

G&L BEIJER



Nine-Month Report 2012

- Net sales increased by 24 per cent to SEK 5,215.0M (4,216.3).
- Operating profit rose by six per cent to SEK 331.2M (312.3).
- Excluding the capital gains, the period's result amounted to SEK 234.3M (231.5). Including the capital gains, the period's result was SEK 256.3M (269.6).
- Profit per share amounted to SEK 5.34 (5.30) excluding the capital gains. Including the capital gains, profit per share amounted to SEK 5.86 (6.20).

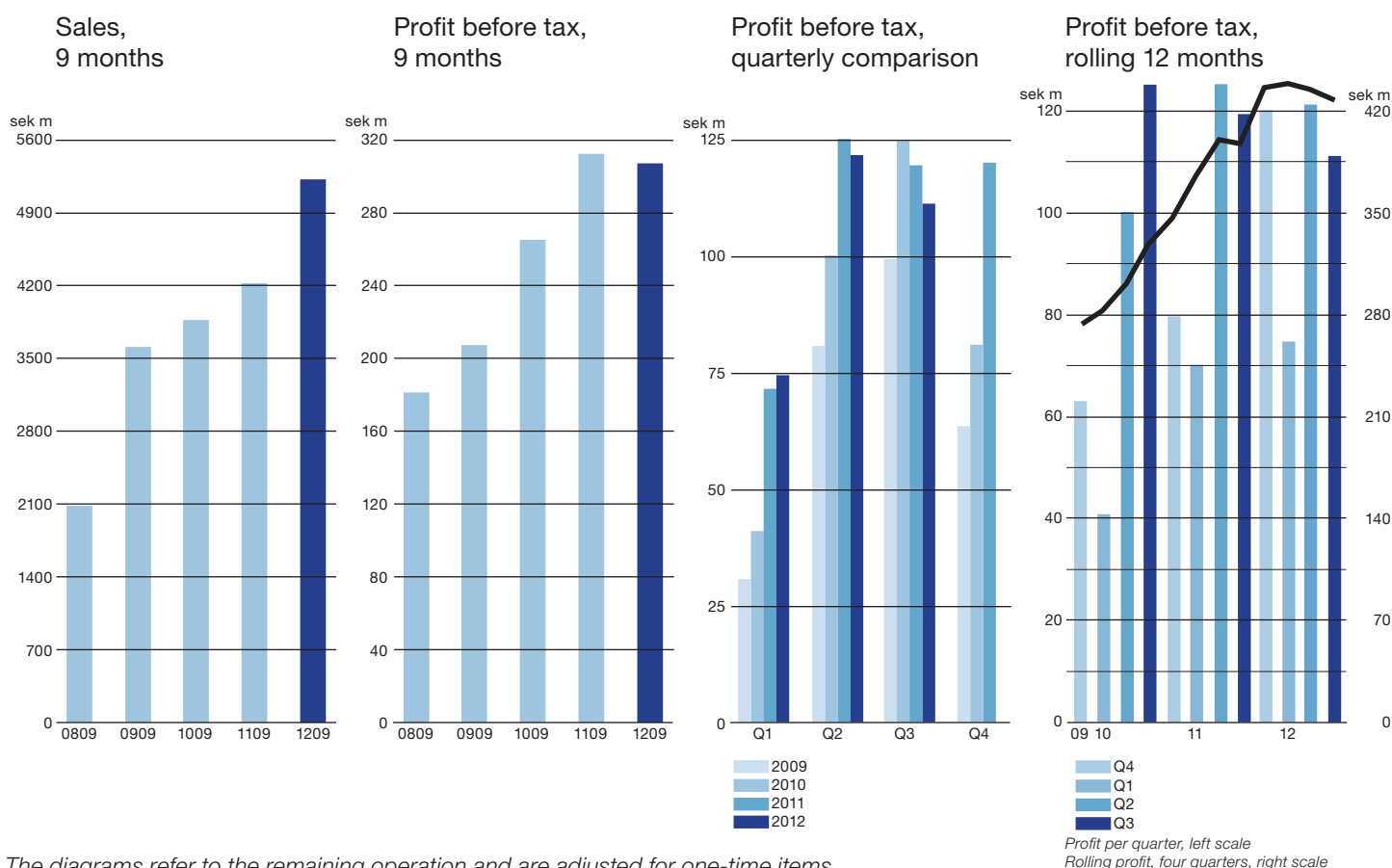




G & L Beijer AB

Nine-Month Report

January – September 2012



	9 months 2012	9 months 2011	9 months 2010
Sales, SEK M	5 215.0	4 216.3	3 866.2
Operating profit, SEK M	331.2	312.3	263.8
Profit after tax, SEK M	234.3	231.5	197.6
Profit per share, SEK	5.34	5.30	4.66

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

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



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

Sales

G & L Beijer continued its positive trend with an increase in sales and increased operating profit for the third quarter compared with the corresponding period in the previous year. The sales increase is explained by acquisitions. Sales for comparable units were lower due to a slowdown in demand in some markets and currency adjustments from the stronger SEK.

