



Lindab Group

David Brodetsky – CEO

January 2011





- **Lindab – built on a solid foundation**
- **A streamlined business**
- **A focused strategy towards growth**
- **Looking forward**



Extensive product portfolio

Simplifying construction for our customers
Market leaders in our core products

Energy efficiency, high quality and
high delivery accuracy

Ventilation duct
systems



Building
components

Indoor climate
systems



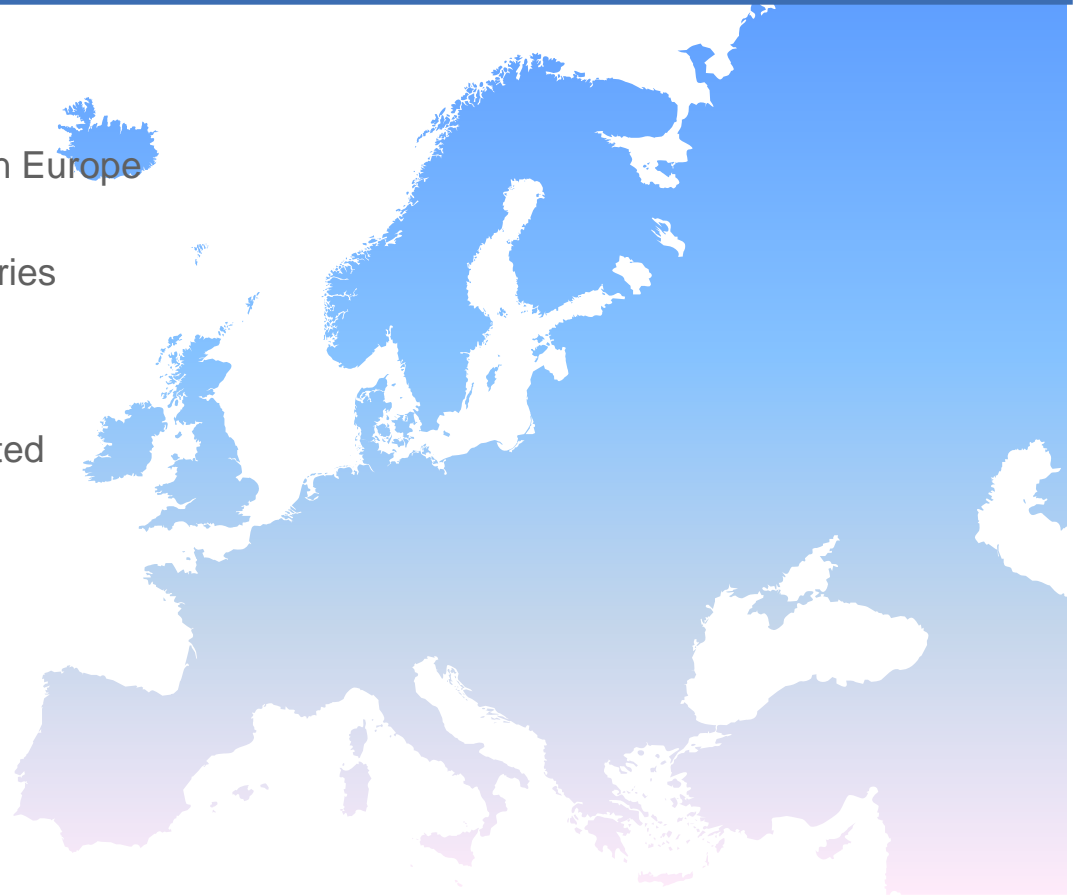
Pre-engineered
buildings



Strong geographical footprint

Extensive coverage throughout Europe and well positioned for growth

- Leading distribution network
 - Early establishment in Eastern Europe
 - More than 110 own branches
 - 20,000 customers in 60 countries
- “Best in class” production
 - 1/3 centralised highly automated
 - 1/3 low cost countries
 - 1/3 local production
 - Production facility in Russia

