2008

FINANCIAL STATEMENT

JANUARY—DECEMBER

- Good inflow of orders in the last quarter despite slowing business cycle.
- Net sales up 32 per cent to SEK 1,275.6 m (963.8).
- Operating profit increased by 34 per cent to SEK 116.5 m (86.9).
- Profit after tax rose to SEK 77.2 m (60.6), an increase of 27%.
- Earnings per share after tax were SEK 11.72 (9.21), an increase of 27%.
- The Board of Directors is proposing a dividend of SEK 4 per share (4.00).
- Rationalization package and non-recurring expenses charge profits with SEK 7.5 m; expected to reduce yearly expenses by SEK 20 m.

Beijer ELECTRONICS

Financial Statement, Beijer Electronics AB

January 1—December 31, 2008

Comments from Fredrik Jönsson, Our CEO

"We finished the year strongly with healthy gains in sales and underlying profits, mainly due to the IDC business area, acquired in early-2008. The financial crisis and negative progress of the global economy have affected us in some markets and customer segments, but only to a limited extent as yet.

For the full year, I'm pleased that we achieved several milestones. The group easily passed SEK 1 bn sales, with the HMI Products business area contributing half a billion kronor. We achieved our growth goal of over 30 per cent and underlying operating margins of nearly 10 per cent. I'm especially satisfied that our three acquisitions in the past two years have been successful, and that their integration went as planned.

The IDC business area added extra emphasis to the fourth quarter, posting very strong profits. Measures in the first half-year exerted their intended effect and the business area was able to improve profits progressively, with rising sales, and achieve its full-year goals. The HMI Products business area acquired Lauer in 2007, which had its full effect in 2008, with Lauer achieving its goals. Automation's move into the Danish market, by acquiring Brodersen in 2007, has resulted in Denmark securing status as the group's fourth-largest market, while for the full year, the Danish business contributed healthy profits.

We maintained firm cost control last year, progressively implementing savings measures, helping our profits. Against the background of significant uncertainty surrounding ongoing economic progress, we have also implemented a rationalization package expected to cut yearly costs by SEK 20 m, with its full effect in the coming half-year. This rationalization package and non-recurring expenses have resulted in profits being charged with SEK 7.5 m."

Group Sales

Progress on the markets Beijer Electronics addresses differed in the year. This applies to different geographical regions, customer segments and product areas. In a turbulent fourth quarter, with the international financial crisis and a sharp fall in global economic activity, Beijer Electronics only experienced some limited demand slowdown. For the full year 2008, the market made fairly weak progress overall, but the group was able to assert itself against the competition and win market shares.

The Beijer Electronics group also sustained very good growth in the fourth quarter. Sales rose by 23 per cent in the period to SEK 318.5 m (258.7). This upturn is explained by acquisitions. Sales in the full year 2008 grew by 32 per cent to SEK 1,275.6 m (963.8).

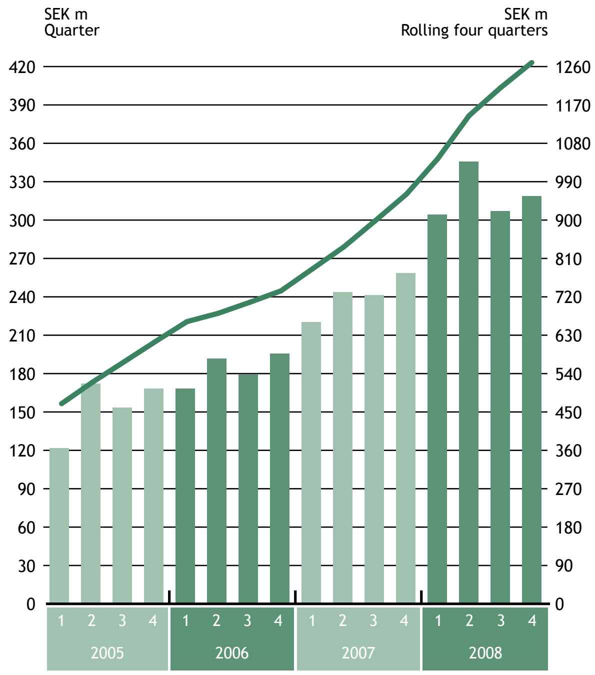
Sales in Sweden, the group's single biggest market, rose by 15 per cent to SEK 326 m for the full year. In Germany, presently the second largest market, sales rose by 66 per cent to SEK 220 m. Progress remained brisk on the Norwegian market, with an increase of 19 per cent to SEK 154 m. Sales on the Danish market rose by 38 per cent to SEK 113 m, making Denmark the fourth-largest single market. In the rest of Europe, sales more than doubled to SEK 184 m. Sales in the US turned upwards in the latter three quarters