Consolidated sales increased by 24 per cent to SEK 5,215.0M (4,216.3) for the first nine months of the year. Sales for the third quarter rose by 18 per cent to SEK 1,733.9M (1,474.8). The acquisitions of Toshiba's operation within air conditioning and heating, as well as United Refrigeration's refrigeration wholesale operations in France and the United Kingdom, accounted for the increase in sales for the respective period.

On translation of foreign currency into SEK, sales were negatively affected by the stronger SEK. Adjusted for currencies and excluding acquisitions, i.e. organic, sales fell by approximately two per cent for the nine-month period and by around two per cent for the third quarter. Sales in southern Africa and Thailand continued to develop positively. The sales volume in the Nordic countries and southern Europe, including France, Italy and Spain, were marginally lower. In Central Europe, including Belgium, Holland and Switzerland, the sales volumes fell compared with high levels in the previous year. Volumes also fell in Eastern Europe.

Together, the acquisitions contributed SEK 1,240M in sales for the first nine months and SEK 415M for the third quarter. The integration of United Refrigeration's operations in France and the United Kingdom continue according to the plan. The operations have been restructured, which has resulted in lower expenses. Toshiba's operation within air conditioning and heating, which was acquired 2011 and is included in the Group accounts from 1 October 2011, has also developed in line with the expectations taking into account a slowdown in demand.

Sales for the Toshiba operation were lower for the nine-month period compared with 2011 which was a strong period, especially for the first half of the year. At the same time, the slowdown decreased during the third quarter. Toshiba's operation has a stronger business cyclical component through the air-conditioning than G & L Beijer's other operation.

Through acquisitions and restructuring, G & L Beijer has broadened its product portfolio and increased its geographic scope. G & L Beijer is the leading operator in the sector in Europe which, especially during times of uncertainty, is a competitive advantage. G & L Beijer has also increased its readiness to meet a further slowdown in demand and keener competition. During the period, a programme was initiated aimed at increasing the pace in the continual streamlining and rationalisation.

Results

Consolidated operating profit increased by six per cent to SEK 331.2M (312.3) for the first three quarters. For the third quarter, operating profit increased by six per cent to SEK 121.1M (114.5). The result improvements are essentially explained by contributions from the acquired operations.

The Group's financial income/expense amounted to SEK -2.3M (55.5) for the nine-month period and to SEK -10.1M (5.2) for the third quarter. Financial income/expense for the nine-month period includes a capital gain of SEK 22.0M from the divestment of a participation in an associated company, Förvaltnings AB Norra Vallgatan, during the first quarter of 2012. The first quarter of 2011 includes a capital gain of SEK 51.7M from the divestment of shares in Beijer Alma.

Profit before tax amounted to SEK 328.9M (367.8) for the first three quarters of the year, of which SEK 111.0M (119.7) for the third quarter. The corresponding period in 2011 included a share in profits of associated companies of SEK 8.2M. Profit after tax amounted to SEK 256.3M (269.6) for the nine-month period and to SEK 83.9M (92.1) for the third quarter. Profit per share amounted to SEK 5.86 (6.20). Excluding the capital gains, profit per share amounted to SEK 5.34 (5.30).

Other financial information

Consolidated financial expenditure, including acquisitions, amounted to SEK 69.1M (111.7) for the first three quarters. Liquid funds, including unutilised bank overdraft facilities, were SEK 469.5M (576.1). Shareholders' equity amounted to SEK 2,368.8M (2,385.5) on 30 September 2012. Net debt was SEK 1,287.7M (325.6). The equity ratio amounted to 44.9 per cent (57.5). The average number of employees during the period was SEK 2,127 (1,834). Net debt, equity ratio and number of employees have been affected as a result of acquisitions.

