

2009



INTERIM REPORT



JANUARY—JUNE

- Net sales were SEK 562.4 m (650.1)
- Operating profit before non-recurring expenses was SEK 33.7 m (57.2), profits were then charged with non-recurring expenses of SEK 7.5 m
- Profit after tax amounted to SEK 14.3 m (35.8)
- Earnings per share after tax were SEK 2.16 (5.26)
- Rationalization package implemented, to give savings of SEK 50 m in the year
- New collaboration agreement with Mitsubishi Electric for Germany
- Sustained sharp focus on product development and launch of a new generation of Industrial routing switches in IDC



Interim Report, Beijer Electronics AB

January 1–June 30, 2009

Comments from Fredrik Jönsson, CEO

“Clearly, the global economic crisis and events in the first half-year 2009 have affected our business. Order intake in the second quarter was comparable with the first quarter. Second-quarter sales were seven per cent down on the first quarter, however significantly lower than the second quarter of the previous year.

Late in the period, we saw a stabilization on the market. Most positive was the IDC business area increasing its order intake, with growth of 32 per cent in the second quarter. Despite lower sales and profits, I remain fairly satisfied with our results and the numbers for the first half-year, considering the substantial volume losses. We have compensated for these volume losses through the early implementation of a cost rationalization package, which cut our costs by SEK 24 m in the half-year, with SEK 15 m of this in the second quarter.

The rationalization package implemented in the second quarter resulted in SEK 7.5 m being charged to profits in the period. We will reduce our overheads by at least SEK

50 m in the year. Our judgment is that the company is not merely correctly adapted to current volumes, but also to achieve good profitability going forward.

The group’s three business areas have all worked hard on savings and rationalization. The Automation business area has secured new customers in its priority segments of water treatment and real estate automation.

HMI Products is noting a tendency towards increased sales in the second half-year, and has signed an important collaboration agreement with Mitsubishi Electric in Germany, whereby Beijer Electronics will start selling Mitsubishi Electric’s industrial automation product range on the German market. Thereby, Beijer Electronics will have the same broad offering on the German market as we already do on the Nordic markets, which should result in growing volumes. IDC achieved all-time high order intake in the second quarter, and the outlook for forthcoming quarters is clearly positive. IDC increased its order intake by

Business Area Turnover and Operating Profit

	Turnover Quarter 2		Operating Profit Quarter 2		Turnover 6 months		Operating Profit 6 months	
SEK m	2009	2008	2009	2008	2009	2008	2009	2008
Beijer Electronics Automation Group	120.7	167.3	4.2*	11.4	257.7	315.7	10.6*	19.8
Beijer Electronics Products Group	106.7	134.3	6.8*	20.0	215.4	253.3	15.8*	32.6
Westermo Teleindustri Group	62.2	68.0	4.7*	3.9	126.4	125.9	10.3*	7.9
Intra-group sales	-19.3	-23.9			-37.1	-44.8		
Group adjustments, depreciation and amortization			-3.2	-2.3			-2.9	-3.1
Non-recurring items			-7.5	0.0			-7.5	0.0
Beijer Electronics Group	270.3	345.7	5.1	33.0	562.4	650.1	26.2	57.2

* Excluding non-recurring items



eight per cent in the first half-year, and improved operating profit by 30 per cent.

Overall, we have acted quickly and effectively in terms of modifying our cost base to lower demand from the market, and we judge that we are well positioned to benefit from a market turnaround. We have retained our sharp focus on product development in HMI and IDC. We have also rationalized our sales organization to better exploit the opportunities on the market. We are convinced that the group will emerge stronger from the economic crisis with higher long-term profitability.”

Group Sales

The industrial automation market deteriorated further in the second quarter of 2009.

