
UK		7,859		7,376
(of which bonuses, etc.)		*(1,002)*		
Singapore		599		636
(of which bonuses, etc.)		*(47)*		
Subsidiaries total	**10,998**	**212,776**	**9,434**	**228,706**
(of which bonuses, etc.)	*(750)*	*(12,494)*	*(1,739)*	*(12,449)*
Group total	**15,049**	**224,260**	**14,091**	**239,649**
(of which bonuses, etc.)	*(970)*	*(12,709)*	*(2,601)*	*(13,217)*

Note 8 cont.
Employees and Personnel Expenses

Remuneration of Senior Executives—Board of Directors

Directors fees were 1,275,000 (1,275,000) in 2009, allocated as follows:

SEK	
Anders Ilstam, Chairman	400,000
Bert Åke Eriksson	175,000
Ulrika Hagdahl	175,000
Hans Linnarson	175,000
Joen Magnusson	175,000
Stig-Arne Blom	175,000

Board member Stig-Arne Blom received 80,000 (72,000) for consulting assignments.

Remuneration and Other Benefits in the Year

Remuneration and benefits to the CEO and Senior Executives amounted to the following:

SEK 000	2009		2008	
	CEO	*Other Senior Executives*	*CEO* [a]	*Other Senior Executives*
Basic salary	2,556	6,647	2,520	5,999
Performance-related pay	220	678	862	994
Other benefits	107	368	114	413
Pension expenses	1,158	1,700	1,968	1,983
Total salary and remuneration	**4,041**	**9,393**	**5,464**	**9,389**

[a] *includes current and previous CEO.*

Other senior executives mean the six people that made up group management in 2009 alongside the Chief Executive Officer.

Chief Executive Officer

Apart from contracted basic salary, the Chief Executive Officer is also entitled to performance-related pay. Performance-related pay is based on the group's operating margin and is a maximum of six months' salary. Pension and other customary benefits like company car are additional. Each year, 35% of gross salary including bonus is provisioned as pension assurance for the CEO. This pension is defined contribution and becomes payable at age 65. According to agreement, the CEO has a notice period from the company's side of 12 months, that cannot be claimed for termination initiated by the CEO. The notice period from the Chief Executive Officer's side is six months. No other remuneration upon termination has been agreed.

Other Senior Executives

Other senior executives have basic salary with a performance-related component. The performance-related component is based partly on the group's and partly on each business area's operating margins. Yearly performance-related pay is a maximum of six months' salary. Other senior executives have defined contribution pension agreements on market terms. Other customary benefits like company cars are additional. Maximum notice periods of 12 months for termination from the company's side have been agreed for other senior executives, apart from one, who has a six-month notice period from the company's side. In addition, two senior executives have a further six and nine months' severance pay for termination from the company's side.

Incentive Plans

The purpose of incentive plans is to promote senior management commitment to the group's progress and thus increase value for the group's shareholders. In 2008-2009, senior executives were offered the opportunity to acquire warrants. This plan has two series of options, of 90,000 in each series. The warrants are issued on market terms calculated according to the Black & Scholes formula, and have terms of three and five years respectively. The subscription prices are SEK 175.50 and SEK 182.50 respectively.

Decision-making Process

The Remuneration Committee prepares the Board of Directors' decisions on remuneration to the Chief Executive Officer and decides on remuneration to other senior executives. Directors' fees are resolved by the AGM.

Sickness Absence

	The Group's Swedish Units		Parent Company	
	2009	*2008*	*2009*	*2008*
Total sickness absence as a proportion of regular working hours	1.96%	1.51%	1.10%	1.62%
Proportion of total sickness absence comprising continuous sickness absence of 60 days or more	7.85%	18.58%	12.27%	0.00%
Sickness absence as a proportion of each group's regular working hours:				
Sickness absence by sex:				
Men	1.12%	1.10%	0.49%	0.83%
Women	1.80%	2.23%	1.67%	2.25%
Sickness absence by age:				
29 or younger	1.03%	2.78%	[a]	[a]
30-49	1.22%	1.53%	1.10%	1.69%
50 or older	1.54%	0.66%	[a]	[a]

[a] *Because this group is less than ten people, sickness absence is not reported separately.*

Note 9

Depreciation and Amortization of Property, Plant and Equipment and Intangible Assets

SEK 000	2009	2008
Group		
Capitalized development expenditure	-9,231	-8,526
Capitalized expenditure for software	-2,349	-2,111
Customer contracts, brands and similar rights	-13,510	-12,498
Buildings and land	-2,022	-1,599
Machinery and other plant	-1,798	-1,789
Equipment, tools, fixtures and fittings	-11,352	-11,958
	-40,262	**-38,481**
Parent Company		
Capitalized expenditure for software	-2,083	-1,757
Equipment, tools, fixtures and fittings	-1,310	-1,329
	-3,393	**-3,086**

Note 10

Net Financial Items

SEK 000	2009	2008
Group		
Interest income	883	3,303
Net exchange rate difference	4,782	
Financial income	**5,665**	**3,303**
Interest expenses	-8,537	-21,506
Net exchange rate difference		-1,950
Financial expenses	**-8,537**	**-23,456**
Net financial items	**-2,872**	**-20,153**

	Profit from Other Securities and Receivables that are Fixed Assets		Interest Income, etc.	
SEK 000	2009	2008	2009	2008
Parent Company				
Interest income, group companies			4,405	17,229
Interest income, other			92	473
Dividend	46,584	5,976		
Exchange rate difference	157	-358		
	46,741	**5,618**	**4,497**	**17,702**

Interest expenses, etc.

SEK 000	2009	2008
Parent company		
Interest expenses, group companies	-476	-4,324
Interest expenses, other	-6,665	-18,832
Exchange rate difference	-2,566	-261
	-9,707	**-23,417**

Note 11

Appropriations

SEK 000	2009	2008
Difference between book value of depreciation and planned depreciation on equipment, tools, fixtures and fittings	-100	-500
Tax allocation reserve, provision in the year	-1,050	-250
Tax allocation reserve, reversal in the year	5,896	8,295
	4,746	**7,545**

Note 12

Tax on Net Profit

SEK 000	2009	2008
Group		
Current tax expense(-)[/tax revenue(+)]		
Tax expense for the period	-16,794	-26,805
Withholding tax	-1,459	-1,951
Adjustment of tax attributable to previous year	-2,429	755
	-20,682	**-28,001**
Deferred tax expense(-)[/tax revenue(+)]		
Deferred tax relating to temporary differences	717	9,536
Deferred tax revenue in the deductible value of loss carry-forwards capitalized in the year	-794	-726
	-77	**8,810**
Total reported tax expense, group	**-20,759**	**-19,191**
Parent company		
Current tax expense(-)[/tax revenue(+)]		
Tax expense for the period	-873	-220
Adjustment of tax attributable to previous year		-12
	-873	**-232**
Deferred tax expense (-)[/tax revenue (+)]		
Deferred tax on temporary differences	-201	1,683
	-201	**1,683**
Total reported tax expense, parent company	**-1,074**	**1,451**

Tax rates for the year were 15-32% (15-28).

Reconciliation of actual tax

SEK 000	2009	2008
Group		
Profit before tax	60,939	96,369
Tax at applicable rate, parent company	-16,027	-26,983
Effect of other tax rates for foreign subsidiaries	678	1,746
Other non-deductible expenses	-2,320	-1,447
Non-taxable revenues	1,700	2,274
Effects of loss carry-forwards, net	-1,966	1,642
Effect of changed tax rate		1,569
Tax attributable to previous year	-2,113	1,984
Other	-711	22
Reported tax, Income Statement	**-20,759**	**-19,193**
Parent company		
Profit before tax	49,823	6,325
Tax at applicable rate, parent company	-13,103	-1,771
Non-deductible expenses	-68	-96
Non-taxable revenues	12,268	2,446
Tax attributable to previous year		1,231
Effect of changed tax rate on deferred tax		-29
Standard-rate interest on tax allocation reserve	-171	-330
Reported tax, Income Statement	**-1,074**	**1,451**

Note 13

Intangible Assets

SEK 000	Goodwill	Development Expenditure	IT Expen-diture	Brands	Customer Contracts	Technology Platform	Total
Group							
Opening balance Jan. 1, 2008	78,901	53,547	14,090	21,001	36,658		204,197
Business combinations	153,314			43,749	21,357	3,090	221,510
Internally developed assets		17,117					17,117
Other investments			2,869				2,869
Reclassification			-2,928	-3,800	3,800		-2,928
Disposal		-1,868					-1,868
Exchange rate difference for the year	12,151	449	131	6,147	3,305		22,183
Closing balance Dec. 31, 2008	**244,366**	**69,245**	**14,162**	**67,097**	**65,120**	**3,090**	**463,080**
Opening balance Jan. 1, 2009	244,366	69,245	14,162	67,097	65,120	3,090	463,080
Business combinations	2,025			701	339	55	3,120
Internally developed assets		16,880					16,880
Other investments			1,045				1,045
Exchange rate differences for the year	-4,449	-179	-7	-1,216	-2,290		-8,141
Closing balance Dec. 31, 2009	**241,942**	**85,946**	**15,200**	**66,582**	**63,169**	**3,145**	**475,984**
Accumulated amortization and impairment							
Opening balance Jan. 1, 2008		-16,864	-5,615	-3,028	-9,520		-35,027
Divestments and disposals		1,868					1,868
Reclassification		1,942	1,079	-1,587	1,587		3,021
Amortization in the year		-8,526	-2,111	-5,061	-6,837	-600	-23,135
Exchange rate differences for the year		-383	-89	-1,279	-1,997		-3,748
Closing balance Dec. 31, 2008		**-21,963**	**-6,736**	**-10,955**	**-16,767**	**-600**	**-57,021**
Opening balance Jan. 1, 2009		-21,963	-6,736	-10,955	-16,767	-600	-56,421
Amortization in the year		-9,231	-2,349	-5,493	-7,410	-607	-25,090
Exchange rate differences for the year		210	-15	549	909		1,653
Closing balance Dec. 31, 2009		**-30,984**	**-9,100**	**-15,899**	**-23,268**	**-1,207**	**-79,858**
Carrying amounts							
As of Jan. 1, 2008	78,901	36,683	8,475	17,973	27,138		169,170
As of Dec. 31, 2008	244,366	47,282	7,426	56,142	48,353	2,490	406,059
As of Jan. 1, 2009	244,366	47,282	7,426	56,142	48,353	2,490	406,059
As of Dec. 31, 2009	241,942	54,962	6,100	50,683	39,901	1,938	395,526