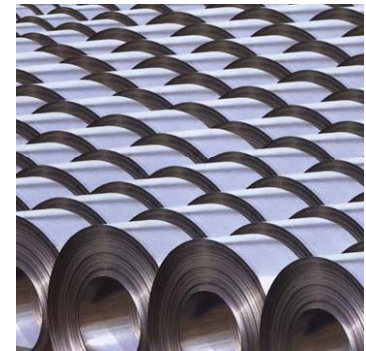




Solid purchasing and pricing power

Size matters in pricing and sourcing and is key to margin resilience

- Acquires approx. 180,000 tons of steel per year
 - Approx. 35% of costs of goods sold
- Large volumes and centralised steel purchasing unit create advantage
 - Direct access to mills
 - Geographic spread
- Ability to pass on higher steel prices to customers

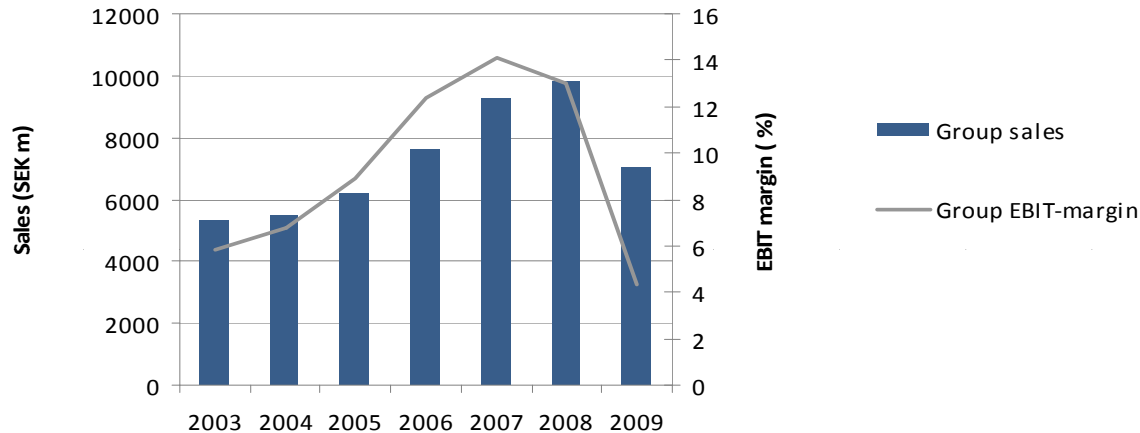




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A good track record... Strongly impacted by the downturn...



- Excellent development previous cycle – sales and margins
- Building segment strongly impacted by the recession



... but decisive actions have been taken

To strengthen the business both operationally and financially

- Fixed cost savings of SEK 560 m annually, including headcount reduction of 1000 (compared to 2008)
 - Approximately half savings expected to be permanent
- Improved and secured financing:
 - Reduced working capital by approx. SEK 700 m during the downturn
 - Sale & leaseback in Luxemburg, generating SEK 285 m cash
 - Secured long term financing through a credit agreement with Nordea and Handelsbanken (Total credit limit SEK 3.5 bn)



An improved operational structure

A better manufacturing footprint

- Improved production efficiency
 - 2009: Transfer of Building Components production from Edsvära to Förslöv, Sweden
 - 2009: Consolidated Building Systems CEE production in Czech Republic and closed plant in Nyiregyhaza, Hungary
 - 2010: Closed Ventilation manufacturing operations in Texas, USA
 - 2011: Extension of Ventilation low cost production in Czech Rep. planned for Q2
- Committed increased resources to growth markets
 - 2009: Building Systems production start up in Yaroslavl, Russia



A solid financial position

Target to retain high degree of flexibility and finance future acquisitions

- | | |
|---|-------------|
| • Unused credit facilities as of September 30, 2010 | SEK 1,577 m |
| • Total equity as of September 30, 2010 | SEK 2,882 m |
| • Net debt as of September 30, 2010 | SEK 2,104 m |
| • Gearing (net debt/equity ratio, times) | 0.7 |
-
- | | |
|-----------------------|---------------------------|
| • Cash usage: | |
| – Dividend | 40-50% of net profit |
| – Capital expenditure | In line with depreciation |
| – Acquisitions | To come... |



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The vision of the company leading the way

“To be the preferred partner for building professionals in our core products Europewide”

