

G&L BEIJER Q3 2011



- Net sales increased by nine per cent to SEK 4,216.3M (3,866.2).
- Operating profit rose by 18 per cent to SEK 312.3M (263.8).
- Net profit for the period increased to SEK 269.6M (197.6) including the capital gain of SEK 51.7M from the divestment of shares in Beijer Alma.
- Profit per share amounted to SEK 12.40 (15.92). Excluding the capital gain, profit per share amounted to SEK 10.60 (9.32).
- The acquisition of Toshiba's distribution operation in eleven European countries was completed after the end of the quarter.
- The acquisition of United Refrigeration's operation in France and the United Kingdom was completed after the end of the quarter.

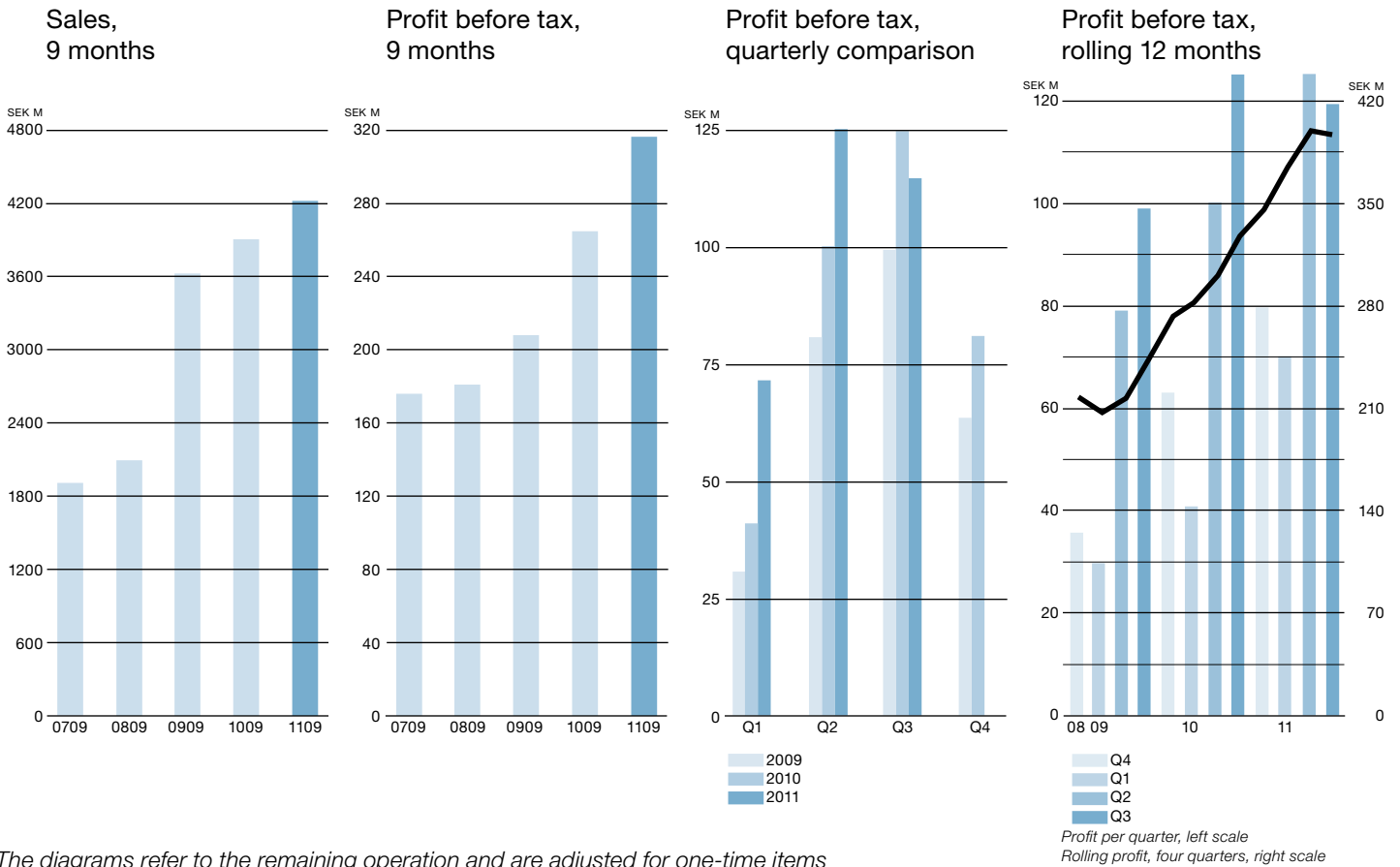




G & L Beijer AB

Nine-Month Report

January – September 2011



The diagrams refer to the remaining operation and are adjusted for one-time items which occurred in 2007, 2008 and 2011.