The group reports the following intangible asset classes

Intangible Asset Class	Useful Life	Amortization Method
Goodwill	Indefinite	Impairment tests
Development expenditure	3–5 years	Straight-line amortization over the asset's useful life based on cost
IT expenditure	3–5 years	Straight-line amortization over the asset's useful life based on cost
Brands*	7–20 years	Straight-line amortization over the asset's useful life based on cost
Customer contracts	4–5 and 7–10 years respectively	Straight-line amortization over the asset's useful life based on cost
Technology platforms	5 years	Straight-line amortization over the asset's useful life based on cost

** Brands relate to strategic acquisitions and have an estimated useful life of 7-20 years.*

Note 13 cont.
Intangible Assets

The parent company reports the following intangible asset classes

Intangible Asset Class	Useful Life	Amortization Method
IT expenditure	3–5 years	Straight-line amortization over the asset's useful life based on cost

IT Expenditure

SEK 000	
Parent company	
Accumulated cost	
Opening balance Jan. 1, 2008	9,536
Other investments	2,850
Closing balance Dec. 31, 2008	**12,386**
Accumulated amortization	
Opening balance Jan. 1, 2009	12,386
Other investments	649
Closing balance Dec. 31, 2009	**13,035**
Accumulated amortization and impairment	
Opening balance Jan. 1, 2008	-3,538
Amortization in the year	-1,758
Closing balance Dec. 31, 2008	**-5,296**
Opening balance Jan. 1, 2009	-5,296
Amortization in the year	-2,083
Closing balance Dec. 31, 2009	**-7,379**
Carrying amounts	
As of Jan. 1, 2008	5,998
As of Dec. 31, 2008	**7,090**
As of Jan. 1, 2009	7,090
As of Dec. 31, 2009	**5,656**

Impairment tests for cash-generating units including goodwill

The following cash-generating units, which are parts of the segments for 'Automation', 'HMI' and 'IDC', have significant reported goodwill values in relation to the group's total reported goodwill values:

SEK 000	2009	2008
Automation	17,941	18,675
HMI	68,662	72,377
IDC	154,639	153,314
Total goodwill values, group	**241,242**	**244,366**

Impairment tests for cash-generating units including capitalized development expenditure

The following cash generating unit, which is part of the segments for 'HMI' and 'IDC', has significant carrying amounts for capitalized development expenditure. The capitalized development expenditure has a finite useful life. This expenditure is amortized over a period of 3 - 5 years. The book value of capitalized development expenditure is:

SEK 000	2009	2008
HMI	43,124	41,186
IDC	11,838	6,096
Total value of capitalized development expenditure, group	**54,962**	**47,282**

The 'Automation' Unit

The impairment test for the 'Automation' unit is based on the calculation of value in use. This value is based on forecast cash flows for a total of 5 years, of which the first is based on the unit's budget.

The cash flows beyond 2009 have been based on yearly growth of revenues of 3-14% and expenses of 3-10%. The present value of forecast cash flows has been calculated by applying a discount rate of 14.3% before tax. The important assumptions of the forecasts are reviewed in the following table.

Key Variables	Estimation Method
Market share and market growth	Current market share assumed for future periods. Nominal yearly market growth of 2% assumed.
Costs of materials and gross profit	Cash flow forecasts are based on unchanged percentage gross earnings. This assumption is consistent with previous experience and present agreements.
General costs	Forecasts based on average cost inflation of 3%.
Rate of exchange EUR/SEK	Rate of exchange forecasts based on present quoted rate of exchange.
Rate of exchange NOK/SEK	Rate of exchange forecasts based on present quoted rate of exchange.

The 'HMI' Unit

The impairment test for the 'HMI' unit is based on the calculation of value in use. This value is based on forecast cash flows for a total of 5 years, of which the first is based on the unit's budget.

The cash flows beyond 2009 have been based on yearly growth of revenues of 3-20% and expenses of 3-6%. The present value of forecast cash flows has been calculated by applying a discount rate of 14.2% before tax. The important assumptions of the forecasts are reviewed in the following table.

Key Variables	Estimation Method
Market share and market growth	Present market share assumed for future periods. Nominal yearly market growth of 2% assumed.
Costs of materials and gross profit	Cash flow forecasts are based on unchanged percentage gross earnings. This assumption is consistent with previous experience and present agreements.
General costs	Forecasts based on average cost inflation of 3%.
Rate of exchange NTD/SEK	Rate of exchange forecasts based on present quoted rate of exchange.
Rate of exchange USD/NTD	Rate of exchange forecasts based on present quoted rate of exchange.

The 'IDC' Unit

The impairment test for the 'IDC' unit is based on the calculation of value in use. This value is based on forecast cash flows for a total of 5 years, of which the first is based on the unit's budget.

The cash flows beyond 2009 have been based on yearly growth of revenues of 3-22% and expenses of 3-15%. The present value of forecast cash flows has been calculated by applying a discount rate of 16.9% before tax. The important assumptions of the forecasts are reviewed in the following table.

Key Variables	Estimation Method
Market share and market growth	Present market share assumed for future periods. Nominal yearly market growth of 2% assumed.
Costs of materials and gross profit	Cash flow forecasts are based on unchanged percentage gross earnings. This assumption is consistent with previous experience and present agreements.
General costs	Forecasts based on average cost inflation of 3%.
Rate of exchange EUR/SEK	Rate of exchange forecasts based on present quoted rate of exchange.
Rate of exchange GBP/SEK	Rate of exchange forecasts based on present quoted rate of exchange.

Note 14

Property, plant and equipment

	Group				Parent Company
SEK 000	Buildings and Land	Plant and Machinery	Equipment, Tools, Fixtures and Fittings	Total	Equipment, Tools, Fixtures and Fittings
Cost					
Opening balance Jan. 1, 2008	25,207	2,703	57,380	85,290	14,286
Acquisitions via business combinations	23,011	4,290	4,468	31,769	
Other acquisitions		656	14,628	15,284	2,044
Reclassification	1,250		-1,030	220	
Divestments	-1,077		-7,399	-8,476	-3,205
Exchange rate differences	2,419	841	2,838	6,098	
Closing balance Dec. 31, 2008	**50,810**	**8,490**	**70,885**	**130,185**	**13,125**
Opening balance Jan. 1, 2009	50,810	8,490	70,885	130,185	13,125
Other acquisitions	205	2,243	4,004	6,452	106
Reclassification	729		4,034	4,763	418
Divestments	-10		-3,629	-3,639	-92
Exchange rate differences	86	-180	-637	-731	
Closing balance Dec. 31, 2009	**51,820**	**10,553**	**74,657**	**137,030**	**13,557**
Depreciation					
Opening balance Jan. 1, 2008	-3,061	-1,556	-33,460	-38,077	-10,887
Depreciation in the year	-1,599	-1,789	-11,958	-15,346	-1,329
Reclassification	-1,250		1,030	-220	
Divestments	159		6,503	6,662	3,191
Exchange rate differences	-39	-692	-982	-1,713	
Closing balance Dec. 31, 2008	**-5,790**	**-4,037**	**-38,867**	**-48,694**	**-9,025**
Opening balance Jan. 1, 2009	-5,790	-4,037	-38,867	-48,694	-9,025
Depreciation in the year	-2,022	-1,798	-11,352	-15,172	-1,310
Reclassification			-3,827	-3,827	-278
Divestments	-11		2,467	2,456	78
Exchange rate differences	-254	145	279	170	
Closing balance Dec. 31, 2009	**-8,077**	**-5,690**	**-51,300**	**-65,067**	**-10,535**
Carrying amount					
As of Jan. 1, 2008	22,146	1,147	23,920	47,213	3,399
As of Dec. 31, 2008	45,020	4,453	32,018	81,491	4,100
As of Jan. 1, 2009	45,020	4,453	32,018	81,491	4,100
As of Dec. 31, 2009	43,743	4,863	23,357	71,963	3,022

Taxable values	**2009**	**2008**
Buildings	6,498	6,498
Land	1,298	1,298

[a] *The carrying amount as of Dec. 31, 2009 includes buildings at an amount of 1,845,000 SEK with a useful life of 3-5 years. The useful life of other buildings is 45-60 years.*

Note 15

Participations in Group Companies

SEK 000	Dec. 31, 2009	Dec. 31 2008
Accumulated cost		
At beginning of year	220,627	7,835
Acquisitions		212,792
Carrying amount at end of year	**220,627**	**220,627**

Specification of parent company and group holdings of participations in group companies