of the year, with an increase for the full year of 26 per cent. In Asia, of which China represents some 40 per cent, sales fell by 11 per cent to SEK 103 m.

Group Operating Profit

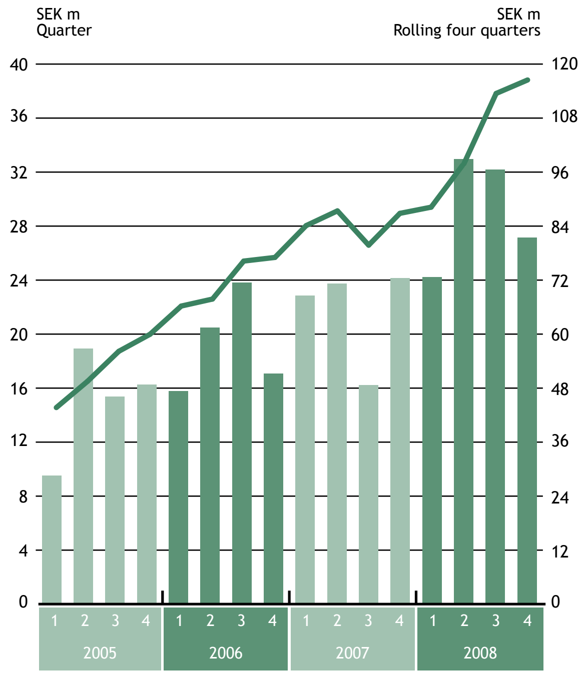
Group operating profit rose by 12 per cent to SEK 27.1 m (24.1), equating to an operating margin of 8.5 per cent (9.3) in the fourth quarter. Profit in the period was charged with structural expenses of SEK 4.5 m. The profit increase is explained by a healthy profit contribution from the IDC business area. For the full year, profit increased by 34 per cent to SEK 116.5 m (86.9), equating to an operating margin of 9.1 per cent (9.0). The volume gains from acquisitions and firm cost control, with progressive cost streamlining, explain the robust profit increase for the year. Meanwhile, profits were charged with ongoing non-recurring expenses such as the overhaul and relocation of warehousing, customer provisioning of SEK 3.0 m and structural expenses of SEK 4.5 m. Excluding these expenses, operating profit was SEK 124.0 m, equating to an operating margin of 9.7 per cent.

Group Sales



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

Group Operating Profit



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



Business Area Turnover and Operating Profit

	Sales Quarter 4		Operating Profit Quarter 4		Sales 12 Months		Operating Profit 12 Months	
SEK m	2008	2007	2008	2007	2008	2007	2008	2007
Automation	150.6	150.3	3.2*	6.8	607.1	571.3	32.7*	34.1
HMI Products	126.0	124.4	12.4*	16.3	505.1	465.4	62.7*	58.3
Industrial Data Communications	62.1		10.6		249.7		26.6	
Intra-group sales	-20.2	-16.0			-86.3	-72.9		
Non-recurring expenses				0.4				-5.3
Adjustments and amortizations			0.9	0.6			-5.5	-0.2
Group	**318.5**	**258.7**	**27.1**	**24.1**	**1275.6**	**963.8**	**116.5**	**86.9**

** Including non-recurring items*

Development expenses, relating to HMI Products and IDC, were SEK 80.5 m (38.6) in 2008. The increase is due to the acquisition of Westermo in IDC and Lauer in HMI Products. Capitalized development expenses were SEK 17.1 m (10.9) and amortization of development expenses was SEK 8.6 m (6.6).