	9 months 2011	9 months 2010	9 months 2009
Sales, SEK M	4 216.3	3 866.2	3 617.7
Operating profit, SEK M	312.3	263.8	217.3
Profit after tax, SEK M	231.5	197.6	151.5
Profit per share, SEK	10.60	9.32	7.49

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



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

In the previous year, operations were consolidated into comprising only products within refrigeration and air conditioning.

Sales

The Group continued to enjoy stable growth. Sales for the first nine months of the year increased by nine per cent to SEK 4,216.3M (3866.2). Organically, sales increased by approximately seven per cent. The previous acquisitions of SCM Frigo and the operation in Thailand contributed positively to sales whilst the stronger Swedish currency had a negative effect. At the end of the first quarter of 2010, the Beijer Tech business area was divested, which means that Beijer Tech's sales and results are not included in the comparative figures for 2010.

Sales for the third quarter increased by five per cent to SEK 1,474.8M (1,410.6). The third quarter was affected by weak demand at the beginning of the period, mainly as a result of the cold weather. For the remainder of the period, sales reverted to the corresponding levels of increase as earlier in the year. In spite of lower demand at the beginning of the quarter, organic growth amounted to 0.5 per cent for the third quarter.

Organic growth for the first nine months of the year was extensive and comprised all markets in which G & L Beijer operates. Southern Europe including France, Italy and Spain continued to develop strongly as did South Africa. Demand in the Scandinavian countries, especially in Sweden, improved gradually. The acquisitions, the wholesale refrigeration operation in Thailand and the Italian company, SCM Frigo, enjoyed a very positive development.

During the third quarter, G & L Beijer was intensively involved with two significant acquisitions. The acquisition of Toshiba's distribution operation within refrigeration, heating and air conditioning in eleven European countries and the acquisition of United Refrigeration's operation in France and the United Kingdom were completed after the end of the quarter. The acquisitions report total annual sales of SEK 1.8 billion.

The acquisitions of Toshiba's and United Refrigeration's operations, which are included in G & L Beijer from the fourth quarter, involve significant contributions to conso-

lidated sales. Based on a rolling twelve-month period until September 2011, G & L Beijer's annual sales pro forma would have amounted to approximately SEK 7.2 billion.

Results

Consolidated operating profit for the first nine months increased by 18 per cent to SEK 312.3M (263.8). The result improvement is explained by rising volumes, acquisitions and continued strict control of expenses.

During the third quarter, operating profit fell slightly to SEK 114.5M (122.3). The fall is explained by the aforementioned weak demand at the beginning of the quarter.

The Group's financial income/expense amounted to SEK 55.5M (1.6) for the first three quarters and to SEK 5.2M (2.4) for the third quarter. Financial income/expense includes the capital gain from the divestment of shares in Beijer Alma, with SEK 51.7M (0) and a share in profits of associated companies of SEK 11.2M (6.0) for the nine-month period. The third quarter included a share in profits of associated companies of SEK 8.2M (2.0).

Profit before taxes increased to SEK 367.8M (265.4) for the first nine months, of which SEK 119.6M (124.7) was for the third quarter. Profit after tax amounted to SEK 269.6M (197.6) for the nine-month period and to SEK 92.1M (91.4) for the third quarter. Profit per share amounted to SEK 12.40 (15.92) for the nine-month period. Excluding the capital gain, profit per share amounted to SEK 10.60 (9.32).

Other financial information

Consolidated capital expenditure including acquisitions amounted to SEK 111.7M (28.8) for the nine-month period. Liquid funds, including unutilised bank overdraft facilities, were SEK 576.1M (539.9) on 30 September 2011. Shareholders' equity amounted to SEK 2,385.5M (2,243.9). Net debt amounted to SEK 325.6M (461.6). The equity ratio was 57.5 per cent (53.8). The average number of employees during the period was 1,834 (1,682).

