

hms networks

INTERIM REPORT 2013

JANUARY - SEPTEMBER 2013

First nine months

- ❑ Net sales for the first nine months increased with 27 % reaching SEK 375 m (295), corresponding to a 33 % increase in local currencies
- ❑ Operating profit reached SEK 73 m (57), equal to a 20 % (20) operating margin
- ❑ Order intake for the first nine months increased to SEK 384 m (325) corresponding to a 23 % increase in local currencies
- ❑ Cash flow from operating activities amounted to SEK 65 m (63)
- ❑ Profit after taxes totalled SEK 53 m (42) and result per share amounted to SEK 4.70 (3.78)
- ❑ During the period the acquired IXXAT Automation GmbH contributed to group net sales with SEK 78 m. The contribution to operating profit was SEK 8 m.
- ❑ Net sales for the last twelve months amounted to SEK 463 m (389) corresponding to a 24 % increase in local currencies. Operating result amounted to SEK 79 m (67) corresponding to a 17 % (17) operating margin

Third quarter

- ❑ Net sales for the third quarter reached SEK 140 m (99) corresponding to a 41 % increase. Operating result reached SEK 32 m (23)
- ❑ Order intake during the third quarter was SEK 125 m (95)



CEO comments

The quarter saw new record levels for HMS, both in terms of turnover and profit . We have begun to see increased market stability, but we have yet to see clear improvements when it comes to market demand. Consequently, the order intake for the quarter is not quite up to our expectations. Our Anybus® Embedded products continue to deliver and in Q3, we have seen an improvement in IXXAT® sales. Our new Netbiter® Remote Management brand continues to generate a lot of interest from the market but we have continued weak growth in sales of this new product.

IXXAT Automation, which was acquired earlier this year, performed well in the third quarter. We continue to see good opportunities for synergies in sales and product development in the coming years and we are already seeing the positive effects of our new joint sales organizations in North America and Central Europe for our three brands Anybus , IXXAT and Netbiter.

As previously reported, local sales in Japan continues to increase, but this balanced out by the weakened Japanese currency. The German and the U.S. market continue to be cautious but our customers are talking about improvement , although it is hard to determine this time.

During the third quarter, we have maintained a high production quality and a good ability to deliver. We also have a good product mix and internal improvement projects have contributed to an improved gross margin.

We can conclude that we see stable market conditions, but there is still no strong underlying growth in our markets.

We are working to balance our long-term growth strategy with a conservative approach to costs. At present, we see nothing which changes our view that the market for industrial communication and remote management will be growth areas in the future.

“ Synergies in sales and product development will benefit HMS in the coming years.

Staffan Dahlström
VD, HMS Networks AB

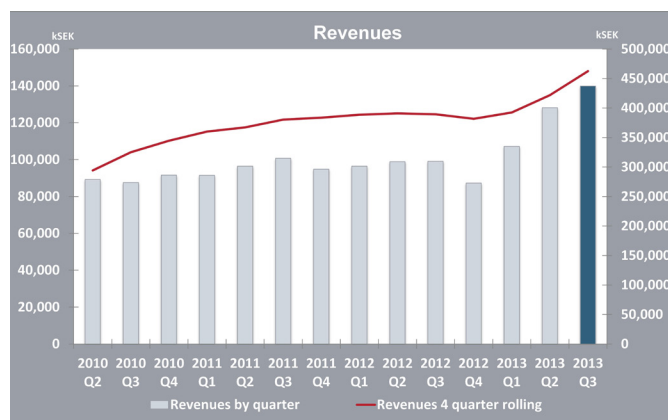


Quarterly data	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	2013	2013	2013	2012	2012	2012	2012	2011
Net sales (SEK m)	140	128	107	87	99	99	96	95
Order intake (SEK m)	125	140	119	100	95	113	116	83
Operating profit (SEK m)	32	27	14	6	23	20	14	10
Gross margin (%)	63.4	62.2	61.0	57.6	59.9	60.6	61.9	60.8
Operating margin (%)	23.0	21.3	12.8	7.2	23.4	20.2	14.9	10.5
Return on capital (%)	6.5	6.1	2.7	2.9	5.1	5.0	3.4	2.7
Earnings per share (SEK)	2.07	1.80	0.82	0.86	1.49	1.36	0.94	0.71
Equity per share (SEK)	32.21	30.41	31.17	30.21	29.43	28.23	27.74	26.77
Cash flow for operating activities per share (SEK)	2,90	1.41	1.40	1.67	2.23	2.63	0.73	0.25

Net sales

Net sales for the last twelve months amounted to SEK 462.7 m (389.4) corresponding to a 18.8 % increase. In total the revaluation of the Swedish currency in relation to the major HMS currencies had a SEK 19.1 m negative impact on net sales compared to the previous twelve month period. The order intake for the last four quarters amounted to SEK 483.6 m (407.4).