Significant events

In January 2012, G & L Beijer acquired the Norwegian company, Ecofrigo AS. The company reports annual sales of approximately SEK 35M and has six employees. Ecofrigo is a project-oriented refrigeration distribution company which mainly operates within the planning and distribution of environment-friendly chillers and refrigerants. The acquisition complements G & L Beijer's existing operation in Norway both geographically and product wise. Ecofrigo is included in G & L Beijer's accounts from January 2012.

In June, G & L Beijer carried out a share split (2:1) which meant that each share was divided into two shares of the same class. After the split, G & L Beijer's total number of shares amount to 42,478,230 distributed on 3,306,240 A shares and 39,171,990 B shares. The total number of votes amounts to 72,234,390 after the split.

In August, G & L Beijer acquired the Irish refrigeration company, Gasco Ireland Ltd. Gasco reports sales of approximately SEK 22M and has six employees. The acquisition was a step forward in the consolidation of the Irish market. Gasco is strong within refrigerants and complements G & L Beijer's existing operation in Ireland, which has its main focus on refrigeration products and air conditioning. Annual sales in Ireland after the acquisition amount to approximately SEK 50M pro forma. The merger is expected to generate synergy gains through cost savings. Gasco Ireland Ltd is included in G & L Beijer's accounts from 1 August 2012.

Risk assessment

The operations of the G & L Beijer Group are affected by a number of external factors, the effects of which on the Group's operating profit can be controlled to a varying

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

Financial information

- The Year-End Report for 2012 will be published on 8 February 2013.
- The Annual Report for 2012 will be published in April 2013.
- The Three-Month Report for 2013 will be published on 25 April 2013.

Malmö, 19 October 2012

G & L Beijer AB (publ)

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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.

Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 January to 30 September 2012 for G & L Beijerkoncernen. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, 19 October 2012

PricewaterhouseCoopers

Lars Nilsson
Authorised Public Accountant
Auditor in charge

Cecilia Andrén Dorselius
Authorised Public Accountant



Summarised profit and loss account (SEK M)

	9 months 2012	9 months 2011	Q3 2012	Q3 2011	Full year 2011
Net sales	5 215.0	4 216.3	1 733.9	1 474.8	5 897.3
Other operating income	7.4	4.0	3.6	2.3	3.7
Operating expenses	-4 846.7	-3 874.5	-1 602.1	-1 351.3	-5 420.9
Depreciation	-44.5	-33.5	-14.3	-11.3	-52.0
Operating profit	331.2	312.3	121.1	114.5	428.1
Net interest expense	-26.3	-7.4	-10.6	-3.0	-10.1
Other financial results ¹⁾	24.0	62.9	0.5	8.2	64.4
Profit before tax	328.9	367.8	111.0	119.7	482.4
Tax	-72.6	-98.2	-27.1	-27.6	-112.4
Net profit for the period	256.3	269.6	83.9	92.1	370.0
Total profit for the period ²⁾	256.3	269.6	83.9	92.1	370.0
1) The period's result for 2012 includes a capital gain of SEK 22.0M for the divestment of a participation in Förvaltnings AB Norra Vallgatan. For 2011, a capital gain of SEK 51.7M for the divestment of shares in Beijer Alma is included.					
2) Of which net profit of the divested operation 2011....					
		-2.7		1.1	-4.1
Net profit for the period attributable to:					
The parent company's shareholders	248.3	262.8	81.5	89.4	360.0
Non-controlling interests	8.0	6.8	2.4	2.7	10.0
Net profit for the period per share before and after dilution, sek	5.86	6.20	1.92	2.11	8.49
Net profit for the period per share excluding capital gain and divested operation, sek	5.34	5.30	1.92	2.11	7.60

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

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

	9 months 2012	9 months 2011	Q3 2012	Q3 2011	Full year 2011
Net profit for the period	256.3	269.6	83.9	92.1	370.0
Other comprehensive income					
Exchange rate differences	-139.3	-6.4	-127.2	-8.7	-58.3
Revaluation of financial assets available for sale	—	-93.5	—	—	-93.5
Hedging of net investment	16.6	—	19.5	—	1.0
Cash flow hedging	-4.4	—	-10.2	—	-1.5
Other comprehensive income for the period	-127.1	-99.9	-117.9	-8.7	-152.3
Total comprehensive income for the period	129.2	169.7	-34.0	83.4	217.7
Attributable to:					
The parent company's shareholders	123.2	161.6	-35.3	79.7	207.2
Non-controlling interests	6.0	8.1	1.3	3.7	10.5

Summarised balance sheet (SEK M)