Focus areas of updated strategy

- Distribution
- Core products
- Core and growth markets

Lindab's core values builds the foundation
“Down to earth” “Simplified construction” Neatness and order”



A focused strategy

Based on strengths and competitive edge, focusing our effort and investments “where we make the most money” and “in the largest growth potential segments”

Focus on:	Distribution	Core products	Core & growth markets
Ventilation	<ul style="list-style-type: none"> • Build separate organisation • Grow own distribution in priority markets 	<ul style="list-style-type: none"> • Air duct fittings • Step change growth in Comfort 	<ul style="list-style-type: none"> • Europe • Russia
Building Components	<ul style="list-style-type: none"> • Improve coverage in CEE • Merchant channel strategy in the Nordics 	<ul style="list-style-type: none"> • Residential offering 	<ul style="list-style-type: none"> • Residential - Europe & Russia • Industrial - in core markets
Building Systems	<ul style="list-style-type: none"> • Focus on direct sales in Russia • Increase Builder dealer coverage 	<ul style="list-style-type: none"> • Large industrial buildings • Add a lower cost concept for small buildings 	<ul style="list-style-type: none"> • Europe • Russia/CIS



Raising the bar with new financial targets

Financial target	Old target	New target*	Comment
Growth	6 %	8 %	<ul style="list-style-type: none"> • Focus on higher growth regions, particularly Russia • Focus on our most competitive products • Accelerating environmental trend • Starting from a low level
EBIT	14 % Under good economic conditions		<ul style="list-style-type: none"> • Strong operating leverage • Mix change towards more profitable products • Potential upside in Ventilation
Gearing	1.0-1.4	0.8-1.2	<ul style="list-style-type: none"> • In line with levels over the past few years (excl. acquisitions)
Dividend	40-50% of net profit		<ul style="list-style-type: none"> • In line with levels in 2007 & 2008 • Long-term financial needs will always be taken into consideration

* Announced in June 2010



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Looking at market drivers

Market segments	Group's exposure	Exposure business areas	Market drivers	Euroconstruct forecasts for 19 countries (Dec 2010)
Non-residential	80%	Ventilation 90% Building Components 55% Building Systems 100%	GDP growth Capacity utilisation Office vacancy rates Credit conditions Business confidence Public spending Energy trends	Bottom out in 2011 (-1.2%) and then slow recovery Some markets grow in second half 2011
Residential	20%	Ventilation 10% Building Components 45% Building Systems 0%	GDP growth Renovation incentives Housing permits/starts Consumer confidence Credit availability Energy trends	Recovery started in 2010 2011 growth est. 1.9% Stronger recovery expected in Nordics



Q4 2010 comments

Top line development

- Prior trend: Residential market recovery in 2010, main impact is Building Components.
- Prior trend: Non-residential market, showing weak but stable demand overall
- Building Systems benefit from improved orders in Russia in summer 2010
- Tough winter conditions affecting sales

Cost development

- No major changes expected in steel prices during in the fourth quarter

Take into account

- Seasonal effects
- Currency effects - strong Swedish krona



CEO market outlook comment

“The market outlook is unchanged. We expect the residential segment to continue to confirm its recovery, particularly in the Nordic region. The non-residential market, on the other hand, remains stable overall.”

Euroconstruct forecast that non-residential will remain challenging in 2011 and will only start a recovery in some markets in the second half of 2011.

Another short term factor is the weather. Last year’s harsh winter had a negative effect on our sales in the first quarter of 2010 on top of Lindab’s usual seasonality, and the winter weather started earlier this year.”



Summary – Well positioned for growth

Build on a solid foundation

- Extensive product portfolio with leading market positions
- Strong geographical footprint
- Solid purchasing and pricing power securing the margins

Streamlined during the financial crisis

- Efficient operational structure creating strong operational leverage
- Strong financial position with ample room for growth initiatives

Focused strategy in place

- Focus on distribution, core products, core and growth markets
- Focusing “where we make the most money” and “in the largest growth potential segments”

Towards a strong future

- Long term trends towards Lindab products
- Strong energy savings trend in the market
- Well positioned to benefit from the fast growing Russian/CIS markets



We simplify construction