Overall, Beijer Electronics judges that global demand has reduced by some 30 per cent in volume terms overall

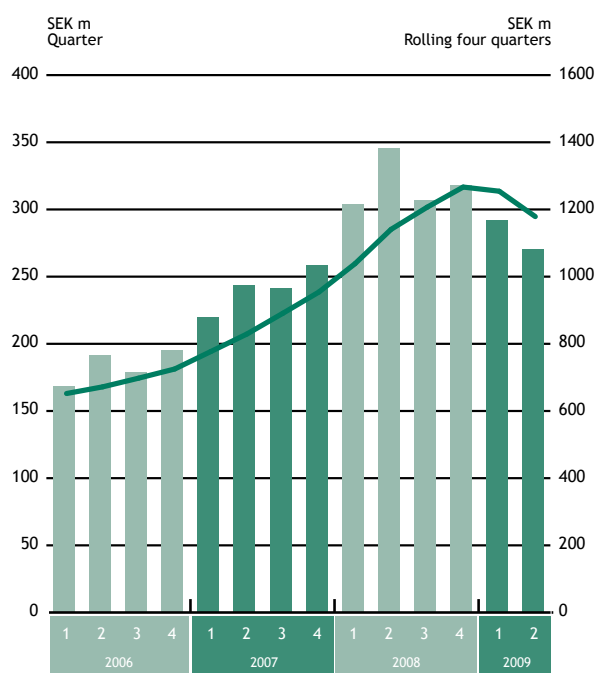
as a result of the steep recession over the last nine months. However, investments in infrastructure projects have been fairly stable, while order intake from manufacturing industry reduced markedly.

The Beijer Electronics group has been affected by falling demand, but to a lesser degree than the rest of the sector. Group sales were SEK 562.4 m (650.1), equivalent to a 13 per cent downturn in the first six months of the year. Currency adjusted, the downturn was 20 per cent. In the second quarter, sales were SEK 270.3 m (345.7), a downturn of 22 per cent, or 28 per cent currency adjusted.

Group order intake reduced by 17 per cent in a half-year, and by 20 per cent in the second quarter. However the downturn slowed in the quarter—in June, it was only 4 per cent year on year.

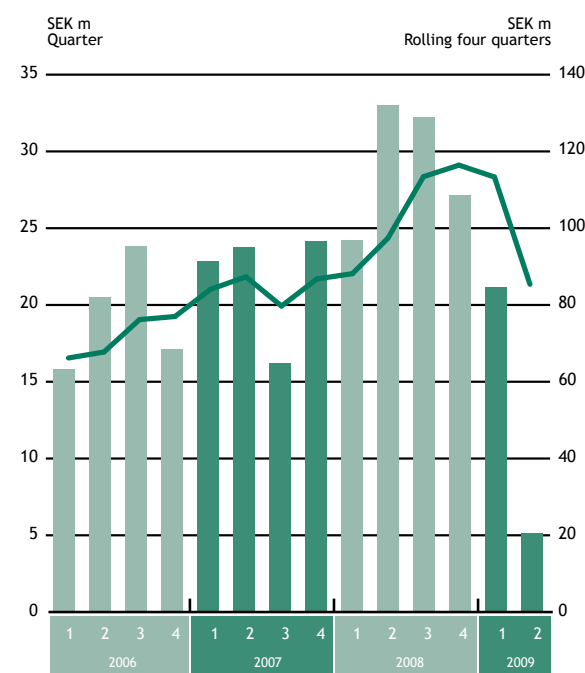
Sales reduced on all markets apart from China, which posted a modest increase for the half-year due to higher

Group Invoicing



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

Group Operating Profit



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



sales growth in the second quarter. Sales in Sweden, the group's single biggest market, were down 19 per cent in the first half-year. Sales in Norway and Finland were better, with falls of 3 and 12 per cent respectively. The downturn was 11 per cent in Germany, and 1 per cent in the rest of Europe. However, sales in the US were down 31 per cent.