SEK 000			Dec. 31, 2009	Dec. 31, 2008
Subsidiaries/Corp. ID No. /Reg. Office	*No. of Shares*	*Holding, %* [a]	*Carrying Amount*	*Carrying Amount*
Beijer Electronics Automation AB, 556701-3965, Malmö	**850**	**85**	**7 735**	**7 735**
Beijer Electronics AS, 912965058, Drammen	1,117	100.0		
Beijer Electronics Oy, 245,223, Helsinki	50	100.0		
Beijer Electronics UAB, 111760799, Vilnius	285	100.0		
Beijer Electronics SIA, 40003540103, Riga	501	100.0		
Beijer Electronics Eesti Oü, 10668940, Tallinn	1	100.0		
Beijer Electronics A/S, 56162712, Roskilde	1,000	100.0		
Brodersen Automation AS, 957004083, Drammen	300	100.0		
Brodersen Automation AB, 556288-8650, Malmö	3,000	100.0		
Beijer Electronics Products AB, 556701-4328, Malmö	**1,000**	**100.0**	**100**	**100**
Beijer Electronics Inc., 36-4027234, Chicago	1,000	100.0		
Beijer Electronics GmbH, 22383, Unterensingen	1	100.0		
Elektonik-Systeme Lauer Verwaltungs GmbH, HRB 22383 Unterensingen	1	100.0		
Elektonik-Systeme Lauer GmbH & Co. KG, HRA 222129, Unterensingen	1	100.0		
Beijer Electronics Trading (Shanghai) Co, Ltd, Shanghai	1	100.0		
Hitech Electronics Corp., 05027350, Taipei	116,534	100.0		
Westermo Teleindustri AB, 556361-2604, Stora Sundby	**100,000**	**100.0**	**212,792**	**212,792**
Westermo Data Communications AB, 556687-8962, Västerås	1,000	100.0		
Westermo Research and Development AB, 556710-8856, Västerås	1,000	100.0		
Westermo Fastighets AB, 556288-4360, Eskilstuna	10,000	100.0		
Westermo OnTime AS, 981567560, Oslo	2,353,724	100.0		
Westermo Data Communications Ltd., 3059742, Southampton	50,000	100.0		
Westermo Data Communications GmbH, 30070-54742, Waghäusel	50,000	100.0		
Westermo Data Communications SARL, 4333142590001, Champlan	6,099	100.0		
Westermo Data Communications Pte Ltd., 200707554, Singapore	1	100.0		
			220,627	**220,627**

[a] *Equity as a percentage of capital, corresponding to the proportion of the votes for the total number of shares.*

Note 16

Participations in Associated Companies

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Group		
Carrying amount at beginning of year	1,789	1,735
Participations in associated companies' profits [a]	538	337
Translation difference	120	-70
Other changes in associated company's equity	-114	-213
Carrying amount at end of year	**2,333**	**1,789**

[a] *Participation in associated company profits after tax and minority interest in the associated company.*

Company, corp. ID no. and reg. office

SEK 000	Share of Votes and Capital, %	Carrying Amount
Associated company 2009		
Autic System AS, 968614150, Tönsberg	40	2,333

Participations in associated companies as of Dec. 31 2009 include goodwill of 352,000 SEK (313,000).

The consolidated values of the held share of revenues, profit, assets and liabilities are specified below:

SEK 000	Country	Revenues	Profit	Assets	Liabilities	Equity	Owned Share, %
Associated companies 2009							
Autic System AS	Norway	9,389	538	4,210	-2,792	1,441	40
		9,389	**538**	**4,210**	**-2,792**	**1,441**	**40**

Note 17

Long-term Receivables from Group Companies

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Parent company		
Accumulated cost		
At beginning of year	196,045	174,625
Additional receivables	1,031	20,745
Amortization for the year	-543	-7,579
Exchange rate differences for the year	-3,316	8,254
Carrying amount at end of period	**193,217**	**196,045**

The fair value of loans to related parties is measured at cost, and in those cases where denominated in foreign currency, at the rate of exchange ruling on the reporting date. The effective interest of long-term receivables to related parties is 1.6-3.5% (3.5-5.5)%.

Note 18

Other Long-term Receivables

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Group		
Accumulated cost		
At beginning of year	132	160
Additional receivables	106	1
Amortization/reclassification for the year	-110	-38
Exchange rate differences for the year	-1	9
Carrying amount at end of period	**127**	**132**

Fair value corresponds to book value.

Note 19

Inventories

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Group		
Raw materials and consumables	46,921	51,519
Finished goods and goods for resale	82,889	127,717
Work in progress	491	366
Advance payments to suppliers	50	12
Goods in transit	1,463	2,201
	131,814	**181,815**

Note 20

Accounts Receivable and Other Receivables

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Group		
Accounts receivable	153,768	179,090
Provision for doubtful debt	-2,878	-3,080
Accounts receivable—net	150,890	176,010
Other receivables	13,866	33,761
Prepaid expenses and accrued income	9,207	8,857
	173,963	**218,628**

The fair value of accounts receivable and other receivables is consistent with book value. Accounts receivable are judged individually when each financial report is being prepared. Net profit has been charged with expenses for doubtful and bad debt of SEK 2,259,000 (1,379,000). The individually judged receivables subject to impairment mainly relate to customers that have got into unexpected financial difficulties. A judgment that a portion of the receivables is expected to be recoverable has been made. The cost of doubtful and bad debt is included in the other expenses income statement item. The maximum exposure to credit risk on the reporting date is the fair value of each category of receivable stated above. The group has no assets pledged as collateral.

Carrying amounts by currency for the group's accounts receivable and other receivables are as follows:

SEK 000	Dec. 31, 2009	Dec. 31, 2008
EUR	63,889	59,762
USD	30,325	31,778
NOK	11,370	22,699
DKK	15,228	24,554
NTD	11,956	5,962
GBP	5,246	9,919
SEK	33,400	59,624
Other currencies	2,549	4,330
	173,963	**218,628**

Prepaid Expenses and Accrued Income

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Group		
Rents	3,735	2,601
Insurance	578	616
Lease payments	843	681
Other items	4,051	4,959
	9,207	**8,857**
Parent Company		
Rents	2,110	2,061
Insurance	478	23
Lease payments	86	287
Other items	876	1,443
	3,550	**3,814**

Note 21

Earnings per Share

SEK 000	2009	2008
Net profit	38,718	72,917
Number of outstanding shares	6,221.50	6,221.50
Earnings per share, SEK [a]	**6.22**	**11.72**
Dividends paid per share, SEK [b]	**4.00**	**4.00**

[a] On full exercise of outstanding option plans, the dilution effect of the new shares would correspond to some 2.8% of outstanding shares and votes of the company.

[b] The proposed dividend for 2009 is SEK 4.00 per share.

Note 22

Untaxed Reserves

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Accumulated depreciation over plan		
Equipment	2,624	2,525
Tax allocation reserves		
Provision for taxation 2004		5,896
Provision for taxation 2005	7,222	7,222
Provision for taxation 2006	7,606	7,606
Provision for taxation 2007	6,420	6,420
Provision for taxation 2008	3,940	3,940
Provision for taxation 2009	250	250
Provision for taxation 2010	1,050	
	29,112	**33,859**

Note 23

Interest-bearing Liabilities

This Note contains information about the company's contractual terms relating to interest-bearing liabilities. For more information on the company's exposure to interest risk and the risk of exchange rate fluctuations, see Note 29.

SEK 000	2009	2008
Group		
Long-term liabilities		
Pension provisions	30,922	27,188
Bank loans	271,793	312,095
Finance lease liabilities	4,643	4,836
	307,358	**344,119**
Current liabilities		
Overdraft facility		20,871
Short-term portion of bank loans	42,120	42,232
Short-term portion of finance lease liabilities	2,899	2,486
	45,019	**65,589**

Finance Lease Liabilities

Finance lease liabilities are due for payment as follows:

SEK 000	Minimum Lease Payments	Interest	Principal
Group 2009			
Within one year	3,549	352	3,197
Between one and five years	3,878	277	3,601
	7,427	**629**	**6,798**
Group 2008			
Within one year	3,195	433	3,628
Between one and five years	6,529	460	6,989
	9,724	**893**	**10,617**

Note 24

Liabilities to Credit Institutions

SEK 000	2009	2008
Parent Company		
Long-term liabilities		
Bank loans	271,793	310,542
	271,793	**310,542**
Current liabilities		
Short-term portion of bank loans	40,000	41,008
	40,000	**41,008**

Note 25

Pension Provisions, etc.

Defined-benefit obligations

SEK 000	2009	2008
Group		
Defined-benefit obligations		
Present value of defined-benefit obligations	49,082	42,036
Adjustments:		
Accumulated unreported actuarial gains/losses	-18,160	-14,848
Net amount in Balance Sheet	**30,922**	**27,188**
The net amount is divided between plans in the following countries:		
Sweden	26,351	22,441
Taiwan	4,571	4,747
Net amount in Balance Sheet	**30,922**	**27,188**

Note 25 cont.
Pension Provisions, etc.

