

## **PRESS RELEASE**

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## HMS: Operations limited affected by the Japanese situation.

HMS Networks AB has been able to conclude that in spite of the catastrophic effects from the Japanese earthquake the direct effects on the supply of electrical components are limited and that these will probably not have an impact on the Company's ability to deliver on time.

HMS has eight people working at the Tokyo office in Japan. None of the employees suffered any injuries during the catastrophe. Since a week ago operations in the office continues on a normal levels as local infrastructure now is back in order. For 2010 sales on the Japanese market made up approximately 15 % of the HMS Groups total sales. The major part of HMS customers in Japan are large export oriented companies mainly located in the southern and in the western parts of Japan and consequently did not experience any direct effects from the earthquake. In the short term sales to Japanese customers is estimated to be somewhat lower than normal. Long term the Company still expects to reach a good sales growth on the Japanese market. HMS has concluded that the direct effects on the sourcing of electronic components are limited and the Company has secured relevant inventory levels through its supply chain. It is still difficult to estimate the impact from the indirect effects the catastrophe is expected to have on the raw material supply to manufacturers of electronic equipment supplying the world market and on the customers operations.

"We are relieved and very grateful that none of our employees suffered any injuries from the catastrophe. Our Japanese customers are really trying hard to get back to normal routines and our discussions' regarding new development projects continues. For the time being we have postponed visits to Japan for employees stationed outside the country. We will continue to follow the development on a daily basis both regarding the short- and long term supply of electronic components and our customers operations", says Staffan Dahlström, CEO HMS Networks AB

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HMS Networks AB (publ) is a world-leading supplier of communication technology for industrial automation. Sales amounted to SEK 345 million in 2010. 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, Denmark, India, UK, USA, Italy and France. HMS has 190 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. HMS is listed on NASDAQ-OMX Nordic Exchange in Stockholm in the category Small Cap, Information Technology.