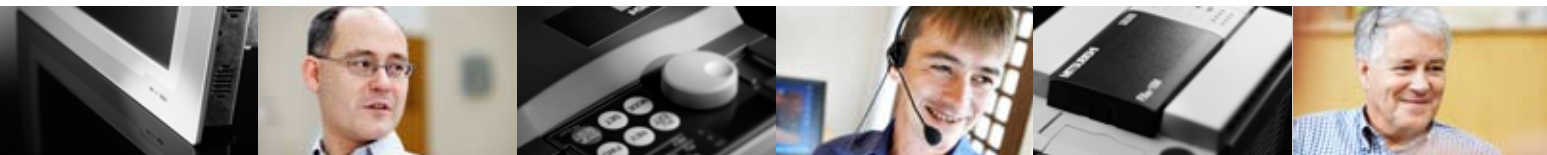
Group Operating Profit

Group operating profit before non-recurring items was SEK 33.7 m (57.2) in the half-year. Operating profit after charging for non-recurring expenses of SEK 7.5 m was SEK 26.2 m (57.2). The operating margin excluding non-recurring expenses was 6.0 per cent (8.8). Lower profits are explained by sharply lower sales volumes. Rationalization packages and ongoing cost rationalization reduced

overheads by SEK 24 m in the half-year, and contributed to slowing the operating profit downturn. A weaker SEK had some positive profit impact. Second-quarter profit was SEK 5.1 m (33.0), SEK 12.6 m excluding non-recurring expenses. This equated to an operating margin of 4.7 per cent (9.5).

Group Profit Before and after Tax

Group profit before tax was SEK 23.3 m (49.2) in the first half-year, and SEK 4.9 m (28.7) in the second quarter. Net financial items were SEK -3.0 m (-8.0) and SEK -0.2 m (-4.3) for each period. Profit after estimated tax was SEK 14.3 m (35.8) for the half-year and SEK 1.3 m (21.3) in the second quarter. Earnings per share after estimated tax for the six-month period were SEK 2.16 (5.26).



The Automation Business Area

The Nordic markets made weak progress in the period, with sales reducing by 18 per cent. Demand reduced primarily in Sweden and Denmark, while Norway and Finland saw more modest downturns.

The business area's total order intake was down by 23 per cent in the first half-year.

The business area secured a breakthrough order for IPC terminals in the marine segment in Norway in the quarter.

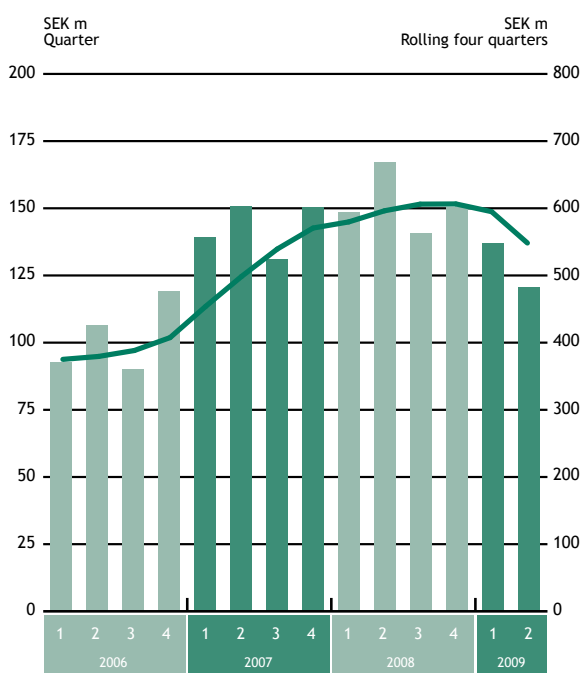
Due to the weak market conditions, a rationalization package was implemented to cut costs. Automation's sales were SEK 257.7 m (315.7) in the first half-year. In the second quarter, sales were SEK 120.7 m (167.3).