Pension Expense

SEK 000	2009	2008
Defined-benefit plans		
Expense for pensions accrued in the year	1,918	1,741
Interest expense	1,660	1,814
Unreported actuarial gains/losses	467	166
Expense for defined-benefit plans	**4,045**	**3,721**
Expense for defined-contribution plans	17,623	16,974
Special employer's contribution and tax on returns from pension funds	3,281	3,276
Total expense, defined-contribution plans	**20,904**	**20,250**
Total expense for remuneration after terminated employment	**24,949**	**23,971**

Reconciliation of Net Amounts for Pensions in the Balance Sheet

The following table illustrates how the net amount in the Balance Sheet changed in the period:

SEK 000	
Net amount, Jan. 1, 2009	27,188
Expense for defined-benefit plans	4,045
Disbursement of payments	-201
Unreported actuarial gains/losses	-627
Translation difference	517
Net amount in Balance Sheet, Dec. 31, 2009	**30,922**

Actuarial Assumptions

The following significant actuarial assumptions were applied when calculating obligations (weighted averages):

SEK 000	2009	2008
Discount rate, %	3.87	4.19
Future salary increases, %	3.46	3.54
Future pension increases, %	2.00	1.87
Staff turnover, %	6.67	6.00
Expected remaining term of employment, yr.	24.0	24.9
Group		
Assets pledged for pension obligations	None	None
Parent Company		
Assets pledged for pension obligations	None	None

Note 26

Deferred Tax

SEK 000	Deferred Tax Asset	Deferred Tax Liability	Net
Group Dec. 31, 2009			
Intangible assets	1,108	36,063	-34,955
Buildings and land	1,907	1,815	92
Equipment	529		529
Inventories	3,391		3,391
Accounts receivable	83		83
Pension provisions	2,502	488	2,014
Untaxed reserves		18,879	-18,879
Loss carry-forwards	7,318		7,318
Other	2,446		2,446
Deferred tax liability, net	**19,284**	**57,245**	**-37,961**

SEK 000	Deferred Tax Asset	Deferred Tax Liability	Net
Group Dec. 31, 2008			
Intangible assets	1,663	35,272	-33,609
Buildings and land	1,899	1,931	-32
Equipment	430		430
Inventories	3,582		3,582
Pension provisions	2,980	913	2,067
Untaxed reserves		19,900	-19,900
Other provisions	1,528		1,528
Loss carry-forwards	3,582		3,582
Other	713		713
Deferred tax liability, net	**16,377**	**58,016**	**-41,639**

Change in deferred tax on temporary differences and loss carry-forwards

SEK 000	Amount at Beginning of Year	Reported in Income Statement	Business Combinations	Exchange Rate Differences etc.	Amount at End of Year
Group					
Intangible assets	-33,609	335	-307	-1,374	-34,955
Buildings and land	-32	-61		185	92
Equipment	430			99	529
Inventories	3,582	584		-775	3,391
Accounts receivable		83			83
Pension provisions	2,067	-401		348	2,014
Untaxed reserves	-19,900	776		245	-18,879
Other provisions	1,528	-1,528			
Lost carry-forwards	3,582	-794		4,530	7,318
Other	713	929		804	2,446
	-41,639	**-77**	**-307**	**4,062**	**-37,961**

Note 27

Other Provisions

SEK 000	Restructuring
As of Jan. 1, 2009	4,506
Reported in Income Statement:	
- additional provisions	7,500
- reversed unutilized amounts	-436
Utilized in the year	-8,959
Exchange rate differences	-7
As of Dec. 31, 2009	**2,604**

Note 28

Accrued Expenses and Deferred Income

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Group		
Accrued salaries and vacation pay	28,168	38,258
Accrued social security expenses	15,176	16,767
Guarantee risk reserve	1,794	1,682
Other items	21,725	13,547
	69,038	**70,254**
Parent company		
Accrued salaries and vacation pay	2,175	3,252
Accrued social security expenses	3,369	3,820
Other items	4,595	2,471
	10,141	**9,543**

Note 29

Financial Risks and Finance Policies

Finance Policy

Through its operations, the group is exposed to various types of financial risk. Financial risks means fluctuations in the company's profits and cash flow ensuing from variations in rates of exchange, interest levels and credit risks. The Board of Directors decides on currency hedging and additional new long-term funding.

Interest Risks

Beijer Electronics' net financial items and profit are affected by fluctuations in interest rates. The group's average interest fixing period is between 3 and 12 months. Interest rates at year-end vary between 0.70 and 2.99%. The average interest factor for the year is approximately 2.2%. There are no significant concentrations for interest rate fluctuations in the company's loan portfolio at the reporting date.

Credit Risks

The group is exposed to credit risks in accounts receivable. The group's customers are subject to credit checks involving the collection of information on the customers' financial position from various credit agencies. The group has prepared a Credit Policy for managing customer credit, which continuously monitors customers' progress and solvency. Bank guarantees or other collateral are necessary for customers with low credit ratings or insufficient credit history. In the group, accounts receivable more than 120 days overdue are generally 100% provisioned. However, consideration is taken to the incidence of credit insurance, etc. Additionally, individual assessments are made where necessary. Provisioning for bad debt in 2009 was 2.3 MSEK (1.4), or 0.2% (0.1) of group sales. A 1% change in interest rates would affect the group's profit before tax by some 3 MSEK.

Currency Risks

The group operates internationally and is exposed to various types of currency risk. The primary exposure relates to purchases and sales in foreign currencies, where the risk may be in fluctuations in the currency of the financial instrument, customer's or supplier's invoice, and the currency risk in expected or contracted payment flows, termed transaction exposure. Currency fluctuations also occur in the translation of foreign subsidiaries' assets and liabilities to the parent company's functional currency (translation exposure). In the financial year, the group did not apply currency hedging to its payment flows or exposure in foreign subsidiaries, pursuant to the group's policy. The largest purchase currencies for Beijer Electronics are the EUR and USD. The largest invoicing currencies are EUR, NOK and USD. The group has a high degree of flow matching of its currency exposure, implying relatively low value at risk (theoretical risk value). The policy is for the group subsidiaries to manage their currency risk by controlling revenues and expenses against functional currency, and allow the parent company to conduct netting of various currencies.

The parent company evaluates its net exposure to each purchasing and sales currency on an ongoing basis with the aim of judging the effect on consolidated profit. A 10% depreciation on the Swedish krona against a basket of the most important currencies would improve sales by some 60 MSEK and EBIT by some 10 MSEK, given year-2009 levels and mix of sales and earnings. 75% (74) of group sales are in foreign currencies.

Liquidity Risks

Beijer Electronics has loans that become due for payment at different times. An overdraft facility represents a portion of these loans, which has a contracted one-year term, but can be renewed for 12 months at the end of its term without renewed evaluation. The group's acquisition finance has been aggregated in single acquisition funding facilities with variable interest and straight-line amortization. The group has a good margin to the limits of the terms of credit issued by lenders as guarantees for credit issuance. Beijer Electronics has good liquidity and generated a cash flow of 53.9 MSEK (-2.3) in 2009.

Price Risk

Beijer Electronics' price risk is linked to traditional macroeconomic variables like inflation, deflation and global market pricing of electronic components, etc. There is good scope to adjust prices, due to the regular review of standard terms and pricing terms.

Capital Risk

The group has low historical capital tied-up in current and fixed assets. The company uses an equity ratio measure to maintain an efficient relationship between its equity and borrowings. Net indebtedness reduced in the year due to amortization of acquisition finance. The group's target for its capital structure is to ensure the group can continue its operations, so it can continue to generate returns for shareholders, benefit other stakeholders and maintain an optimal capital structure to limit the cost of capital. To maintain or adjust its capital structure, the group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce its liabilities.

Indebtedness as of December 31, 2009 and 2008 respectively was as follows:

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Interest-bearing liabilities	352,377	409,708
Less: cash and cash equivalents	-127,439	-74,076
Net debt	224,938	335,632
Total equity	309,812	310,776
Total capital	534,750	646,408
Debt/equity ratio, %	42	52

Loans, Interest and Maturity Structures

Interest-bearing financial liabilities. The following table indicates the maturity structure and interest re-fixing points of financial loan liabilities on the reporting date.

SEK 000	Interest Rate, %	Interest Fixing Period	Currency	Nominal Amount in Original Currency
Bank loan:				
Bank loan	1.45	Variable	SEK	212,500 [b]
Bank loan	2.99	Variable	EUR	6,040 [c]
Bank loan	2.85	Variable	SEK	36,761 [c]
Overdraft facility [a)]	0.70-2.25	Variable	SEK	0 [c]

[a] The overdraft facility has contracted interest of 0.15% on credit granted.
[b] Five-year term with variable interest.
[c] One-year term with variable interest.

Transaction Exposure

The group's transaction exposure is divided between the following currencies:

2009

SEK 000	Amount	%
Group		
NOK	112,222	30.3
DKK	64,200	17.3
USD	35,968	9.7
GBP	42,665	11.5
EUR	135,590	36.6
Other currencies	-20,287	-5.5
	370,358	**100**

Translation exposure

Foreign net assets of the group are divided between the following currencies:

Currency/Amount, 000	Foreign Currency	Swedish Currency	%
Group			
EUR	3,158	34,516	14.5
NTD	571,704	134,751	56.5
USD	185	1,435	0.6
DKK	18,413	27,031	11.3
NOK	24,760	27,322	11.5
CNY	1,050	1,186	0.5
GBP	1,054	11,853	5.0
Other currencies	1,407	267	0.1
		238,360	**100**

Note 30

Assets Pledged and Contingent Liabilities and Contingent Assets

	Group		Parent Company	
SEK 000	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Assets pledged	**None**	**None**	**None**	**None**
Contingent liabilities				
Guarantee commitments, FPG/PRI	554	502	42	38
Other	537	513		
Total contingent liabilities	**1,091**	**1,015**	**42**	**38**

Note 31

Related Parties

The parent company has a close relation with its subsidiaries (see Note 15) and associated company (see Note 16). For transactions with the CEO, Board members and senior executives, see Note 8.

Summary of transactions with related parties

Close Relation	Year	Goods Sales to Related Party	Goods Purchases from Related Party	Liabilities to Related Parties as of December 31	Receivables from Related Parties as of December 31
Parent company					
Subsidiaries	2009	49,893	52	51,321	202,353
Subsidiaries	2008	60,828	69	28,304	216,689

Transactions with related parties are priced on an arm's length basis.