Net sales for the third quarter 2013 totalled to SEK 140.0 m (99.1), corresponding to a 41.3 % increase compared to the same quarter the previous year. Adjusted for a SEK 1.0 m negative currency effect the volume increase was 41.9 % in local currencies. The acquired company IXXAT contributed to net sales with SEK 33.9 m during the third quarter. Adjusted for the acquisition the increase in net sales during the third quarter was 7.1 %. Order intake increased with SEK 29.9 m to SEK 125.0 m (95.1), of which SEK 114.0 will be delivered during the upcoming twelve months. In local currencies order intake during the third quarter increased with 32.5 %.

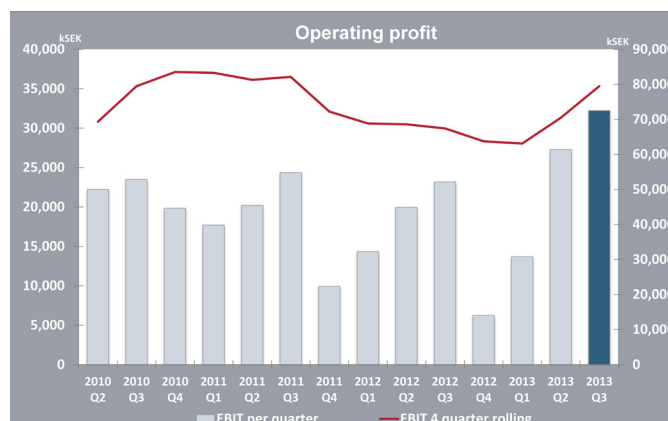


The graph shows turnover per quarter on the bars referring to the scale on the left axis. The line shows turnover for the latest 12 month period referring to the scale on the axis to the right.

Operating profit

Operating profit totalled to SEK 79.5 m (67.4) for the last four quarters, equivalent to an operating margin of 17.2 % (17.3). Currency effects had a SEK 11.4 m negative impact on the operating result compared to the previous year.

The operating profit for the third quarter 2013 totalled to SEK 32.2 m (23.2). During the third quarter the acquired group, including effects of SEK 1.7 m in depreciation on allocated overvalues, had a SEK 6.2 m positive impact on the Groups' operating result. On Group level changes in exchange rates had a SEK 1.2 m negative impact compared to the same period the previous year.



The graph shows operating result per quarter in the bars referring to the scale on the left axis. The line shows operating result for the last 12 month period referring to the scale on the axis to the right.

Tax

The tax charge for the first half-year was SEK 15.9 m (15.7). The tax charge for the current period has been calculated on the basis of the tax situation applying to the Group at present and the profit development of the reporting entities belonging to the Group.

Equity

The Group's equity amounted to SEK 364.7 m (333.3). The total number of shares at the end of the year was 11,322,400. The Group's equity/assets ratio amounted to 47.8 % (81.1). In connection with the share saving program initiated in 2013 HMS shares was purchased during the period.

Change in Group Equity (SEK 000s)	Sep 30 2013	Sep 30 2012	Dec 31 2012
Balance at 1 january	342,056	298,543	298,543
Total comprehensive income for the period	51,464	44,524	53,318
Repurchase of own shares	-3,895	0	0
Share-based payment	543	0	0
Issue of new shares through warrants	0	15,289	15,289
Dividends	-25,475	-25,094	-25,094
Closing balance	364,693	333,262	342,056

Currency effects

Assets and liabilities in foreign currencies are revaluated at closing date. Currency hedging contracts are revaluated at the date of closing and are also affecting the result on the date of expiration. Changes in book value due to revaluation of operating balance sheet items and currency hedging contracts are disclosed as other operating income and other operating expenses. Changes in book value related to assets in foreign currencies i.e. liquid funds, are disclosed as financial income and expenses. Net sales and expenses are affected by changes in exchange rates. This will have an impact on income and costs.