The business area makes significant euro-denominated purchases and has had good success in compensating for

these increased purchasing expenses. Operating profit for the half-year was SEK 7.9 m (19.8), charged with non-recurring expenses of SEK 2.7 m in the second quarter. Operating margin excluding non-recurring expenses was 4.1 per cent (6.3). The lower profit is due to lower sales volumes and somewhat lower gross profit margins. Overheads reduced by 15 per cent, which mitigated the profit downturn. Second-quarter profit was SEK 1.5 m (11.4), and SEK 4.2 m before non-recurring expenses, equating to a margin of 3.5 per cent (6.8).

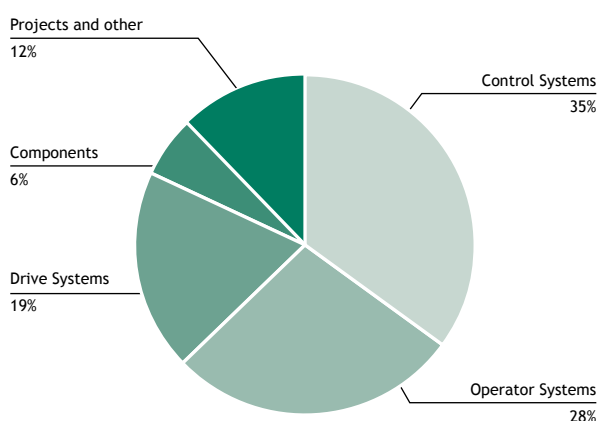
Additionally, positive progress continued in the water treatment, marine and real estate automation customer segments, where the company secured a number of new accounts.

Invoicing, Automation



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

Invoicing by Product Category, Automation



▲ Invoicing by the Automation business area's product categories in the first half-year of 2009.



The HMI Products Business Area

The market for HMI Products saw a continued slowdown, apart from China, where demand rose in the second quarter. Business area order intake fell by 26 per cent in the first half-year, mainly due to reduced demand from a number of major key accounts. The German market progressed weakly in traditional manufacturing industries, while sales in the marine segment and energy sector continued to grow.

HMI Products signed an important collaboration agreement with Mitsubishi Electric for the German market, whereby the business area will be marketing and selling Mitsubishi Electric's full industrial automation product range alongside its own products.

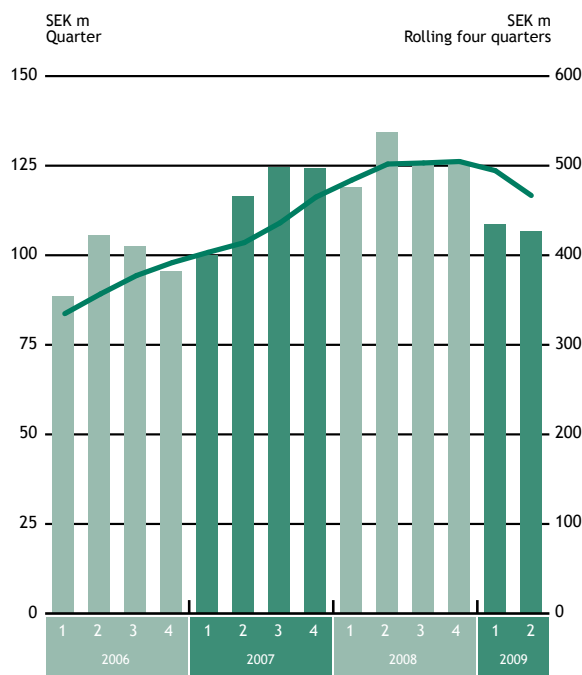
Business area sales fell by 15 per cent to SEK 215.4 m (253.3) in the first half-year. Sales in the second quarter were SEK 106.7 m (134.3), equating to a downturn of 21 per cent.

To compensate for the volume losses, a savings package was implemented, which will cut costs by SEK 20 m on a full-year basis. Meanwhile, a reorganization was conducted to fully integrate and rationalize the R&D and sales organizations in HMI Products.

The business area retained its sharp focus on product development in operator terminals.