Significant events

During the first quarter, G & L Beijer completed its acquisition of the Italian SCM Frigo group. SCM Frigo designs, develops and builds chillers. The company reports annual sales of approximately SEK 220M and has around 70 employees. Initially, G & L Beijer acquired 51 per cent of the shares in SCM Frigo with an option to acquire the remaining 49 per cent. SCM Frigo is included in G & L Beijer's accounts from 1 January 2011.

During the first quarter, G & L Beijer divested its entire holding of 2.7 million shares in Beijer Alma, equivalent to 9.0 per cent of capital and 4.5 per cent of votes. The divestment generated sales proceeds of approximately SEK 365M and G & L Beijer made a capital gain of SEK 51.7M before tax and SEK 38.1M after tax. The shares in Beijer Alma were received as part payment on the sale of Beijer Tech during the spring of 2010. The divestment of the shares was another step forward in creating increased scope to take action for the continued expansion within the strongly growing refrigeration wholesale operation.

After the end of the reporting period, G & L Beijer completed its acquisition of Toshiba's distribution operation within refrigeration, heating and air conditioning in eleven European countries from Carrier Corporation. The transaction means that Carrier will transfer staff and assets to G & L Beijer for a consideration of approximately EUR 86M (SEK 790M) on a debt-free basis. Sales for Toshiba's distribution operation in the countries involved amounted to EUR 130M (approximately SEK 1,200M) and the operating profit was EUR 9.6M (SEK 88M) for the latest twelve-month period until the end of the first quarter of 2011. The operation has 160 employees. The acquisition, which is made on a debt-free basis, is financed through own funds and increased borrowing. The acquired operation is included in G & L Beijer's accounts from 1 October 2011. The acquisition is estimated to affect G & L Beijer's profit per share positively by approximately SEK 2 on an annual basis.

After the end of the reporting period, G & L Beijer completed its acquisition of United Refrigeration's refrigeration wholesale operations in France and the United Kingdom. The acquisition included two companies. The French company – Cofriset – reports sales equivalent to SEK 520M and has 125 employees. The British company – United Refrigeration (UK) Ltd – reports sales equivalent to SEK 90M and has 44 employees. In total, the two companies report sales equivalent to SEK 610M and have 169 employees. The total consideration for both companies amounts to approximately SEK 240M on a debt-free basis. The consideration is financed through own funds and increased borrowing.

With the acquisitions, G & L Beijer strengthens its position still further in the French and British markets. The acquired companies sell products which correspond to G & L Beijer's product range. The acquisition is expected to have a marginally positive effect on G & L Beijer's profit per share. The acquired companies are included in the consolidated accounts from October 2011.

Risk assessment

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

Financial information

- The Year-End Report for 2011 will be published on 9 February 2012.
- The Annual Report for 2011 will be published in April 2012.
- The Three-Month Report for 2012 will be published on 25 April 2012.

Malmö, 21 October 2011
G & L Beijer AB (publ)
Joel Magnusson, CEO

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Accounting principles

This interim report has been prepared in accordance with IAS 34, the Annual Accounts Act and RFR 2. G & L Beijer AB continues to apply the same reporting principles and valuation methods as those described in the latest Annual Report.

REVIEW REPORT

We have carried out a review of this Interim Report for the G & L Beijer Group for the period 1 January-30 September 2011 and pertaining reports on results, changes in equity and change in cash flow during the nine-month period which ended on this date as well as a summary of important reporting principles and other supplementary disclosures. The Board and the MD are responsible for preparing and presenting this financial interim information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion about this financial interim information based on our review.

We have carried out our review in accordance with the Standard for review engagement, SÖG 2410, Review of financial interim information carried out by the company's elected Auditors. A review includes making enquiries, primarily to individuals responsible for financial matters and accounting matters, carrying out an analytical examination and implementing other audit checks.

A review has a different emphasis and is significantly less extensive compared with the emphasis and extent of an audit in accordance with ISA and generally accepted auditing standards. The auditing checks implemented in a review do not enable us to acquire such assurance that we become aware of all important circumstances which would have been identified if an audit had been carried out. The expressed conclusion is based on a review and, therefore, does not have the assurance of an expressed conclusion based on an audit.