Net sales for the first half-year consist of 64 % in EURO, 25 % in USD, 6 % in Japanese Yen and 5 % in SEK and other currencies. Cost of goods sold consists of 51 % in EURO, 15 % in USD and 1 % in Japanese Yen. Operating expenses consists of 29 % in EURO, 9 % in USD, 4 % in Japanese Yen and 58 % of SEK and other currencies.

The Group applies a policy for currency hedging described in the annual report.

Cash flow, investments and financial position

Cash flow from operating activities in the first nine months 2013 amounted to SEK 64.7 m (62.9).

The investments in tangible assets for the nine month period totalled SEK 2.7 m (10.7). Investments in intangible assets for the period totalled SEK 40.1 m (19.5) and comprise internal development costs. The higher level of capitalized expenses is to the majority related to the development of new technology platforms i.e the new network chip NP40, the new technology platform supporting HMS Safety technology and the chip, brick, module concept. An investment in subsidiaries was SEK 258.4 m. The acquisition of IXXAT has generated a overvalue for the group of approximately SEK 255 m of which SEK 144 m is allocated on technology platforms, customers and brand name. The increase in goodwill from the acquisition was SEK 150 m. The annual depreciation on the purchase price allocated to technical platforms and customers is estimated to SEK 7 m. During the first nine months 2013 depreciation on purchase price allocated to assets was reflected with SEK 4.5 m in the income statement.

At the end of the period the cash equivalents totalled SEK 17.0 m (25.4) and unutilized credit facilities SEK 30.0 m. The Group's net debt amounted to SEK 244.3 m (-24.5). The groups long term debt is amortized with SEK 34.8 m annually. During the first nine months 2013 SEK 17.4 m was amortized. During the second quarter HMS distributed dividend payments to its shareholder equal to SEK 2.25 per share (2.25), in total SEK 25.5 m.

Important events

- ❑ Bosch Rexroth renews a volume commitment for Anybus products worth approximately 9 MSEK during 2013
- ❑ Crouzet chooses Netbiter for remote management of their Millennium 3 PLCs
- ❑ HMS acquires German company IXXAT Automation GmbH
- ❑ Frost & Sullivan awards HMS the 2013 New Product Innovation Award for the NP40 processor

Outlook

The HMS Group long term growth is supported by a continued inflow of design-wins, a broader product offering within the Gateway product family and Remote Management, supplementary technology platforms from IXXAT and an expansion of the HMS sales channels according to the existing strategy.

At present the global market for HMS products is expected to remain weak. The effects on the market for the HMS product offering is difficult to assess. The market for industrial communication and remote management will continue as a future growth area and HMS overall goals are unchanged: A long term average growth of 20 % per year and an operating margin above 20 %.

HMS Networks AB's share

HMS Networks AB (publ) is listed on the Nasdaq OMX Stockholm Small Cap list, in the Information Technology sector. The total number of shares amounted to 11,322,400.

The parent company

The Parent Company's operations are primarily focused on Group-wide management and financing. Apart from the Group's CEO, the Parent Company has no employees. The operating profit for the first nine months 2013 amounted to SEK 0.0 m (0.4). Cash and cash equivalents amounted to SEK 0.1 m (0.1) and borrowing amounted to SEK 0.0 m (0.0).



Short of the company

Strategies

Growth strategy - HMS's main focus is on organic growth. Expansion on existing markets will be through improved and extended product ranges, new technology, high level of service and new sales channels. A certain degree of growth can be through the selective acquisition of businesses that will be a valuable complement to the company's organic growth strategy.

Development strategy - The Company's core expertise is made up of an extensive understanding of industrial network communication. Based on this competence in combination with an extensive network of customers, suppliers and external partners the existing and new product offers and solutions are developed for the best possible customer benefits.