Note 32

Cash Flow

SEK 000	Dec. 31, 2009	Dec. 31, 2008
Cash and cash equivalents—group		
Cash and cash equivalents include the following components:		
Cash and bank balances (+balance on overdraft facility)	127,439	74,077
Total, Balance Sheet	**127,439**	**74,077**
Total, Cash Flow Statement	**127,439**	**74,077**
Cash and cash equivalents—parent company		
Cash and cash equivalents include the following components:		
Cash and bank balances (+balance on overdraft facility)	35,410	5,831
Total, Balance Sheet	**35,410**	**5,831**
Total, Cash Flow Statement	**35,410**	**5,831**

Interest paid and dividend received

	Group		Parent Company	
SEK 000	2009	2008	2009	2008
Dividend received			46,584	5,976
Interest received	883	3,303	4,497	17,701
Interest paid	-8,511	-20,051	-7,141	-23,052
	-7,628	**-16,748**	**43,940**	**625**

Adjustments for items not included in cash flow

	Group		Parent Company	
SEK 000	2009	2008	2009	2008
Depreciation and amortization	40,262	38,482	3,393	3,086
Share of profits in associated companies	-538	-337		
Capital gain/loss on sale of property, plant and equipment	1,163	1,207		
Pension provisions	3,734	998	241	-1,226
Restructuring reserve	-1,902	1,871		
Net translation differences	-1,622	2,086	2,408	619
Other	28	291	-126	15
	41,125	**44,598**	**5,916**	**2,494**

Transactions not involving payments

	Group/Parent Company	
SEK 000	2009	2008
Acquisition of asset through finance lease	279	2,430

Unutilized Credits

	Group		Parent Company	
SEK 000	2009	2008	2009	2008
Unutilized credits amount to	105,132	54,674	99,783	54,674

Note 33

Subsequent Events

There were no significant events after the end of the year until the signing of these Annual Accounts.

Note 34

Parent Company

Beijer Electronics AB is a Swedish-registered limited company with its registered office in Malmö. The parent company's shares are quoted on the Nasdaq OMX Nordic Stockholm Small Cap List. The address of the head office is Box 426, 201 24 Malmö, Sweden.

The Consolidated Accounts for 2009 include the parent company and its subsidiaries, collectively termed the group. The group also includes participations in associated companies.

Board of Directors' Assurance

The Board of Directors and Chief Executive Officer certify that the Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and give a true and fair view of the group's financial position and results of operations. The parent company's accounts have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the parent company's financial position and results of operations.

The Directors' Report for the group and parent company give a true and fair view of the progress of the group's and parent company's operations, financial position and results of operations, and state the significant risks and uncertainty factors affecting the parent company and companies within the group.

The Consolidated Income Statement and Consolidated Balance Sheet and the Parent Company Income Statement and Parent Company Balance Sheet will be subject to adoption at the AGM on April 26, 2010.

Malmö, Sweden, March 22, 2010

Anders Ilstam
Chairman

Bert Åke Eriksson

Hans Linnarson

Joen Magnusson

Fredrik Jönsson
Chief Executive Officer

Stig-Arne Blom

Ulrika Hagdahl

Our Audit Report was submitted on March 23, 2010

Mikael Eriksson
Authorized Public Accountant

Sofia Götmar-Blomstedt
Authorized Public Accountant

Audit Report

To the Annual General Meeting of shareholders of Beijer Electronics AB

Corporate identity number 556025-1851

We have audited the Annual Accounts, the Consolidated Accounts, accounting records and the administration of the Board of Directors and the Chief Executive Officer of Beijer Electronics AB for the year 2009. The Annual Accounts of the company and the Consolidated Accounts are included in the printed version of this document on pages 36-75. These accounts and the administration of the company, and the application of the Swedish Annual Accounts Act when preparing the Annual Accounts, and the application of IFRS (International Financial Reporting Standards) as endorsed by the EU and the Swedish Annual Accounts Act when preparing the Consolidated Accounts, are the responsibility of the Board of Directors and the Chief Executive Officer. Our responsibility is to express an opinion on the Annual Accounts, the Consolidated Accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted accounting principles in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Accounts and Consolidated Accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the Chief Executive Officer and significant estimates made by the Board of Directors and the Chief Executive Officer when preparing the Annual Accounts and Consolidated Accounts as well as evaluating the overall presentation of information in the Annual Accounts and Consolidated Accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the Chief Executive Officer. We also examined whether any Board member or the Chief Executive Officer has, in any other way, acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The Annual Accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The Consolidated Accounts have been prepared in accordance with IFRS as endorsed by the EU and the Swedish Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the Annual Accounts and Consolidated Accounts.

We recommend to the Annual General Meeting that the Income Statement and Balance Sheet for the parent company and for the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Malmö, Sweden, March 23, 2010

Mikael Eriksson
Authorized Public Accountant

Sofia Götmar-Blomstedt
Authorized Public Accountant

Corporate Governance Report 2009

Beijer Electronics AB is a Swedish public limited company quoted on NASDAQ OMX Nordic Exchange Stockholm's Small Cap List, with ticker BELE. Beijer Electronics applies the Swedish Code of Corporate Governance. The complete version of the Code is available at www.bolagsstyrning.se. The Corporate Governance Report for the financial year 2009 has been prepared pursuant to the Code's recommendations, and Beijer Electronics is not reporting any instances of non-compliance with the Code for 2009. The Corporate Governance Report has not been reviewed by the company's Auditors.

Shareholders and Articles of Association

There were 3,126 (3,141) shareholders at the end of the year. The largest shareholder is Stena Sessan Rederi AB with 29.7% of the votes. Of total share capital at year-end, some 15% (10.1) was held by foreign investors. Share capital is SEK 6,221,488 divided between 6,221,488 shares. Share capital shall be a minimum of 2,000,000 SEK and a maximum of 8,000,000 SEK. Each share has a quotient value of SEK 1. All shares have one vote and equal entitlement to the company's assets and profits. For more information on the share and shareholders, see pages 86-87. Information on shareholders is updated once per year in tandem with the Annual Report and is also available at the company's website, www.beijerelectronics.se.

Beijer Electronics' Articles of Association have no special stipulations regarding the appointment or dismissal of Board members or amendments to the Articles of Association. For such resolutions at shareholders' meetings, the majority requirements stated in the Swedish Annual Accounts Act apply.

AGM 2009

Beijer Electronics' AGM was held on April 20, 2009. 102 shareholders attended the Meeting personally or by proxy, representing some 61% of the votes. Chairman of the Board Anders Ilstam was elected Chairman of the Meeting. All ordinary Board members and the company's Auditors attended the Meeting.

Chairman of the Board Anders Ilstam provided information on the work of the Board of the Directors in the financial year 2008 at the Meeting. Chief Executive Officer Fredrik Jönsson made a statement on the company's operations and strategy as well as the results of operations for the financial year 2008 and reviewed the first quarter of 2009. The Auditors reported their observations of the company's accounting records and administration to the Meeting, and reviewed their work over the past year.

The minutes of the Meeting are available from Beijer Electronic and have been published on the company's website. Some of the resolutions of the meeting follow:

- To pay SEK 4.00 per share as dividends for the financial year 2008, in accordance with the Board of Directors' proposal.
- That the Board of Directors shall consist of seven members with no deputies.
- To re-elect the Board members Stig-Arne Blom, Bert-Åke Eriksson, Ulrika Hagdahl, Anders Ilstam, Hans Linnarson, Joen Magnusson and Fredrik Jönsson in accordance with the Nomination Committee's proposal.
- To re-elect Anders Ilstam as Chairman of the Board.
- That 400,000 SEK of fees would be payable to the Chairman of the Board and 175,000 SEK would be payable to each of the other Board members, apart from those employed by the company.
- Processes for appointment and work of the Nomination Committee.
- To adopt the Board of Directors' proposed guidelines for remunerating senior executives.
- To authorize the Board of Directors to decide to increase the company's share capital by a maximum of 622,000 SEK through the new issue of a maximum of 622,000 shares on one or more occasions in the period until the next AGM.
- To amend the Articles of Association regarding the manner of convening the AGM in accordance with the Board of Directors' proposal and the Swedish Annual Accounts Act, although conditional on an amendment of the stipulations of the Swedish Annual Accounts Act coming into effect in the year.

The AGM resolved that the Nomination Committee shall consist of five members, one representative of each of the four largest shareholders at the time immediately prior to announcement and the Chairman of the Board. The names of the four members and the shareholders who appointed them shall be published by no later than six months prior to the AGM 2010. The duty of the Nomination Committee is to prepare proposals for Board members, the Chairman of the Board, fees to Board members and Auditors and the Chairman of the Board at the next AGM. The Nomination Committee will remain in place until a new Nomination Committee is appointed.

The Auditors are appointed by the AGM every fourth year. The AGM of April 2008 re-elected Authorized Public Accountant Mikael Eriksson and elected Authorized Public Accountant Sofie Götmar-Blomstedt as Auditors for the period until the end of the AGM 2012. The company's auditors attended the first Board meeting of the year, reporting their observations on the group's internal controls and financial statement. The Auditors met the Board's Audit Committee on one other occasion.

The Nomination Committee for the AGM 2010

The Nomination Committee was presented on October 2, 2009 and had five members. Mauritz Sahlin, representing Stena Sessan AB, led the work of the Nomination Committee. The Nomination Committee held two meetings at which minutes were taken.