Group Profit Before and after Tax

Group profit before tax was SEK 19.5 m (24.4) in the fourth quarter. Net financial items, which were charged with unrealized exchange losses of SEK 3.7 m, were SEK -7.5 m (0.1) in the quarter. In the full year, profit before tax rose by 14 per cent to SEK 96.4 m (84.6). In 2008, profits were charged with higher negative net financial items of SEK -20.2 m (-2.3) resulting from increased indebtedness related to the acquisition of Westermo and unrealized exchange losses. Profit after estimated tax was SEK 24.1 m (18.7) in the fourth quarter and SEK 77.2 m (60.6) for the full year. Earnings per share after estimated tax rose by 27 per cent to SEK 11.72 (9.21) in 2008.

Dividends

The Board of Directors is proposing dividends of SEK 4 per share (4.00) for the financial year 2008.

The Automation Business Area

The markets Automation addresses made differing progress in the fourth quarter. Norway and Denmark were stable. The Swedish market declined. The Finnish market remained slow, with negative sales performance. Overall, Beijer Electronics judges that for the full year, markets were largely unchanged. In the year, Automation developed new concepts with an array of automation solutions for new customer segments in OEM, real estate automation and water treatment, which expanded the business area's market.

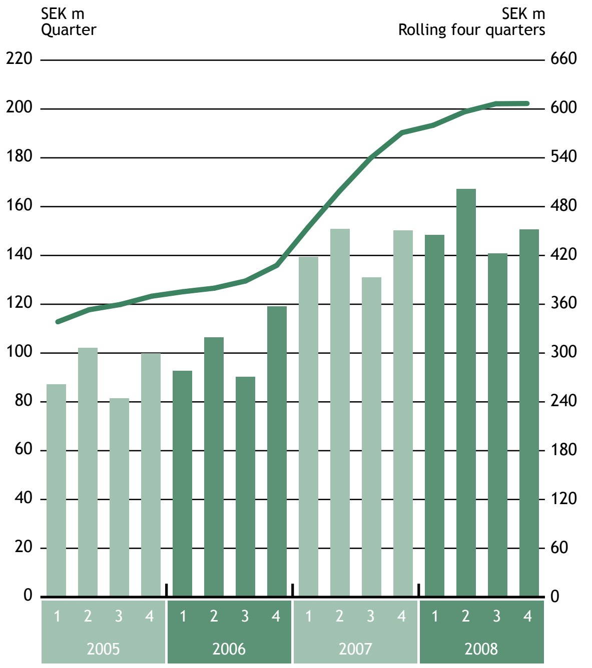
Business area sales were SEK 150.6 m (150.3) in the fourth quarter. For the full year, sales rose by 6 per cent to SEK 607.1 m (571.3). Organic growth was 4 per cent. The Danish operation, with its acquisition of Brodersen in 2007, progressed as planned. Sales grew by 21 per cent,

passing SEK 100 m. The Baltic region was a positive surprise in the year with sales almost doubling, but from a low level. Sales in Norway rose by 15 per cent, sales in Sweden rose by 1 per cent, but fell by 6 per cent in Finland.

Operating profit was SEK 3.2 m (6.8) in the fourth quarter, equating to an operating margin of 2.2 per cent (6.0). Profit was charged with structural expenses of SEK 3.5 m. In the full year, profit was SEK 32.7 m (34.1), equating to a margin of 5.4 per cent (6.0). Profit was charged with non-recurring expenses including the relocation of warehousing from Denmark to Sweden early in the year and restructuring expenses totaling SEK 6.5 m. Excluding these expenses, profit was SEK 39.2 m, with a margin of 6.5%.