Product strategy - HMS markets four product lines, which to a certain degree are based on a common technical platform:

- ☐ Anybus Embedded – Embedded network interface cards
- ☐ Anybus Gateways – Communication translators between different networks
- ☐ IXXAT – Communication platforms for industrial machines and equipment
- ☐ Netbiter Remote Management – Remote monitoring and controlling of industrial devices

Production strategy - HMS maintains an in-house low-volume production of Anybus products in Halmstad. Volume production takes place in close partnership with subcontractors in Europe and Asia in order to achieve flexible costs and to make use of economies of scale.

Marketing strategy - The Anybus network interface cards are marketed and sold to players in industrial and infrastructure automation and Anybus Gateways to system integrators, machine manufacturers and end-users in industrial and infrastructure automation. IXXAT communication platforms are marketed and sold to machine builders of industrial applications, medical equipment and the automotive industry. Netbiter products are marketed and sold to a wide range of customers, from device manufacturers to owners of installations in need of remote management.

Sales strategy - Sales take place via the company's sales offices on defined key markets in 10 countries. Sales on the company's other markets, in some 50 countries, takes place via agents/ distributors.

Business model

HMS has designed its business models to fit each market and product line. For the Embedded market, most business is via framework agreements (i.e. design-wins). The sales cycle is relatively long and the design phase is performed in close cooperation with the customer. After that, there is steady revenue over a long period of time. For Gateways and Remote Management, the business model is more traditional, with a short business cycle and manufacturing based on customer orders. IXXAT uses a mix of the above mentioned business models. 5

HALMSTAD COVENTRY PUNE
GOTHENBURG BEIJING TOKYO
COPENHAGEN WEINGARTEN
KARLSRUHE CHICAGO PARIS
MILAN BOSTON MULHOUSE LA

Accounting policies

This report has been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34, for Interim Reporting. Amendments to existing standards, new interpretations and new standards that came into effect as of January 1, 2013 did not affect the Groups reporting as of September 30, 2013.

As of the first quarter 2012 customer orders related to development projects including future volume commitments and blanket agreements with estimated future volumes, are included in the period's order intake. As clarification, information about which part of the order intake that will be shipped during the following twelve months is disclosed.

HMS continues to apply the same accounting principles and valuation methods as those described in the most recent Annual Report. The parent company report is prepared in accordance with RFR 2, accounting for legal entities, and the Swedish Annual Accounts Act and accounting principles and the valuation methods as those described in the most recent Annual Report.

Risk management

The HMS Group is exposed to business and financial risks through its operations. These risks have been described at length in the Company's annual report 2012. In addition to the risks described in these documents, no additional significant risks have been identified.

Nomination committee

In accordance with principles adopted at HMS 2012 annual general meeting, the following persons have been assigned to be a part of the Nomination Committee: Jan Svensson, Investment AB Latour, representing 27 % of the shares, Staffan Dahlström representing 14 % of the shares, Evert Carlsson, Swedbank Robur Fonder AB representing 10 % of the shares and Urban Jansson, Chairman of the Board. The Nomination Committee has appointed Jan Svensson as its Chairman.

Shareholders who wish to present proposals to HMS's Nomination Committee may do so by e-mail to: valberedning@hms.se or in writing to: HMS Networks AB, Investors Relations, Att: Nomination Committee, Box 4126, SE 300 04 Halmstad, Sweden no later than February 1, 2013.

Reporting occasions

- ☐ Year-end Report 2013 will be published on February 7, 2014
- ☐ First quarter report 2014 will be presented on April 24, 2014
- ☐ Annual General Meeting will be held on April 25, 2014
- ☐ Half year report will be presented on July 16, 2014
- ☐ Third quarter report will be presented on Oktober 28, 2014

Halmstad October 28, 2013

Staffan Dahlström
Chief Executive Officer

Further information can be obtained from:
CEO Staffan Dahlström, telephone +46 (0) 35-17 29 01 or
CFO Gunnar Högberg, telephone +46 (0) 35-17 29 95

Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 January 2013 to 30 September 2013 for HMS Networks AB (publ). 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.

