

PRESS RELEASE Halmstad, Sweden, June 29, 2009

Market conditions for the first 6 months 2009

HMS Networks AB (publ) sees a continuing week market during the first six months of 2009.

Preliminary figures on net sales for the first six months 2009 show a decline of 30%, including positive currency effects, compared to the same period the previous year. HMS preliminary estimate shows a 0 result on the EBIT level. Orders received have been week during the period with a slight recovery during the later part of the second quarter.

"The downturn in the global market we reported after the first quarter of 2009 continued also during the second quarter resulting in a weak demand from our customers. Also during the second quarter our customers adjusted for a further weakening of the global economy. The effect from our customers' inventory adjustments was longer and more severe than we previously expected," says CEO Staffan Dahlström.

"The cost reductions recently made to adjust our operations to present market conditions will have effect during the second half of 2009. Also in this weak market situation with low volumes shipped, we still have an inflow with new Design Wins that will contribute to sales in 2010 and onwards," says Staffan Dahlström.

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Press pictures and background information for editorial use can be downloaded under "Press" at http://investors.hms.se.

HMS Networks AB (publ) is a world-leading supplier of communication technology for industrial automation. Sales for 2008 grew by 17% to SEK 317 million. Over 90% of these sales were to customers located outside Sweden. All development and the major portion of manufacturing is carried out at the head office in Halmstad. Sales offices are located in Japan, China, Germany, the USA, Italy and France. HMS has 154 employees and produces network interface cards and products to interconnect different networks under the trademark Anybus®. The network interface cards are embedded in automation equipment such as inverter drives, robots, control systems and sensors. This allows subcomponents in machines to communicate with one another and with different networks in order to build more efficient and flexible automation systems with reduced energy consumption.

In 2008 HMS was presented with Sweden's "Best export company" award by H.M. the King of Sweden and HMS has had an average growth of 30% year-on-year over the past ten years. HMS is listed on the NASDAQ OMX Nordic Exchange in Stockholm in the Small Cap, Information Technology sector.