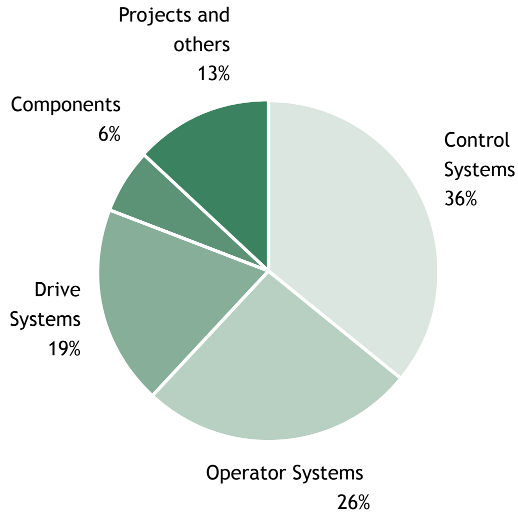
The underlying profit gain for the full year is explained by rising volumes, firm cost control and a profit contribution from the Danish operation. However, the Finnish operation is still burdening profits, and a cost overhaul has been implemented.

Automation Sales



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

Automation Sales by Product Category



▲ *The Automation business area's sales by product category for the full year 2008.*

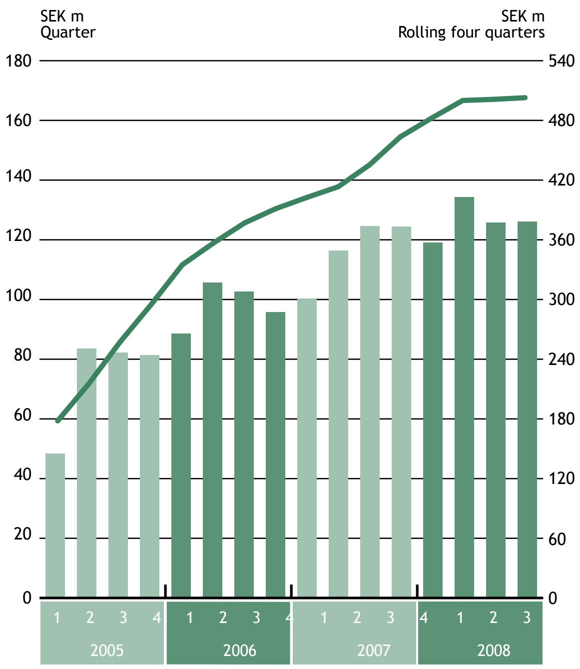
The HMI Products Business Area

The market for HMI products made weak progress in the fourth quarter, and order intake slowed late in the year. Market progress was irregular through the year with positive second and third quarters but the start and end of the year were worse. Growth on different markets also varied. Europe and the US grew, while demand in China and the rest of Asia reduced, partly due to currency effects and lower volumes, mainly for LCM products.

Business area sales were SEK 126.0 m (124.4) in the fourth quarter, rising 9 per cent to SEK 505.1 m (465.4) for the full year. The increase is explained by the acquisition of Lauer in June 2007. Sales through Beijer Electronics channels grew by 12 per cent for the full year, representing 80 per cent (78) of business area sales. Sales through brand label channels reduced somewhat in the year.

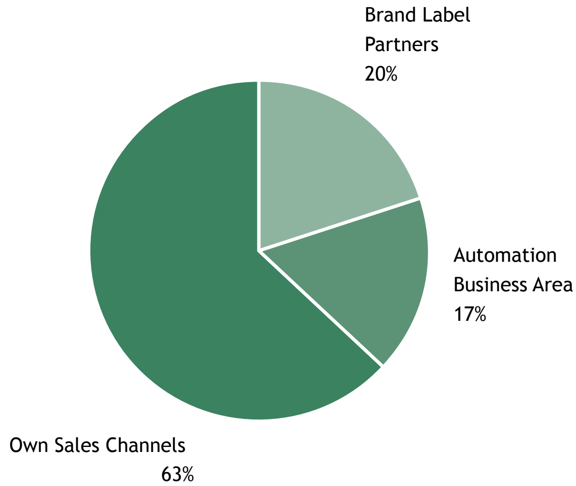
Operating profit was SEK 12.4 m (16.3) in the fourth quarter, after structural expenses of SEK 1.0 m. Profit increased by 8% to SEK 62.7 m (58.3) in the full year, equating to a margin of 12.4% (12.5). The profit gain is mainly explained by a healthy profit contribution from Lauer, volume expansion and firm cost control.

