

## PRESS RELEASE

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### Cautious attitude by customers resulted in a weak ending of the year

**As previously communicated HMS has noted a weak market during the end of the year and that customers are becoming more cautious under the uncertain conditions. This weakening was noticeable during the last month of the year and resulted in a weak fourth quarter.**

Based on preliminary information net sales for 2012 reached SEK 382 m (384). Net sales for the fourth quarter were approximately SEK 87 m (95). The expansion during the previous year's increasing the company's sales- and development resources have affected operating expenses. Based on a preliminary assessment HMS operating margin for the fourth quarter will be approximately 7 % (11) and approximately 17 % (19) for the full year 2012. At the same time it can be noted that order intake during the fourth quarter reached approximately SEK 100 m (83) and that order intake at the beginning of 2013 is consistently on a good level.

"During the latter part of 2012 we have seen a continued weak order intake on several markets. The uncertain development on the market made our existing customers take a more cautious position. During the month of December we could see an unexpected weak sales volume which together with an unfavorable customer mix and currency effects affected the gross margin negatively. HMS still has a good inflow of design wins and new customizations of our existing technology to leading actors in the market. The effect on sales from this will occur during the latter part of 2013 and forward. We can conclude that order intake during the fourth quarter reached approximately SEK 100 m corresponding to a 20% increase compared to the same period the previous year." says CEO Staffan Dahlström

The uncertainty on the Japanese market continues in the near future. In German the market is cautious but we do see positive signals at the beginning of the new year. The US market continues to develop relatively positive but weaker than previously expected.

The Company's yearend report will be presented on February 7, 2013

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**HMS Networks AB (publ)** is a world-leading supplier of communication technology for industrial automation. Sales for the last twelve months totaled SEK 380 million. Over 90% of these sales were to customers located outside Sweden. All product development and parts of the manufacturing are performed at the head office in Halmstad. Sales offices are located in Tokyo, Beijing, Karlsruhe, Chicago, Milan, Mulhouse, Pune, Coventry and Copenhagen. HMS has 240 employees and produces network interface cards and Gateways to interconnect different networks under the trademark Anybus® and products for remote management under the trademark Netbiter®. HMS is listed on NASDAQ-OMX Nordic Exchange in Stockholm in the category Small Cap, Information Technology.