Name	Owner's Representative Of	Share of Votes Dec 30, 2009
Mauritz Sahlin	Chairman of Stena Sessan	29.7%
Ulf Hedlundh	Svolder	12.1%
Per Trygg	SEB Asset Management	9.7%
Arne Lööw	Fourth AP Fund	4.1%
Anders Ilstam	Chairman of the Board	
Total		**55.6%**

In its work on appointing the Board for the forthcoming term of office, the Nomination Committee examined the appraisal of the work of the Board. The outcome of this appraisal had indications including members being highly committed and their attendance being high, and the Nomination Committee was generally able to conclude that the work of the Board functioned well.

The Nomination Committee also judged that the members of the Board represent broad competence, with thorough industrial and financial knowledge, as well as knowledge of international conditions and markets. When preparing its proposal for the Board of Directors, the Nomination Committee especially considered the requirements set by the company's strategic development, international operations and control and monitoring for the Board's competence and composition. The Board of Directors' requirements for versatility and breadth in terms of competence, experience and background, and the Board of Directors' ongoing need for regeneration was also considered.

The Nomination Committee proposed re-election of Board members Stig-Arne Blom, Bert Åke Eriksson, Ulrika Hagdahl, Anders Ilstam, Joen Magnusson and the company's CEO Fredrik Jönsson. Hans Linnarson declined re-election, and Maria Khorsand was proposed as a new Board member. Maria Khorsand was born in 1957 and holds an M.Sc. in Computer Science. She is CEO of SP Sveriges Tekniska Forskningsinstitut and has 17 years' experience within Ericsson, most recently as President of Ericsson Technology Licensing. She was also active in OMX Technology and was CEO of Dell AB. The Nomination Committee is also proposing that current Chairman of the Board Anders Ilstam remains as Chairman.

The Nomination Committee judges that the proposed Board of Directors has an expedient composition in terms of the company's operations, development work and other circumstances to be able to address the needs the company's operations will set. The rules stipulating independence of Board members pursuant to the Swedish Code of Corporate Governance have been observed. Shareholders representing over 50% of the share capital and votes of the company have reported that they will support this proposal.

The Board of Directors

The Board of Directors has ultimate responsibility for the company's organization and administration and reaches decisions on strategic matters. In the financial year 2009, Beijer Electronics AB's Board of Directors had seven ordinary members appointed by the AGM. Beijer Electronics has not set any specific age limit for Board members, nor any time limit for how long a Board member can serve on the Board of Directors. For detailed information on Board members, see the group's website and page 82.

Independence

According to the Nomination Committee, all Board members with the exception of Bert Åke Eriksson are independent of Beijer Electronics' major shareholders. All Board members, with the exception of Joen Magnusson and the Chief Executive Officer, are independent of Beijer Electronics.

The Role of the Chairman of the Board

Apart from leading the Board of Directors' work, the Chairman of the Board of Beijer Electronics AB continuously monitors progress by maintaining ongoing contact with the Chief Executive Officer on strategic matters. The Chairman of the Board represents the group on ownership-related matters.

The Board of Directors' Working Methods

The Board of Directors' activities conform to a yearly plan. Decisions are taken by the Board after an open discussion led by the Chairman. The Chief Financial Officer of Beijer Electronics AB, also Compliance Officer for the Code of Corporate Governance, serves as Secretary of the Board of Directors. Apart from the Board meeting following election, which is held coincident with the AGM, the Board normally meets five times per year (scheduled meetings). Extra meetings are convened when necessary. The Board of Directors' and Chief Executive Officer's rules of procedure are adopted yearly at the Board meeting following election. Each meeting follows an agenda, with supporting documentation provided to Board members in good time before each Board meeting.

The Annual Accounts, proposed appropriation of profits and the financial statement are considered each financial year in the first scheduled Board meeting of the financial year. Coincident with this process, the company's Auditors submit a report to the Audit

Work of the Board of Directors in 2009

					Attendance		Dependence to	
Ordinary Board member	Elected in	Position	Audit Committee	Remuneration Committee	Board meetings	Fees, SEK	Beijer Electronics	Major shareholders
Anders Ilstam	2005	Chairman	x	x	8/8	400,000	No	No
Bert Åke Eriksson	2002	Member	x	x	6/8	175,000	No	Yes
Ulrika Hagdahl	2006	Member	x		8/8	175,000	No	No
Hans Linnarson	2002	Member	x		8/8	175,000	No	No
Joen Magnusson	1992	Member	x	x	8/8	175,000	Yes	No
Stig-Arne Blom	2006	Member	x		8/8	175,000	No	No
Fredrik Jönsson	2008	CEO			8/8		Yes	No

Board member Stig-Arne Blom received SEK 80,000 (72,000) for consulting work.

Committee regarding the Auditors' observations and judgments of the audit conducted. The Chief Executive Officer is assigned to submit Interim Reports approved by the Board of Directors at scheduled meetings later in the financial year. Each scheduled meeting also includes several other matters on its agenda, including a report on the current results of operations. The Board of Directors appraises its own work and that of the Chief Executive Officer on an ongoing basis. It also conducts a structured evaluation led by the Chairman of the Board in tandem with scheduled Board meetings each October.

Work of the Board in 2009

In the financial year 2009, the Board of Directors held seven Board meetings in addition to the Board meeting following election, five scheduled meetings and two extra meetings, one in tandem with the Half-year Interim Report and one to approve the stock option plan. Extensive contact was maintained between the company, the Chairman of the Board and other members between Board meetings. For more information on Board members, see the group's website and page 82.

Remuneration Committee

The Remuneration Committee is appointed yearly by the Board of Directors. The Remuneration Committee prepares the Board of Directors' decisions on remuneration of the Chief Executive Officer. The Remuneration Committee decides on remuneration to other members of management and prepares proposals for potential incentive plans. The Remuneration Committee collects decision support data and views from other Board members, the CEO and CFO. The Committee also collects comparative decision support data externally. In 2009, the members of the Remuneration Committee were Chairman of the Board Anders Ilstam, Bert Åke Eriksson and Joen Magnusson. In the financial year 2009, the Remuneration Committee held one meeting when minutes were taken. Guidelines for remuneration the senior executives for the financial year 2010 will be approved at the AGM in April.

Audit Committee

All Board members serve on the Audit Committee apart from the Chief Executive Officer. The Chairman of the Board is also Chairman of the Audit Committee. No special remuneration for committee work was paid. The Committee's task is to analyze and discuss the company's risk management, controlling and internal controls, and financial reporting. The Committee maintained contact with the company's Auditors to discuss matters including the orientation and scope of audit work.

The Audit Committee has adopted guidelines for other services apart from auditing the company can purchase from the company's auditors. The complete guidelines are available at the company's website.

Remuneration to the Board and Management in 2009

In 2009 the Chief Executive Officer of the parent company, also President of the group, and other senior executives drew basic salary and other benefits that are reported in the following table. In the table, other senior executives mean the six people that made up group management in 2009 alongside the Chief Executive Officer.

Chief Executive Officer

Apart from contracted basic salary, the Chief Executive Officer also has the possibility of performance-related pay. Performance-related pay is based on the group's operating margin and is a maximum of six months' salary. Pension and other customary benefits like company car are additional. Each year, 35% of gross salary including bonus is provisioned as pension assurance for the CEO. This pension is defined contribution and becomes payable at age 65. According to agreement, the CEO has a notice period from the company's side of 12 months, which cannot be claimed for termination initiated by the CEO. The notice period from the Chief Executive Officer's side is six months. No other remuneration upon termination has been agreed.

Other Senior Executives

Other senior executives have basic salary with a performance-related component. The performance-related component is based partly on the group's and partly on each business area's operating margins. Yearly performance-related pay is a maximum of six months' salary. Other senior executives have defined contribution pension agreements on

Remuneration to the Board of Directors and Management in 2009

	2009		2008	
SEK 000	CEO	Other Senior Executives	CEO [a]	Other Senior Executives
Basic salary	2,556	6,647	2,520	5,999
Performance-related pay	220	678	862	994
Other benefits	107	368	114	413
Pension expenses	1,158	1,700	1,968	1,983
Total salary and benefits	**4,041**	**9,393**	**5,464**	**9,398**

[a] *Includes current and previous CEO.*

market terms. Other customary benefits like company cars are additional. Maximum notice periods of 12 months for termination from the company's side have been agreed for other senior executives, apart from one, who has a six-month notice period from the company's side. In addition, two senior executives have a further six and nine months' severance pay for termination from the company's side.

Incentive Plans

The purpose of incentive plans is to promote senior management commitment to the group's progress and thus increase value for the group's shareholders. In 2008-2009, senior executives were offered the opportunity to acquire warrants. This plan has two series of options, of 90,000 in each series. The warrants are issued on market terms calculated according to the Black & Scholes formula, and have terms of three and five years respectively. The subscription prices are SEK 175.50 and SEK 182.50 respectively.

Directors' Fees

Directors these were SEK 1,275,000 (1,275,000) in 2009 and are allocated according to the above table.

Management and Corporate Culture

The Chief Executive Officer is responsible for Beijer Electronics' ongoing administration, which covers all matters that are not reserved for the Board and administered by management. Instructions approved by the Board of Directors formalize the Chief Executive Officer's authorization to make decisions regarding investments, company acquisitions and divestments and finance matters. Group management consists of the Chief Executive Officer, the three Business Area Managers, the CFO, and HR and Business Development Managers. Group management meetings are held monthly to discuss the group's strategic and operational progress and to monitor results of operations. For more information on the members of group management, see the group's website and page 83.