HMI Products Sales



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

HMI Products Sales by Channel



▲ *The HMI Products business area's sales by channel for the full year 2008.*

Business area development expenses were SEK 53.4 m (38.5) in 2008, equating to 10.6 per cent (8.3) of sales. The change is attributable to the acquisition of Lauer.

The Industrial Data Communications Business Area

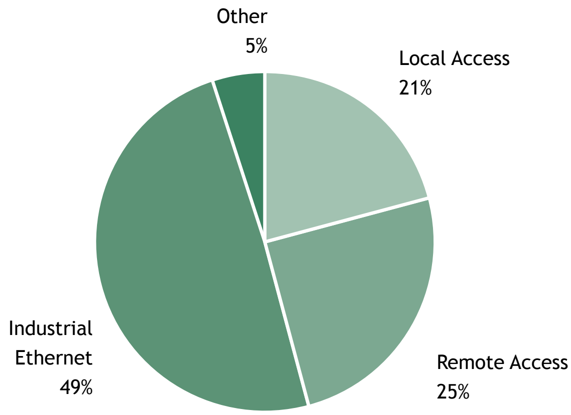
Westermo Teleindustri AB was acquired in late December 2007 and was consolidated from January 1, 2008. IDC is an independent business area in Beijer Electronics and its integration with the group went as planned.

The market for IDC remained healthy in the fourth quarter. Demand for the business area's products was stable, with order intake rising in the quarter. IDC's launch of its new Industrial Ethernet product range was successful over the year, making a positive sales impact. IDC also made breakthroughs with new communications solutions for the rail segment. The business area secured a breakthrough order for telemodems from a French energy sector customer. A master agreement for future deliveries was also signed with this order.

Sales were SEK 62.1 m in the fourth quarter. Full-year sales were SEK 249.7 m, equating to an internal organic increase of 12 per cent. Operating profit was a very healthy SEK 10.6 m, equating to an operating margin of 17.1 per cent in the fourth quarter. Profit for the full year was SEK 26.6 m and operating margin was 10.7 percent. IDC progressively improved profits through the year, beating its full-year goal. The increase is explained by measures taken in the first half-year, such as rationalizing processes, increasing productivity and overhauling the product range.

Business area development expenses were SEK 29.4 m in 2008, equating to 11.8 per cent of sales.

IDC Sales by Product Category



The IDC business area's sales by product category for the full year 2008.



Other Financial Information

Group investments including capitalized development expenses were SEK 36.2 m (21.9) in the full year. Acquisitions of subsidiaries amounted to SEK 235.4 m (81.9). Cash flow from operating activities was SEK 98.6 m (80.0). Shareholders' equity was SEK 310.8 m (224.3) as of December 31, 2008, including a minority share of SEK 15.3 m (11.0). The equity ratio was 31.2 per cent (38.2). Cash equivalents were SEK 74.1 m (71.9) at year-end. Interest-bearing liabilities were SEK 409.7 m (157.4). The average number of employees was 595 (463).

Business Highlights

At year-end 2007, Beijer Electronics acquired Swedish company Westermo Teleindustri AB, active in industrial data communications. Westermo is a multinational company with sales of SEK 223 m in 2007. The company was consolidated from January 1, 2008. The purchase price for Westermo was SEK 212.8 m. Acquired assets and liabilities were SEK 188.2 m and SEK 94.2 m respectively. Thus net assets were SEK 94.0 m, of which intangible assets were SEK 84.5 m. Goodwill of SEK 119.9 m arose in the acquisition.

In September, Beijer Electronics signed a long-term agreement with Alfa Laval through the Automation business area to supply operator terminals. This deal covers Beijer Electronics' current operator terminals and new software. The two companies will be jointly developing a standard solution for processing equipment that Alfa Laval will sell in over 100 countries. Deliveries of the first terminals modified to Alfa Laval's design and functionality started in late-2008.