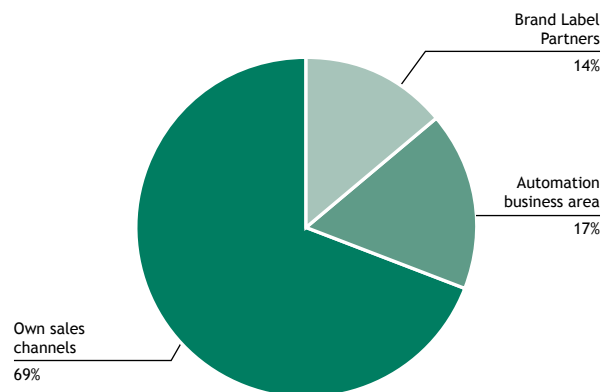
Operating profit for the half-year was SEK 13.2 m (32.6), charged with non-recurring expenses of SEK 2.6 m in the second quarter. Operating margin excluding non-recurring expenses was 7.3 per cent (12.9). The profit downturn is due to lower volumes and lower gross margins, while reduced overheads eased the downturn. Second-quarter profit was SEK 4.2 m (20.0) and SEK 6.8 m excluding non-recurring expenses, equivalent to a margin of 6.4 per cent (14.9).

Invoicing, HMI Products



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

Invoicing by Sales Channel, HMI Products



▲ Invoicing by the HMI Products business area's sales channels in the first half-year of 2009.



The Industrial Data Communications Business Area

A high share of Industrial Data Communications' (IDC) market is in less cyclical segments. Business area order intake increased by a total of eight per cent in the first half-year, with the second quarter being especially strong, with a 32 per cent upturn.

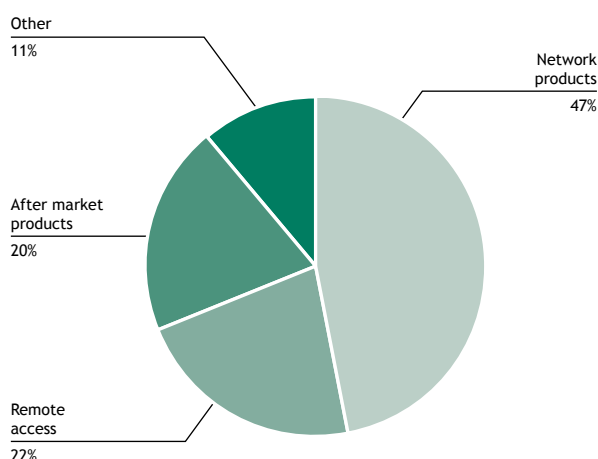
IDC launched the RedFox Industrial routing switch in the period. This means that IDC has now developed a complete offering of specialist products for advanced networks in demanding environments. The business area also secured a major order in the rail segment from Germany.

IDC's sales were SEK 126.4 m (125.9) in the first half-year. In the second quarter, sales were SEK 62.3 m (68.0). The downturn in the quarter was due to lower order intake

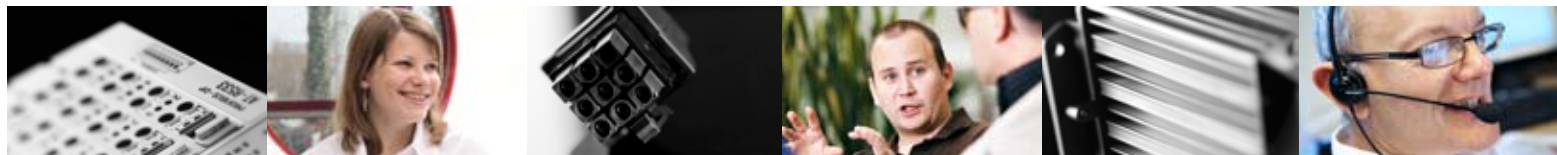
in the first quarter, although it recovered briskly in the second quarter.