Business Areas

Beijer Electronics' operations are organized into three business areas. The group has a decentralized corporate culture, where the management of operating activities is largely exercised by the management of each business area. The Managers of each Business Area are members of group management and a responsible for the results of operations and balance sheets of their business areas. External reporting of the group's operations is divided into the following three business areas: Automation, HMI Products and IDC.

Internal Control of Financial Reporting

In tandem with adopting the Interim Report for the third quarter and annual Financial Statement, the company's Auditors report their observations from auditing and evaluating the company's internal controls. According to the Swedish Companies Act, the Board is responsible for internal controls. This responsibility includes issuing the financial reports that the Board of Directors will receive and setting standards for its content and presentation to ensure the quality of reporting each year. This requirement implies that financial reporting should be expedient by applying applicable accounting standards and other requirements of listed companies.

Control Environment, Risk Assessment and Control Structures

Beijer Electronics structures and organizes its operating activities proceeding from decentralized responsibility for profitability. The base of internal controls in a decentralized operation consists of a well-secured process intended to define goals and strategies for each business. Defined decision-paths, authorizations and responsibilities are communicated through internal instructions, regulations and policies adopted by the Board of Directors. The group's primary financial controlling documents are the overarching 'Corporate Manual', a reporting manual and audit manual, including instructions for each financial statement.

Beijer Electronics has an established control structure to manage the risks the Board and management consider significant to internal controls regarding the group's accounting resources. Accounting managers at all levels play a key role in terms of integrity, skills and the ability to create the environment necessary to achieve transparent and accurate financial reporting.

Another important overall control activity is the monthly update on results that is conducted via the internal reporting system, and analyzed and subject to comment in reports to the Board. Monitoring the results of operations includes reconciliation against previously determined goals, the most recent forecast and monitoring established key financial ratios.

Pursuant to the Code's stipulations, the Board of Directors has taken a standpoint on the need for a dedicated internal audit function, and concluded that at present, there is no need to create such resources within the Beijer Electronics group. Coincident with its evaluation of this need, the Board of Directors considered the group's size, risk outlook and the control functions already established within the group.

Financial Reporting and Information

Beijer Electronics' communication processes are intended to supply the market with relevant, reliable, accurate and up-to-date information on the group's progress and financial position. Financial information is regularly submitted in the form of financial statements, interim reports, annual reports and press releases on important news and events that can materially affect the share price. Presentations and teleconferences for financial analysts, investors, media and employees are held on the day of publication of annual and quarterly reports. All reports, presentations and press releases are published on the group's website and intranet.

Insider Policy

Beijer Electronics' Board of Directors has adopted an insider policy supplementing the Swedish Market Abuse Act. This policy states the rules on registering insiders, their holdings and reporting, alerts and prohibition of trading in financial instruments. The complete insider policy is available from the company's website.

Code of Conduct

Beijer Electronics' operations should be conducted with high standards of integrity and ethics. The group has adopted a number of values that function as a framework for employees and promote good judgement and consistent decision-making. The company's Board of Directors approves the Code of Conduct each year for the group's operations, which also includes ethical guidelines. The document is available in full at the company group's website.

Values

Beijer Electronics` values—Commitment, Drive and Trust—constitute a long-term commitment linked to its business idea, goals and strategy, guiding employees in daily activities. 'Commitment' reflects commitment to maximize customer benefit and closeness in relationships with customers, collaboration partners and employees. 'Drive' illustrates proactivity and a go-ahead approach in attitudes and technology development. 'Trust' represents honesty and conduct that inspires trust.

Board of Directors

Left to right: Anders Ilstam, Bert Åke Eriksson, Hans Linnarson and Fredrik Jönsson

Left to right: Joen Magnusson, Stig-Arne Blom and Ulrika Hagdahl

Anders Ilstam
Born in 1941. Chairman of the Board since 2005. Board member since 2002. Engineer: formerly Deputy CEO of Sandvik AB, CEO of Sandvik Mining & Construction and several positions within Sandvik, the SKF group and Beijerinvest AB. Chairman: Grimaldi Industri AB, Seco Tools AB and Munters AB. Holdings*: 35,000 warrants.

Bert Åke Eriksson
Born in 1944. Board member since 2002. B.A. 1969. CEO of Stena Sessan AB. Former Departmental Secretary of the Swedish Ministry of Transport and Communications, CEO of Rederi AB Gotland, CEO of United Tankers AB. Chairman: Meda AB. Board member: Concordia Maritime AB. Holdings*: 10,000 shares.

Hans Linnarson
Born in 1952. Board member since 2002. B.A. Executive Vice President of Husqvarna AB, formerly Senior Vice President of Electrolux Home Products Corporation N.V., CEO of Asko-Cylinda AB and CTC Parca AB. Board member: Nibe AB. No holdings.*

Fredrik Jönsson
Born in 1962. Board member since 2008. M.Sc. (Eng.) CEO and President of Beijer Electronics AB. Formerly CEO of SKF's subsidiary in Vietnam, CEO of Flexlink AB, CEO of Crawford Group AB. Board member: Macab AB, Inserve Technology AB. Holdings*: 3,000 shares and 110,614 warrants.

Joen Magnusson
Born in 1951. Board member since 1992. B.Sc. (Econ.), Lund. CEO of G&L Beijer AB since 1993. Former employee of Teglund Marketing AB, Statskonsult AB, Skrinet AB. Board member/Chairman of a number of companies in the G&L Beijer group. Holdings*: 5,614 shares (family holdings).

Stig-Arne Blom
Born in 1948. Board member since 2006. M.Sc. (Eng.) Formerly CEO and President of IRO AB. Chairman: Borås Wäfveri AB, Plastal and Elos AB. Board member: Handelsbanken Västra Sverige. No holdings.*

Ulrika Hagdahl
Born in 1962. Board member since 2006. M.Sc. (Eng.) CEO of Cancale Förvaltnings AB, Founder of ORC Software AB. Board member: IFS AB, AB Idre Golf Ski & Spa and Kopylovskoye AB. Holdings*: 10,000 shares via company.

Auditors

Mikael Eriksson
Born in 1955. Authorized Public Accountant, PricewaterhouseCoopers. Auditor of Beijer Electronics AB since 2004.

Sofia Götmar-Blomstedt
Born in 1969. Authorized Public Accountant, PricewaterhouseCoopers. Auditor of Beijer Electronics AB since 2008.

*Holdings in Beijer Electronics AB

Senior Executives

Left to right: Lars-Ola Lundkvist, Carl-Johan Zetterberg Boudrie, Paula Terne and Lennart Mauritzson.

Left to right: Lars Ekelund, Magnus Ekerot and Fredrik Jönsson.

Lars-Ola Lundkvist
Born in 1961. Business Area Manager, IDC and Managing Director of Westermo Teleindustri AB. Employee since 2007. Holdings*: 18,614 warrants.

Carl-Johan Zetterberg Boudrie
Born in 1978. Business Development Manager, Beijer Electronics AB. Employee since 2008. Holdings*: 15,053 warrants.

Paula Terne
Born in 1963. Quality Assurance & Environmental Manager and HR Manager of Beijer Electronics AB. Employee since 2001. Holdings*: 2,500 shares and 20,000 warrants.

Lennart Mauritzson
Born in 1967. CFO of Beijer Electronics AB. Employee since 2009. Holdings*: 15,052 warrants.

Lars Ekelund
Born in 1963. Business Area Manager, Automation and Managing Director of Beijer Electronics Automation AB. Employee since 1992. Holdings*: 2,500 shares and 25,614 warrants.

Magnus Ekerot
Born in 1968. Business Area Manager, HMI Products and Managing Director of Beijer Electronics Products AB. Employee since 2009. Holdings*: 15,053 warrants.

Fredrik Jönsson
Born in 1962. CEO and President of Beijer Electronics AB. Employee since 2008. Holdings*: 3,000 shares and 110,614 warrants.

*Holdings in Beijer Electronics AB

Five-year Summary

SEK 000	2009	2008	2007	2006	2005
Income Statement					
Net turnover	1,088,451	1,275,639	963,782	735,011	615,288
Other operating revenue	1,196	7,161	2,251	841	3,436
Operating expenses*	-1,025,836	-1,166,278	-879,094	-658,689	-558,606
Operating profit	**63,811**	**116,522**	**86,939**	**77,163**	**60,118**
Net financial items*	-2,872	-20,153	-2,359	35,890	-1,468
Profit before tax	**60,939**	**96,369**	**84,580**	**113,053**	**58,596**
Tax on net profit	-20,759	-19,191	-23,991	-22,067	-17,422
Net profit	**40,180**	**77,178**	**60,589**	**90,986**	**41,174**
Attributable to parent company shareholders	*38,718*	*72,917*	*57,287*	*90,269*	*41,174*
Attributable to minority shareholders	*1,462*	*4,261*	*3,302*	*717*	
** Of which non-recurring items*	*-7,500*		*-5,266*	*37,423*	
Equivalent to net profit per share, SEK	*6.22*	*11.72*	*9.21*	*14.51*	*6.62*