In October, Beijer Electronics secured a strategic order from the Port of Gothenburg through its Automation business area. This order involves a supplier-independent software platform for industrial control, including entry and exit control, lighting control, alarm management of ramps and cranes, monitoring energy consumption, monitoring loading/unloading and estate monitoring. Installation will be in phases and runs for several years.

Conny Persson, CEO of Beijer Electronics Products AB (HMI Products business area) started drawing his pension and left his position at year-end after 26 years with the company. Magnus Ekerot became CEO on January 1, 2008. Mr. Ekerot's previous position was as CEO for Central Europe for Axis Communications GmbH. Urban Ottosson, CFO of Beijer Electronics AB, has decided to take up a position as CFO of Hexpol AB. Mr. Ottosson will remain in his current position until March 2009. In November, Lennart Mauritzon was appointed CFO of Beijer Electronics. Mr. Mauritzon's most recent position was as Vice President of Finance, Vehicle Accessories for Europe/Asia for vehicle storage solutions producer Thule Group. He takes up his position in March 2009.

Risks

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

Other business risks such as 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 SEK 409.7 m as of December 31, 2008. Net debt amounted to SEK 335.6 m.

Outlook 2009

The substantial uncertainty regarding ongoing economic progress means that judging its impact on group sales and profits in 2009 would be problematic at present.

Malmö, Sweden, February 10, 2009
Fredrik Jönsson, Chief Executive Officer and President

For more information, please contact CEO and President Fredrik Jönsson on: +46 (0)40 35 86 00 or +46 (0)705 17 16 26.

We have conducted a limited review of the Financial Statement for Beijer Electronics AB (publ) for the period January 1 –December 31, 2008. The preparation and presentation of these interim financial statements pursuant to IAS 34 and the Swedish Annual Accounts Act are the responsibility of the Board of Directors and Chief Executive Officer. Our responsibility is to report our conclusions concerning these interim financial statements on the basis of our limited review.

We have conducted our limited review pursuant to the Standard for Limited Review (SÖG) 2410 "Limited review of interim financial information conducted by the company's appointed auditor". A limited review consists of making inquiries, primarily to individuals responsible for financial and accounting matters, as well as performing analytical procedures and taking other limited review measures. A limited review has a different focus and significantly less scope than an audit according to RS Auditing Standards in Sweden and generally accepted auditing practice. The review procedures undertaken in a limited review do not enable us to obtain a level of assurance where we would be aware of all important circumstances that would have been identified had an audit been conducted. Therefore, a conclusion reported on the basis of a limited review does not have the level of certainty of a conclusion reported on the basis of an audit. Based on our limited review, no circumstances have come to our attention that would give us reason to believe that the interim financial statements have not been prepared pursuant to IAS 34 and the Swedish Annual Accounts Act for the group, and pursuant to the Swedish Annual Accounts Act for the parent company, in all material respects.

Malmö, Sweden, February 10, 2009

Mikael Eriksson
Authorized Public Accountant
PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorized Public Accountant
PricewaterhouseCoopers AB

The Year in Summary

Group Income Statement

SEK 000	Q4, 2008	Q4, 2007	12 MTH, 2008	12 MTH, 2007
Net sales	318,548	258,677	1,275,639	963,782
Other operating revenue	12,014	4,753	23,940	15,437
Operating expenses	-293,772	-232,603	-1,144,912	-868,041
Depreciation and amortization	-9,667	-6,754	-38,482	-24,886
Share of profit in associated companies	8	66	337	647
Operating profit	**27,131**	**24,139**	**116,522**	**86,939**
Net financial items	-7,589	269	-20,153	-2,359
Profit before tax	**19,542**	**24,408**	**96,369**	**84,580**
Taxes	4,596	-5,747	-19,191	-23,991
Net profit	**24,138**	**18,661**	**77,178**	**60,589**
Attributable to equity holders of the parent co.	*23,726*	*17,795*	*72,917*	*57,287*
Attributable to minority interest	*412*	*866*	*4,261*	*3,302*
** of which non-recurring items*		*410*		*5,266*
Earnings per share, SEK	*3.81*	*2.86*	*11.72*	*9.21*
Earnings per share adjusted before non-recurring items	*3.81*	*2.79*	*11.72*	*10.05*