	2012 09-30	2011 09-30	2011 12-31
Assets			
Fixed assets.....	1 806.1	1 291.9	1 860.7
Current assets.....	3 244.5	2 698.3	2 989.9
Liquid funds	225.5	161.7	237.4
Total assets	5 276.1	4 151.9	5 088.0
Equity and liabilities			
Shareholders' equity.....	2 368.8	2 385.5	2 433.4
Long term liabilities.....	941.0	295.5	987.5
Current liabilities	1 966.3	1 470.9	1 667.1
Total equity and liabilities	5 276.1	4 151.9	5 088.0
Of which interest-bearing liabilities	1 513.0	487.3	1 379.5

Key figures

	2012 09-30	2011 09-30	2011 12-31
Equity ratio, %	44.9	57.5	47.8
Equity per share, sek	56	56	57
Return on equity after full tax, %	15.0	14.0	15.6
Return on capital employed, %	14.0	15.9	14.9
Return on capital employed in operations, %.....	14.4	16.2	15.3
Number of outstanding shares.....	42.391.030	42.391.030	42.391.030
Average number of outstanding shares	42.391.030	42.391.030	42.391.030
Holding of own shares	87.200	43.600	43.600

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

Summarised consolidated cash flow analysis (SEK M)

	9 months 2012	9 months 2011	Full year 2011
Cash flow from current operations.....	263.5	285.1	384.8
Changes in working capital	-241.3	-261.5	-263.8
Cash flow from investment operations.....	-7.9	230.4	-621.8
Change in financing operation.....	176.1	-95.8	739.6
Dividend paid	-190.8	-169.6	-169.6
Change in cash and bank.....	-0.4	-11.4	69.2
Exchange rate difference in liquid funds.....	-11.6	-1.2	-6.1
Cash and bank on 1 January.....	237.4	174.3	174.3
Cash and bank at the period end	225.5	161.7	237.4

Shareholders' equity (SEK M)

	2012 09-30	2011 09-30
Opening balance.....	2 433.4	2 358.7
Total comprehensive income for the period.....	129.2	169.7
Dividend	-190.8	-169.6
Acquisition of non-controlling interests	—	26.7
Dividend to holders with non-controlling interest	-3.0	—
Closing balance	2 368.8	2 385.5

Reporting for segments (sek m)

	Beijer Ref		Group	
	9 months 2012	9 months 2011	9 months 2012	9 months 2011
R e v e n u e s				
External revenues	5 215.0	4 216.3	5 215.0	4 216.3
Total revenues.....	5 215.0	4 216.3	5 215.0	4 216.3

R e s u l t s				
Result by operation.....	353.7	331.6	353.7	331.6
Undistributed costs			-22.5	-19.3
Operating profit.....	353.7	331.6	331.2	312.3

	Beijer Ref		Group	
	2012 09-30	2011 09-30	2012 09-30	2011 09-30
A s s e t s				
Assets.....	5 250.2	4 209.1	5 250.2	4 209.1
Undistributed assets/eliminations			25.9	-57.2
Total assets	5 250.2	4 209.1	5 276.1	4 151.9

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

	9 months 2012	9 months 2011	Full year 2011
Operating income	0.3	—	10.4
Operating expenses.....	-21.9	-16.4	-18.9
Depreciation and write-downs of intangible and tangible fixed assets	-0.5	-0.5	-0.8
Operating profit	-22.1	-16.9	-9.2
Net interest income/expense.....	0.2	4.1	11.3
Result of participations in Group companies and associated companies.....	168.9	31.0	138.3
Results from other long-term securities holdings	—	51.7	51.7
Profit after financial investments	147.0	69.9	192.1
Appropriations	—	—	-10.2
Profit before tax	147.0	69.9	182.0
Tax on the period's profit.....	5.7	-8.3	-12.7
Net profit	152.7	61.6	169.2

Parent company balance sheet in summary (SEK M)

	2012 09-30	2011 09-30	2011 12-31
A s s e t s			
Intangible and tangible fixed assets.....	1.4	1.6	1.5
Financial fixed assets.....	1 384.0	1 235.8	1 336.2
Current assets.....	213.3	263.3	466.5
Total assets	1 598.7	1 500.7	1 804.2
E q u i t y a n d l i a b i l i t i e s			
Shareholder's equity.....	1 553.0	1 483.5	1 591.0
Untaxed reserves.....	11.3	1.2	11.3
Long-term liabilities	21.0	—	167.4
Current liabilities	13.4	16.0	34.5
Total equity and liabilities	1 598.7	1 500.7	1 804.2

BEIJERS

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