Operating profit after non-recurring expenses rose by ten per cent to SEK 8.7 m (7.9) in the half-year. Profit was charged with non-recurring expenses of SEK 1.6 m in the second quarter. Excluding non-recurring expenses, operating margin was 8.1 per cent (6.3), up 30 per cent. The profit increase is explained by firm cost control, more efficient production and healthy sales. In the second quarter, profit was SEK 3.1 m (3.9), and SEK 4.7 m excluding non-recurring expenses, equating to a margin of 7.6 per cent (5.7).

Invoicing by Product Segment, IDC



▲ Invoicing by the Industrial Data Communications (IDC) business area's product categories in the first half-year of 2009.



Other Financial Information

Group investments including capitalized development expenses and acquisitions were SEK 20.1 m (248.6) in the half-year. Cash flow from operating activities was SEK 27.3 m (36.6). Shareholders' equity was SEK 285.9 m (220.0) as of June 30, 2009. Cash and cash equivalents were SEK 81.9 m (84.4) at the end of the period and unutilized credit facilities were SEK 70.9 m. Interest-bearing liabilities were SEK 393.0 m (443.1). Dividends of SEK 4.00 per share were paid in the second quarter, totaling SEK 24.9 m. The average number of employees was 565 (593).

Outlook for the Full Year 2009

Sales and profits for the full year 2009 will be lower than in 2008. If the market does not deteriorate further, the conditions are in place for better profits in the second half-year 2009 than in the first half-year, due to lower costs.

For more information, please contact CEO and President Fredrik Jönsson on: +46 (0)40 35 86 10 or +46 (0)70 517 1626.

Alternatively CFO Lennart Mauritzson on +46 (0)40-35 86 53 or +46 (0)705-520 557.

Risk Management

Beijer Electronics is exposed to a number of risks and uncertainty factors, which are reviewed in the Annual Report for 2008. No significant risks are judged to have arisen over and above those reviewed in the Annual Report.

Accounting Principles

This Interim Report has been prepared pursuant to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. A number of revisions of existing standards, new interpretation statements and one new standard (IFRS 8 Operating Segments) came into effect on 1 January 2009.

IFRS 8 Operating Segments proceeds from segment disclosures being presented from management's perspective. For Beijer Electronics, this standard implies no change to the previous division of segments, whereby operating segments are consistent with the three business areas.

IAS 1 Presentation of Financial Statements has been revised, with the introduction of the comprehensive income term. Beijer Electronics has opted to present the group's comprehensive income divided between two statements, an Income Statement and a Statement of Comprehensive Income. The group's Statement of Changes to Shareholders' Equity now only presents transactions with shareholders.

Otherwise, the same accounting principles and bases for forming judgments are used as in the latest Annual Report.

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

The Board of Directors and CEO hereby offers its assurance that this Interim Report offers a true and accurate view of the company's, and where applicable, the group's operations, position and profits, and states the significant risks and uncertainty factors facing the company and those companies that are part of the group.