Based on our review, no circumstances have emerged which give us reason to consider that this Interim Report does not, in substance, give a true and fair view of the company's financial position on 30 September 2011 and of its financial results and cash flow for the nine-month period which ended on this date in accordance with IAS 34.

Malmö, 21 October 2011
PricewaterhouseCoopers
Mikael Eriksson
Authorised Public Accountant
Cecilia Dorselius
Authorised Public Accountant



Summarised profit and loss account (SEK M)

	9 months 2011	9 months 2010 Remaining operation	9 months 2010 Divested operation	9 months 2010 Total Group	Q3 2011	Q3 2010	Full year 2010 Total Group
Net sales	4 216.3	3 866.2		3 866.2	1 474.8	1 410.6	5 044.3
Other operating income.....	4.0	7.5		7.5	2.3	4.3	12.7
Capital gain, divestment of Beijer Tech....	—	—	140.0	140.0	—	—	140.0
Operating expenses.....	-3 874.5	-3 579.9		-3 579.9	-1 351.3	-1 282.6	-4 672.0
Depreciation.....	-33.5	-30.0		-30.0	-11.3	-10.0	-41.0
Operating profit	312.3	263.8	140.0	403.8	114.5	122.3	484.0
Net interest expense.....	-7.4	-4.4		-4.4	-3.0	0.4	-7.0
Other financial results ¹	62.9	6.0		6.0	8.2	2.0	8.0
Profit before tax	367.8	265.4	140.0	405.4	119.7	124.7	485.0
Tax ¹	-98.2	-67.8		-67.8	-27.6	-33.3	-86.3
Net profit for the period	269.6	197.6	140.0	337.6	92.1	91.4	398.7
Current result of the divested operation...	—	—	4.8	4.8	—	—	4.8
Total profit for the period	269.6	197.6	144.8	342.4	92.1	91.4	403.5

1) The period's result for 2011 includes a capital gain for the divestment of Beijer Alma shares in the line 'Other financial results' with SEK 51.7M and in the line 'Taxes' with SEK -13,6M.

Net profit for the period attributable to:							
The parent company's shareholders.....	262.8	197.6		342.4	89.4	91.4	404.5
Non-controlling interests	6.8	—		—	2.7	—	-1.0
Net profit for the period per share before and after dilution, sek	12.40	9.32	6.83	16.15	4.21	4.31	19.08
Net profit for the period per share excluding capital gain and divested operation, sek .	10.60	9.32	—	9.32	4.21	4.31	12.25

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

	9 months 2011	9 months 2010	Q3 2011	Q3 2010	Full year 2010	
Net profit for the period	269.6		342.4	92.1	91.4	403.5
<i>Other comprehensive income</i>						
Exchange rate differences.....	-6.4		-164.6	-8.7	-84.2	-176.7
Revaluation of financial assets available for sale	-93.5		28.4	—	46.6	93.5
Other comprehensive income for the period.....	-99.9		-136.2	83.4	-37.6	-83.2
Total comprehensive income for the period.....	169.7		206.2	83.4	53.8	320.3
Attributable to:						
The parent company's shareholders.....	161.6		206.2	79.7	53.8	321.3
Non-controlling interests	8.1		—	3.7	—	-1.0

Summarised balance sheet (SEK M)

	2011 09-30	2010 09-30	2010 12-31
Assets			
Fixed assets	1 291.9	1 560.1	1 635.1
Current assets	2 698.3	2 386.0	2 159.2
Liquid funds	161.7	223.2	174.3
Total assets	4 151.9	4 169.3	3 968.6
Equity and liabilities			
Shareholders' equity	2 385.5	2 243.9	2 358.7
Long term liabilities	295.5	386.7	314.1
Current liabilities	1 470.9	1 538.7	1 295.8
Total equity and liabilities	4 151.9	4 169.3	3 968.6
Of which interest-bearing liabilities	487.3	684.8	569.7

Key figures ¹⁾

	2011 09-30	2010 09-30	2010 12-31
Equity ratio, %	57.5	53.8	59.4
Equity per share, sek	113	106	111
Return on equity after full tax, %	14.0	17.4	17.6
Return on capital employed, %	15.9	16.6	17.2
Return on capital employed in operations, %	16.2	19.6	20.8
Number of outstanding shares	21.195.515	21.195.515	21.195.515
Average number of outstanding shares	21.195.515	21.195.515	21.195.515
Holding of own shares	43.600	43.600	43.600

1) The profit/loss items in the Group's key figures refer to the remaining operations for all periods. 2010 includes a capital gain relating to the divestment of Beijer Tech. 2011 includes a capital gain relating to the divestment of shares in Beijer Alma. The comparative figures of the balance sheet items have not been adjusted.