	2009	2008	2007	2006	2005
Balance Sheet					
Assets					
Fixed assets	489,258	505,851	227,053	163,394	155,324
Current assets	313,781	417,074	288,855	208,126	171,273
Cash and cash equivalents and short-term investments	127,439	74,076	71,939	91,914	63,743
Total assets	**930,478**	**997,001**	**587,847**	**463,434**	**390,340**
Liabilities and equity					
Equity	309,812	310,776	224,282	204,120	150,506
Long-term liabilities	367,290	409,596	148,515	89,726	94,085
Current liabilities	253,376	276,629	215,050	169,588	145,749
Total liabilities and equity	**930,478**	**997,001**	**587,847**	**463,434**	**390,340**
Of which interest-bearing liabilities	*352,377*	*409,708*	*157,395*	*80,725*	*82,381*
Key Financial Ratios					
Operating margin, %	5.9	9.1	9.0	10.5	9.8
Operating margin before non-recurring items, %	6.6	9.1	9.6	10.5	9.8
Profit margin, %	3.7	6.1	6.3	12.4	6.7
Equity ratio, %	33.3	31.2	38.2	44.0	38.5
Equity per share, SEK	47.38	47.5	34.28	31.64	24.19
Earnings per share, SEK	6.22	11.72	9.21	14.51	6.62
Return on equity after tax, %	12.9	28.8	28.3	51.3	31.0
Return on capital employed, %	10.0	21.4	26.6	45.3	33.1
Return on net operating assets, %	10.8	24.4	34.6	42.6	52.3
Average number of employees	534	595	463	314	294
Number of shares, 6,221,488					

	2009	2008	2007	2006	2005
Cash Flow Statement					
Cash flow from operating activities before change in working capital	83,659	98,579	85,612	69,540	54,517
Change in working capital	89,798	-16,118	-37,389	-22,313	23,492
Cash flow from investing activities	-27,754	-268,754	-99,382	15,334	-130,057
Change in financing	-65,722	210,155	66,125	-5,904	57,416
Dividends paid/group contribution	-26,048	-26,165	-35,774	-20,220	-18,665
Change in cash and cash equivalents	**53,933**	**-2,303**	**-20,808**	**36,437**	**-13,297**
Cash and cash equivalents at beginning of year	74,076	71,939	91,914	63,743	74,646
Exchange rate difference in cash and cash equivalents	-570	4,440	833	-8,266	2,394
Cash and cash equivalents at end of year	**127,439**	**74,076**	**71,939**	**91,914**	**63,743**

The Beijer Electronics Share

Beijer Electronics is quoted on OMX Nordic Stockholm's Small Cap list with ticker BELE. A trading lot is 100 shares.

Share Capital

Beijer Electronics' share capital is SEK 6,221,488 divided between 6,221,488 shares. The minimum share capital is SEK 2,000,000, and the maximum is SEK 8,000,000. Each share has a quotient value of SEK 1. All shares have one vote and possess equal rights to participation in the company's assets and profits.

Share Price and Turnover

In terms of bid price, the share price was SEK 132.5 on December 31, 2009, against SEK 74 at year-end 2008, equal to an increase of some 79% in the year. In the same period, the Stockholm Stock Exchange rose by 47%. The Beijer Electronics share traded at a high of SEK 154 and a low of SEK 70 in the year.

Share turnover was just over 0.86 million shares, or 13% of the total number of shares. In value terms, turnover was SEK 88 m.

Earnings per Share

Earnings per share after tax were SEK 6.22 (11.72).

Dividends

The Board of Directors proposes dividends of SEK 4.00 (4.00) for the financial year 2009. Dividends are 64% (34) of profit after tax. The proposed dividends imply a dividend yield of 3.1% (5.4) as of the closing price at year-end 2009.

Shareholders as of December 30, 2009

	No. of Shares and Votes	Proportion 2009, %
Stena Sessan Rederi AB	1,845,372	29.7
Svolder Aktiebolag	754,655	12.1
SEB Management S A	603,028	9.7
Fourth AP (Pension Insurance) Fund	255,083	4.1
Skandia Small Caps	219,500	3.5
Livförsäkrings AB Skandia (publ)	152,933	2.5
T. Bjurman, inc. family and companies	136,400	2.2
Carlson Small Caps	133,829	2.2
Euroclear Bank S.A./N.V	101,900	1.6
AMF Equity Fund Small Caps	100,200	1.6
Total, shareholders with holdings of more than 100,000 shares, 10	**4,302,900**	**69.2**
Other shareholders, 3,166	**1,918,588**	**30.8**
Total, 3126	**6,221,488**	**100.0**

Share Data

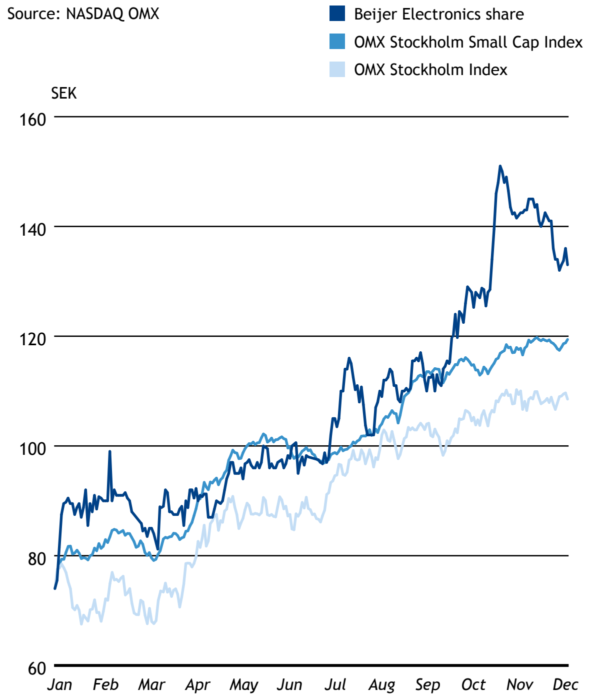
	2009	2008	2007
Earnings per share, SEK	6.22	11.72	9.21
Dividend, SEK [1]	4.00	4.00	4.00
Pay-out ratio, %	64	34	43
Dividend yield, %	3.1	5.4	3.7
Equity per share, SEK	47.38	47.5	34.28
Return on equity, %	12.9	28.8	28.3
Closing price, SEK	132.5	74	149.5
No. of shares, million	6.22	6.22	6.22
Market cap., MSEK	824	460	930

[1] *Proposed dividend*

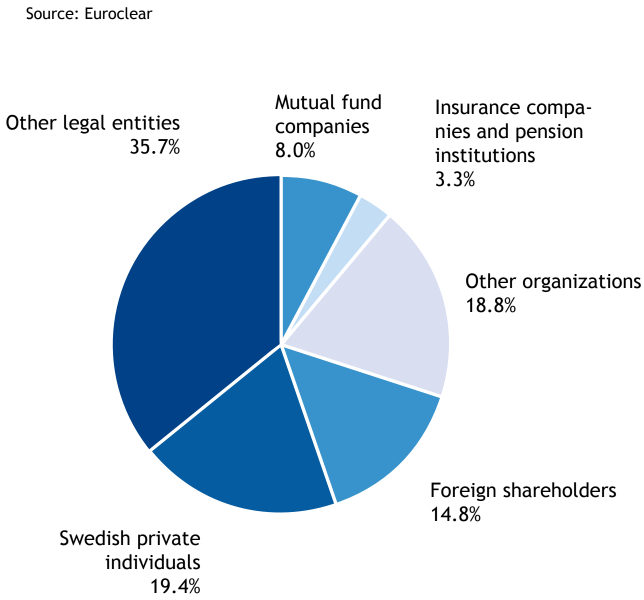
Shareholdings as of December 30, 2009

Holding	No. of Shareholders	No. of Shares	Holding, %	Votes, %	Market Value, SEK 000
1–500	2,587	305,163	4.90	4.90	40,587
501–1,000	259	218,210	3.51	3.51	29,022
1,001–5,000	207	471,072	7.57	7.57	62,653
5,001–10,000	33	238,649	3.84	3.84	31,740
10,001–15,000	11	149,511	2.40	2.40	19,885
15,001–20,000	2	38,200	0.61	0.61	5,081
20,001–	27	4 800,683	77.16	77.16	638,491
Total	**3,126**	**6,221,488**	**100.00**	**100.00**	**827,458**

Stock Index



Shareholder Categories, Equity Holding



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Definitions

Technical Definitions

Automation

Automation means extensively automated production.

Ethernet Extender

A product that can be used to enable far higher transmission speeds on existing cables.

Ethernet switch

Interconnects different segments of an Ethernet-based network.

Frequency inverter

Electronic equipment to control the speed of regular three-phase electric motors.

HMI

Human machine interface. See also operator panel or IPC. Collective term for products or systems specially developed to simplify the work of operators in monitoring and controlling machines or processes.

Industrial data communications

Industrial data communications are utilized where there are high standards for secure data transmission, on infrastructure projects, for example.

IPC

Industrial PC, see also HMI. Collective term for PC systems built to cope with especially harsh environments or for applications where high reliability is necessary.

Operator panel

See also HMI. A panel of buttons with a display allowing operators to monitor and control the status of machinery or processes. Such panels are often co-located with equipment where operatives work.

PLC systems

Programmable logic controllers are systems for controlling and monitoring various types of machinery and processes. The size of these systems varies, with the larger systems being modular, with the facility for simple modification for various needs.

SCADA system

Supervisory control and data acquisition, software to control, monitor and capture data from processes, with graphical presentation on displays.

Sensors

Components that capture, convert, and to some extent, distribute any form of data.

System integrator

A company with specialist know-how in one or more sectors that offers services for the automation and electrification of manufacturing facilities.

Financial Definitions

Earnings per share

Net profit divided by the number of shares at year-end.

Equity ratio

Equity in relation to total assets.

Operating margin

Operating profit in relation to net turnover.

Profit margin

Net profit in relation to net turnover.

Return on capital employed

Profit before tax plus financial expenses in relation to average capital employed.

Return on equity after tax

Net profit in relation to average equity.

Return on net operating assets

Operating profit (profit after depreciation) in relation to average net operating assets.

Equity per share

Equity divided by the number of shares.

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