Malmö, Sweden, July 17, 2009

Anders Ilstam
Chairman of the Board

Bert Åke Eriksson
Board member

Hans Linnarson
Board member

Joel Magnusson
Board member

Stig-Arne Blom
Board member

Ulrika Hagdahl
Board member

Fredrik Jönsson
Board member
CEO

Interim Report in Summary

Income Statement – Group

SEK 000	Q2, 2009	Q2, 2008	6 MTH, 2009	6 MTH, 2008	12 MTH, 2008
Net turnover	270,327	345,700	562,375	650,087	1 275,639
Other operating revenue	-638	-18	3,676	1,509	7,161
Operating expenses*	-264,596	-312,706	-539,815	-594,390	-1 166,278
Operating profit	5,093	32,976	26,236	57,206	116,522
Net financial items	-187	-4,281	-2,964	-8,041	-20,153
Profit before tax	4,906	28,695	23,272	49,165	96,369
Estimated tax	-3,576	-7,385	-8,955	-13,320	-19,191
Net profit	1,330	21,310	14,317	35,845	77,178
<i>Attributable to equity holders of the parent</i>	<i>1,160</i>	<i>19,423</i>	<i>13,412</i>	<i>32,734</i>	<i>72,917</i>
<i>Attributable to minority interest</i>	<i>170</i>	<i>1,887</i>	<i>905</i>	<i>3,111</i>	<i>4,261</i>
<i>Earnings per share, SEK</i>	<i>0.19</i>	<i>3.12</i>	<i>2.16</i>	<i>5.26</i>	<i>11.72</i>
<i>* Of which non-recurring items</i>	<i>-7,500</i>		<i>-7,500</i>		

Statement of Comprehensive Income

SEK 000	6 MTH, 2009	6 MTH, 2008	12 MTH, 2008
Net profit	14,317	35,845	77,178
Translation differences	2,068	-3,031	33,503
Comprehensive income	16,385	32,814	110,681
<i>Attributable to equity holders of the parent</i>	<i>15,299</i>	<i>29,759</i>	<i>105,302</i>
<i>Attributable to minority interest</i>	<i>1,086</i>	<i>3,055</i>	<i>5,379</i>

Balance Sheet – Group

SEK 000	Jun 30, 2009	Jun 30, 2008	Dec 31, 2008
Assets			
Fixed assets	505,237	486,492	505,851
Current assets	358,823	413,917	417,074
Cash equivalents and short-term investments	81,904	84,360	74,076
Total assets	945,964	984,769	997,001
Liabilities and shareholders' equity			
Shareholders' equity	285,923	219,967	295,510
Minority share of shareholders' equity	14,650	13,326	15,266
Long-term liabilities	402,910	410,565	409,596
Current liabilities	242,481	340,911	276,629
Total liabilities and shareholders' equity	945,964	984,769	997,001
<i>Of which interest-bearing liabilities</i>	<i>393,044</i>	<i>443,097</i>	<i>409,708</i>

Statement of Changes to Shareholders' Equity – Group

SEK 000	Jun 30, 2009	Jun 30, 2008	Dec 31, 2008
Attributable to equity holders of the parent			
Opening balance, shareholders' equity, 1 January	295,510	213,268	213,268
Acquisitions			
Other paid-in capital		1,826	1,826
Dividend	-24,886	-24,886	-24,886
Comprehensive income	15,299	29,759	105,302
Closing balance, shareholders' equity	285,923	219,967	295,510
Minority interest			
Opening balance, 1 January	15,266	11,014	11,014
Acquisitions	-540	536	152
Dividend	-1,162	-1,279	-1,279
Comprehensive income	1,086	3,055	5,379
Closing balance	14,650	13,326	15,266

Key Figures

	Jun 30, 2009	Jun 30, 2008	Dec 31, 2008
Operating margin, %	4.7	8.8	9.1
Operating margin excl. one time effect	6.0	8.8	9.1
Profit margin, %	2.5	5.5	6.1
Equity ratio, %	31.8	23.7	31.2
Shareholders' equity per share, SEK	45.96	35.36	47.50
Earnings per share, SEK	2.16	5.26	11.72
Rolling 12-month EPS, SEK	8.62	9.79	11.72
Return on equity after tax	20.8	30.3	28.8
Return on capital employed, %	12.6	19.0	21.4
Return on net operating assets, %	14.2	21.7	24.4
Average number of employees	565	593	595
<i>Number of shares 6,221,488</i>			

Cash Flow Statement – Group

SEK 000	Jun 30, 2009	Jun 30, 2008	Dec 31, 2008
Cash flow from operating activities	27,298	36,593	98,579
Change in working capital	42,495	-1,219	-16,118
Cash flow from investing activities	-20,087	-248,614	-268,754
Cash flow from finance activities	-18,864	252,507	210,155
Dividends paid	-24,886	-26,165	-26,165
Change in cash equivalents	5,956	13,102	-2,303
Cash equivalents and short-term investments, opening balance	74,076	71,939	71,939
Exchange rate change, cash equivalents	1,872	-681	4,440
Cash equivalents and short-term investments, closing balance	81,904	84,360	74,076