Summarised consolidated cash flow analysis (SEK M)

	9 months 2011	9 months 2010	Full year 2010
Cash flow from current operations*	285.1	211.0	260.8
Changes in working capital*	-261.5	-155.4	-114.2
Cash flow from investment operations*	230.4	12.6	3.1
Change in financing*	-95.8	-22.4	-158.0
Dividend paid	-169.6	-137.8	-137.8
Change in cash and bank	-11.4	-92.0	-146.1
Exchange rate difference in liquid funds	-1.2	-18.6	-13.4
Cash and bank on 1 January	174.3	333.8	333.8
Cash and bank at the period end	161.7	223.2	174.3

*) of which divested operations (SEK M)

	9 months 2011	9 months 2010	Full year 2010
Cash flow from current operations	—	4.2	4.2
Changes in working capital	—	9.3	9.3
Cash flow from investment operations	—	-0.4	-0.4
Change in financing	—	-9.7	-9.7

Shareholders' equity (SEK M)

	2011 09-30	2010 09-30
Opening balance.....	2 358.7	2 175.5
Total comprehensive income for the period.....	169.7	206.2
Dividend	-169.6	-137.8
Acquisition of non-controlling interests	26.7	—
Closing balance	2 385.5	2 243.9

Reporting for segments (SEK M)

	Beijer Ref		Beijer Tech <i>(Divested operation)</i>		Group	
	9 months 2011	9 months 2010	9 months 2011	9 months 2010	9 months 2011	9 months 2010
R e v e n u e s						
External revenues	4 216.3	3 866.2	—	141.8	4 216.3	4 008.0
Total revenues.....	4 216.3	3 866.2	—	141.8	4 216.3	4 008.0
R e s u l t s						
Result by operation.....	331.6	281.6	—	6.3	331.6	287.9
Capital gain on the sale of Beijer Tech			—	140.0	—	140.0
Undistributed costs					-19.3	-17.8
Operating profit.....	331.6	281.6	—	146.3	312.3	410.1

	Beijer Ref		Beijer Tech <i>(Divested operation)</i>		Group	
	2011 09-30	2010 09-30	2011 09-30	2010 09-30	2011 09-30	2010 09-30
A s s e t s						
Assets.....	4 209.1	3 885.4	—	—	4 209.1	3 885.4
Undistributed assets/eliminations					-57.2	283.9
Total assets	4 209.1	3 885.4	—	—	4 151.9	4 169.3

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

	9 months 2011	9 months 2010	Full year 2010
Operating income	—	—	—
Operating expenses.....	-16.4	-14.5	-18.1
Depreciation and write-downs of intangible and tangible fixed assets	-0.5	-0.3	-0.5
Operating profit	-16.9	-14.8	-18.6
Net interest income/expense.....	4.1	—	-0.1
Result of participations in Group companies and associated companies.....	31.0	210.1	311.2
Results from other long-term securities holdings	51.7	—	—
Profit after financial investments	69.9	195.3	292.5
Appropriations	—	—	0.2
Profit before tax	69.9	195.3	292.7
Tax on the period's profit.....	-8.3	3.9	4.6
Net profit	61.6	199.2	297.3

Parent company balance sheet in summary (SEK M)

	2011 09-30	2010 09-30	2010 12-31
A s s e t s			
Intangible and tangible fixed assets.....	1.6	1.6	1.8
Financial fixed assets.....	1 235.8	1 402.1	1 549.0
Current assets.....	263.3	197.1	91.3
Total assets	1 500.7	1 600.8	1 642.1
E q u i t y a n d l i a b i l i t i e s			
Shareholder's equity.....	1 483.5	1 492.5	1 591.4
Untaxed reserves.....	1.2	1.4	1.2
Long-term liabilities	—	2.7	—
Current liabilities	16.0	104.2	49.5
Total equity and liabilities	1 500.7	1 600.8	1 642.1

BEIJERS

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