Halmstad October 28, 2013
PricewaterhouseCoopers

Olof Enerbäck
Authorised Public Accountant

Financial accounts

	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012	Q4 2012- Q3 2013
Net increase in revenue (%)	41.2	-1.6	27.4	2.0	-0.5	18.8
Gross margin (%)	63.4	59.9	62.3	60.8	60.1	61.3
Operating margin EBIT (%)	23.0	23.4	19.5	19.5	16.7	17.2
EBITDA (SEK t)	37,137	26,026	86,988	65,529	74,620	96,079
EBITDA (%)*	26.5	26.3	20.8	22.2	19.5	20.8
Return on capital employed (%)*	17.7	21.4	17.7	21.4	19.7	17.7
Return on total equity (%)*	18.0	16.2	18.0	16.2	16.3	18.0
Working capital in relation to sales (%)*	5.1	8.9	5.1	8.9	9.2	5.1
Capital turnover rate	0.79	0.97	0.79	0.97	0.94	0.79
Debt/equity ratio	0.57	-0.07	0.57	-0.07	-0.09	0.43
Equity/assets ratio (%)	47.8	81.1	46.4	81.1	81.9	51.9
Capital expenditure in property, plant and equipment (SEK 000s)	963	1,273	2,666	10,679	12,202	4,094
Capital expenditure in intangible fixed assets (SEK 000s)	9,560	7,645	40,080	19,464	30,108	51,325
Depreciation of property, plant and equipment (SEK 000s)	-1,868	-1,640	-5,479	-4,606	-6,240	-7,093
Amortisation of intangible fixed assets (SEK 000s)	-3,042	-1,200	-8,296	-3,514	-4,553	-9,525
Number of employees (average)	344	240	343	238	241	320
Revenue per employee (SEK m)*	1.3	1.6	1.3	1.6	1.6	1.4
Total equity per share, SEK	32.21	29.43	31.27	29.43	30.21	32.21
Total equity per share, diluted, SEK	32.21	29.43	31.27	29.43	30.21	32.21
Cash flow from operations per share before dilution, SEK	2.90	2.23	5.71	5.60	7.27	7.38
Cash flow from operations per share after dilution, SEK	2.90	2.23	5.71	5.60	7.27	7.38
Basic number of shares, average, thousands	11,322	11,322	11,322	11,228	11,252	11,322
Number of shares, diluted average, thousands	11,322	11,322	11,322	11,232	11,254	11,322

* The key ratio has been translated into 12 months rolling value when applicable.

Income statements

(SEK 000s)	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012	Q4 2012- Q3 2013
Revenue	139,967	99,144	375,387	294,539	381,804	462,654
Cost of goods and services sold	-51,262	-39,762	-141,527	-115,437	-152,433	-179,228
Gross profit	88,705	59,382	233,859	179,102	229,371	283,423
Sales and marketing costs	-30,124	-23,343	-91,546	-74,109	-105,962	-122,694
Administrative expenses	-10,777	-7,610	-34,882	-25,343	-32,997	-42,536
Research and development costs	-14,038	-5,385	-35,229	-21,192	-26,476	-40,514
Other operating income	0	2,252	2,639	2,794	3,960	4,137
Other costs	-1,539	-2,110	-1,610	-3,773	-4,169	-2,338
Operating profit	32,226	23,186	73,232	57,478	63,726	79,479
Financial income	0	35	0	1,209	1,926	1,995
Financial costs	-1,748	-122	-4,135	-491	-456	-5,377
Profit before tax	30,479	23,100	69,097	58,196	65,197	76,098
Tax	-7,010	-6,237	-15,893	-15,713	-13,024	-13,203
Profit for the period	23,469	16,863	53,205	42,483	52,173	62,895
Basic earnings per share, SEK	2.07	1.49	4.70	3.78	4.64	5.55
Earnings per share, diluted, SEK	2.07	1.49	4.70	3.78	4.64	5.55

Statements of comprehensive income

(SEK 000s)	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012	Q4 2012- Q3 2013
Profit for the period	23,469	16,863	53,205	42,483	52,173	62,895
Other comprehensive income						
Income/expense recognized directly in equity						
Cash flow hedges	660	297	-2,589	3,344	2,205	-3,728
Translation differences	-1,981	-295	1,535	-424	-480	1,479
Hedging of net investments	2,596	0	-1,611	0	0	-1,611
Income tax relating to components of other comprehensive income	-716	-78	924	-880	-580	1,224
Other comprehensive income for the period, net of tax	559	-75	-1,741	2,041	1,145	-2,636
Total comprehensive income for the period	24,028	16,787	51,464	44,524	53,318	60,259