Operating Segments

SEK 000	Q2, 2009	Q2, 2008	6 MTH, 2009	6 MTH, 2008	12 MTH, 2008
Net turnover					
Automation	120,741	167,293	257,694	315,700	607,110
HMI Products	106,666	134,315	215,405	253,277	505,071
IDC	62,248	67,982	126,352	125,927	249,734
Other					
Elimination	-19,328	-23,890	-37,076	-44,817	-86,276
Group	270,327	345,700	562,375	650,087	1,275,639
Operating profit					
Automation	1,554	11,379	7,903	19,801	32,686
HMI Products	4,220	20,010	13,222	32,598	62,745
IDC	3,125	3,858	8,653	7,868	26,580
Other	-817	85	-492	250	-1,123
Elimination	-2,989	-2,356	-3,050	-3,311	-4,366
Group*	5,093	32,976	26,236	57,206	116,522
* Including non-recurring items amounting to	-7,500		-7,500		
Net profit					
Automation	1,380	11,507	6,032	18,522	25,820
HMI Products	793	10,209	7,095	17,120	40,626
IDC	2,073	2,228	5,130	4,620	21,192
Other	45,834	5,324	44,748	3,676	231
Elimination	-48,750	-7,958	-48,688	-8,093	-10,691
Group	1,330	21,310	14,317	35,845	77,178
Attributable to equity holders of the parent	1,160	19,423	13,412	32,734	72,917
Attributable to minority interest	170	1,887	905	3,111	4,261

Income Statement – Parent Company

SEK 000	Q2, 2009	Q2, 2008	6 MTH, 2009	6 MTH, 2008	12 MTH, 2008
Net turnover	11,810	12,090	24,012	25,516	60,889
Operating expenses	-12,627	-12,005	-24,504	-25,266	-62,012
Operating profit	-817	85	-492	250	-1,123
Net financial items	46,383*	4,496	44,585*	2,043	-97
Profit before tax	45,566	4,581	44,093	2,293	-1,220
Appropriations					7,545
Estimated tax	268	743	655	1,383	1,451
Net profit	45,834	5,324	44,748	3,676	7,776

* of which 46,584 is dividend from subsidiaries

Balance Sheet – Parent Company

SEK 000	Jun 30, 2009	Jun 30, 2008	Dec 31, 2008
Assets			
Fixed assets	429,200	429,383	429,545
Current assets	69,082	51,044	52,574
Cash equivalents and short-term investments	160	1,665	5,831
Total assets	498,442	482,092	487,950
Liabilities and shareholders' equity			
Shareholders' equity	57,529	31,742	37,667
Untaxed reserves	33,856	41,403	33,859
Long-term liabilities	335,427	319,909	312,422
Current liabilities	71,630	89,038	104,002
Total liabilities and shareholders' equity	498,442	482,092	487,950
Of which interest-bearing liabilities	365,105	365,265	347,599

Beijer Electronics AB

Beijer Electronics is a fast-growing company with extensive experience of automation, developing and marketing competitive products and solutions with a focus on the user. Since start-up in 1981, Beijer Electronics has evolved into a multinational group with subsidiaries in 14 countries. The company is listed on OMX Nordic Exchange Stockholm's Small Cap list.

More Information

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

Forthcoming Financial Information

October 22, 2009..... Nine-month Interim Report

**BEIJER ELECTRONICS AB (publ)**

P.O. Box 426, 201 24 Malmö, Sweden

Phone +46 (0)40-35 86 00, Fax +46 (0)40-93 23 01

e-mail info@beijerelectronics.se, VAT no. SE556025-1851

www.beijerelectronics.se