Group Balance Sheet

SEK 000	Dec 31, 2008	Dec 31, 2007
Assets		
Fixed assets	505,851	227,053
Current assets	417,074	288,855
Cash equivalents and short-term investments	74,076	71,939
Total assets	**997,001**	**587,847**
Liabilities and shareholders' equity		
Shareholders' equity	295,510	213,268
Minority share of shareholders' equity	15,266	11,014
Long-term liabilities	409,596	148,515
Current liabilities	276,629	215,050
Total liabilities and shareholders' equity	**997,001**	**587,847**
Of which interest-bearing liabilities	*409,708*	*157,395*

Group Key Figures

	Dec 31, 2008	Dec 31, 2007
Operating margin, %	9.1	9.0
Operating margin before non-recurring items, %	9.1	9.6
Profit margin, %	6.1	6.3
Equity ratio, %	31.2	38.2
Shareholders' equity per share, SEK	47.50	34.28
Earnings per share, SEK	11.72	9.21
Earnings per share before non-recurring items, SEK	11.72	10.05
Return on equity after tax, %	28.8	28.3
Return on capital employed, %	21.4	26.6
Return on net operating assets, %	24.4	34.6
Average number of employees	595	463
Number of shares 6,221,488		

Group Cash Flow Statement

SEK 000	Dec 31, 2008	Dec 31, 2007
Cash flow from operating activities	98,579	80,487
Change in working capital	-16,118	-35,388
Cash flow from investing activities	-268,754	-99,382
Revised funding	210,155	69,249
Dividends paid	-26,165	-35,774
Change in cash equivalents	**-2,303**	**-20,808**
Cash equivalents and short-term investments, opening balance	71,939	91,914
Exchange rate change, cash equivalents	4,440	833
Cash equivalents and short-term investments, closing balance	**74,076**	**71,939**

Group Statement of Changes to Shareholder's Equity

SEK 000	Share Capital	Translation Provision	Retained Earnings and Net Profit	Total	Minority Interest	Total Shareholders' Equity
OB, Jan 1, 2008	6,222	-16,255	223,301	213,268	11,014	224,282
Dividends			-24,886	-24,886	-1,279	-26,165
Acquisitions					152	152
Other contributed capital			1,826	1,826		1,826
Translation difference		32,385		32,385	1,118	33,503
Net profit			72,917	72,917	4,261	77,178
CB, Sept 30, 2008	**6,222**	**16,130**	**273,158**	**295,510**	**15,266**	**310,776**

Parent Company Income Statement

SEK 000	Q4, 2008	Q4, 2007	12 MTH, 2008	12 MTH, 2007
Net turnover	24,474	13,641	60,889	55,305
Operating expenses	-25,613	-13,929	-58,926	-53,190
Depreciation	-773	-675	-3,086	-2,375
Operating profit	**-1,912**	**-963**	**-1,123**	**-260**
Net financial position	-2,207	-2,557	-97	4,224
Profit before tax	**-4,119**	**-3,520**	**-1,220**	**3,964**
Appropriations	7,545	4,007	7,545	4,007
Taxes	362	-1,256	1,451	-3,352
Net profit	**3,788**	**-769**	**7,776**	**4,619**

Parent Company Balance Sheet

SEK 000	Dec 31, 2008	Dec 31, 2007
Assets		
Fixed assets	429,545	191,857
Current assets	52,574	23,829
Cash equivalents and short-term investments	5,831	79
Total assets	**487,950**	**215,765**
Liabilities and shareholders' equity		
Shareholders' equity	37,667	52,952
Untaxed reserves	33,859	41,403
Long-term liabilities	312,422	81,325
Current liabilities	104,002	40,085
Total liabilities and shareholders' equity	**487,950**	**215,765**
Of which interest-bearing liabilities	*347,599*	*94,357*

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

April 2009 .... Annual Report 2008
April 20, 2009................................Annual General Meeting
April 20, 2009.......................... Three-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

Beijer
ELECTRONICS