Balance Sheets

(SEK 000s)	Sep 30 2013	Sep 30 2012	Dec 31 2012
ASSETS			
Goodwill	386,218	236,071	236,071
Other intangible assets	225,712	38,894	48,910
Property, plant and equipment	19,785	21,321	21,106
Deferred tax assets	715	726	852
Total fixed assets	632,430	297,012	306,939
Inventories	35,015	25,783	26,843
Trade and other receivables	61,543	45,815	35,501
Other current receivables	16,669	16,679	16,845
Cash and cash equivalents	16,953	25,367	31,487
Total current assets	130,180	113,734	110,676
TOTAL ASSETS	762,610	410,746	417,615
EQUITY AND LIABILITIES			
Equity	364,693	333,262	342,056
Liabilities			
Non-current liabilities	226,518	859	787
Deferred income tax liabilities	67,508	25,696	23,168
Total non-current liabilities	294,026	26,555	23,955
Trade payables	28,986	23,350	25,462
Other current liabilities	74,905	27,579	26,142
Total current liabilities	103,891	50,929	51,604
TOTAL EQUITY AND LIABILITIES	762,610	410,746	417,615

Cash flow statements

(SEK 000s)	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012	Q4 2012- Q3 2013
Cash flow from operating activities before changes in working capital	35,863	24,346	63,446	56,053	65,257	72,650
Cash flow from changes in working capital	-3,060	953	1,191	6,808	16,523	10,906
Cash flow from operating activities	32,803	25,299	64,657	62,861	81,780	83,556
Cash flow from investing activities	-9,987	-8,919	-267,987	-30,144	-42,944	-280,787
Cash flow from financing activities	-15,321	-16,618	188,816	-33,923	-33,923	188,817
Cash flow for the period	7,495	-238	-14,534	-1,206	4,913	-8,414
Cash and cash equivalents at beginning of the period	9,458	25,605	31,487	26,573	26,573	25,367
Cash and cash equivalents at end of period	16,953	25,367	16,953	25,367	31,486	16,953

Förändringar av korta fordringar/skulder hänförliga till derivatinstrument redovisas i sin helhet som kassaflöde från den löpande verksamheten före förändringar av rörelsekapital.

Quarterly data

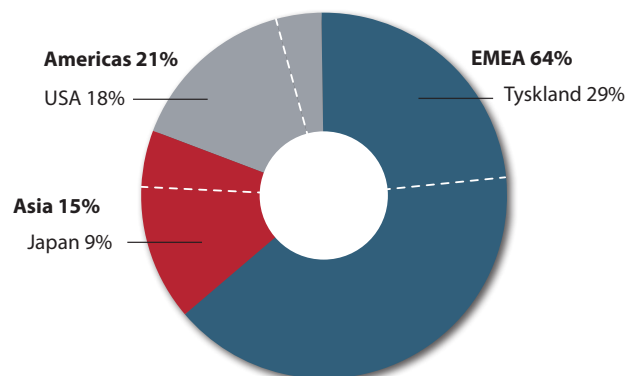
Revenue, per, region (SEK,000s)	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010
EMEA	89,455	82,481	69,182	52,971	60,049	59,169	60,387	55,876	64,900	61,757	60,379	55,109
Americas	30,592	26,439	22,480	19,686	22,687	20,813	20,429	20,330	18,844	17,418	17,167	19,354
Asia	19,920	19,285	15,553	14,608	16,408	18,920	15,677	18,642	16,976	17,322	13,981	17,184
Income, statement, (SEK,000s)	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010
Revenue, (SEK, m)	139,967	128,205	107,215	87,265	99,144	98,902	96,493	94,848	100,720	96,498	91,527	91,647
Gross, profit	88,704	79,709	65,446	50,269	59,382	59,953	59,766	57,686	61,062	59,193	54,552	55,385
Gross, margin	63.4%	62.2%	61.0%	57.6%	59.9%	60.6%	61.9%	60.8%	60.6%	61.3%	59.6%	60.4%
Operating, profit	32,226	27,260	13,745	6,248	23,186	19,953	14,338	9,925	24,360	20,224	17,704	19,848
Operating, margin	23.0%	21.3%	12.8%	7.2%	23.4%	20.2%	14.9%	10.5%	24.2%	21.0%	19.3%	21.7%
Profit, before, tax	30,479	26,919	11,699	7,001	23,100	20,810	14,286	10,715	25,544	20,536	16,973	20,231

Sales

Sales by geographical area for the first nine months 2013 are presented in the graph to the right.

Embedded products reached 55 % of the Group's total sales, IXXAT products 21 %, Gateway products 19 % and Remote Management amounted to 3 %.

All product groups are based on a common technology platform and are marketed and sold in the common sales channels. Therefore, no complete segment reporting is disclosed.



Parent company income statements

(SEK 000s)	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012	Q4 2012- Q3 2013
Revenue	1,590	1,878	5,651	6,247	7,995	7,399
Cost of sales and services	0	0	0	0	0	0
Gross profit	1,590	1,878	5,651	6,247	7,995	7,399
Administrative expenses	-1,590	-1,785	-5,662	-5,892	-7,642	-7,412
Operating profit	0	93	-11	355	353	-13
Interest expense, dividends and similar items	50,000	-93	50,011	-355	-353	50,013
Profit before tax	50,000	0	50,000	0	0	0
Tax	0	0	0	0	-7	-7
Profit for the period	50,000	0	50,000	0	-7	49,993

Parent company balance sheets

(SEK 000s)	Sep 30 2013	Sep 30 2012	Dec 31 2012
ASSETS			
Financial fixed assets	244,039	244,039	244,039
Total financial fixed assets	244,039	244,039	244,039
Other receivables	371	419	955
Cash and cash equivalents	126	143	684
Total current assets	497	562	1,639
TOTAL ASSETS	244,536	244,601	245,678
EQUITY AND LIABILITIES			
Equity	143,915	123,292	123,285
Untaxed reserves	8	8	8
Liabilities			
Non-current liabilities	0	0	0
Trade payables	24	122	1,277
Liabilities to Group companies	98,597	119,154	120,073
Other current liabilities	1,992	2,025	1,035
Total current liabilities	100,613	121,301	122,385
TOTAL EQITY AND LIABILITIES	244,536	244,601	245,678

Definitions

Return on shareholders' equity

Share of profit after tax attributable to the parent company's shareholders in relation to the average shareholders' equity excluding non-controlling interests.

Return on capital employed

Share of the profit after financial income in relation to the average capital employed.

Capital employed

Total assets less non interest bearing current liabilities and provisions, as well as total deferred tax liabilities.

Capital turnover rate

Operating income in relation to total assets.

Earnings per share

Share of the profit after tax attributable to the parent company's shareholders in relation to the average number of outstanding shares.

Earnings per share after dilution

Share of the profit after tax attributable to the parent company's shareholders in relation to the average number of outstanding shares with addition for the average number of shares that are added when converting the outstanding number of convertible securities and options.

Working capital

Current assets less cash equivalents and current liabilities.

Operating margin

Operating income in relation to net sales.

Equity/assets ratio

Shareholders' equity in relation to total assets.

Net debt

Long-term and current financial liabilities less financial assets.

Net debt/equity ratio

Net debt in relation to shareholders' equity including non-controlling interests.

Total equity per share

Total equity attributable to the parent company's shareholders in relation to total outstanding shares by the end of the period.



HMS Industrial Networks is the leading independent supplier of products for industrial communication including remote management. HMS develops and manufactures solutions for connecting automation devices and systems to industrial networks under the Netbiter, Anybus and IXXAT brands.

Development and manufacturing take place at the headquarters in Halmstad, Sweden and in Weingarten, Germany. Local sales and support are handled by branch offices in China, Denmark, France, Germany, India, Italy, Japan, UK, and USA. HMS employs over 350 people and reported sales of 58 million EUR in 2012. HMS is listed on the NASDAQ OMX in Stockholm.

Our vision

“All industrial devices will be intelligent and networked. We shall be the market leading partner in the world of industrial communication”

Our purpose

“To create long term value for our customers, employees and investors”.

Our mission

“We provide reliable, flexible and easy-to-use communication and remote management solutions to the world of industrial communication”

HMS Networks AB (publ)
Org.Nr. 556661-8954
Box 4126 | 300 04 Halmstad | Sweden
Tel: +46 35 172 900 Fax: +46 35 172 909
<http://investors.hms.se>



Anybus®

IXXAT /

netbiter®