



# Year-End Report 2012

## Fourth Quarter 2012

- Sales revenue decreased by 10 percent to SEK 1,667 m (1,855), a decrease of 12 percent when adjusted for currency and structure.
- Operating profit (EBIT) amounted to SEK 105 m (107), excluding one-off items of SEK –65 m (–42).
- The operating margin (EBIT), excluding one-off items, amounted to 6.3 percent (5.8).
- After tax profit totalled SEK 2 m (–5).
- Earnings per share amounted to SEK 0.03 (–0.07).
- Cash flow from operating activities amounted to SEK 192 m (252).
- The target of the cost reduction programme (SEK 150 m annually) has been surpassed and the programme extended to SEK 300 m.
- Anders Berg, new President and CEO will take office on 18 March 2013.

## January-December 2012

- Sales revenue decreased by 3 percent to SEK 6,656 m (6,878), a decrease of 5 percent when adjusted for currency and structure.
- Operating profit (EBIT) amounted to SEK 460 m (407), excluding one-off items of SEK –126 m (–59).
- The operating margin (EBIT), excluding one-off items, amounted to 6.9 percent (5.9).
- The after-tax result amounted to SEK 122 m (91).
- Earnings per share amounted to SEK 1.61 (1.21).
- Cash flow from operating activities amounted to SEK 222 m (345).
- Zero dividend proposed (SEK 1.00).

## Improved margins despite a weak market

Lindab once again reports an improved EBIT margin, in spite of tough market conditions.

Demand weakened further in the fourth quarter and together with an additional impact coming from the severe winter weather conditions in December resulted in an organic sales decline for the period. However, the EBIT margin compares favourably with last year due to the increasing impact of the cost and efficiency programme.

The cost and efficiency programme has been extended due to the weakening markets and is now expected to generate savings of SEK 300 m before sales activities and inflation, which is double

the previously reported target. The majority of actions have already been implemented or initiated and the full impact will be in place from the third quarter 2013.

In addition to our cost and efficiency programme, we will have a clear focus on improving profitability through increased volumes. We will achieve this through reinforcing our distribution and taking advantage of our strong brand, our market-leading position and our high quality products.

By intensifying our efforts to increase volumes and take market shares, we will also increase capacity utilisation of our production units and further increase profitability.

Kjell Nilsson, Grevie, February 2013



## Significant events during the quarter

- Cost reduction programme extended to SEK 300 m annually.
- New Board and new Chairman of the Board.

## Sales and markets

Sales revenue during the fourth quarter amounted to SEK 1,667 m (1,855), which is a decrease of 10 percent compared with the fourth quarter of 2011. Adjusted for currency and structure the decrease was 12 percent.

The negative sales trend during the quarter is mainly due to continued weakening demand in the majority of European markets. This has been compounded by the harsh winter weather that was experienced in many European markets during December. All three business areas are now indicating reduced sales compared with the corresponding period the previous year.

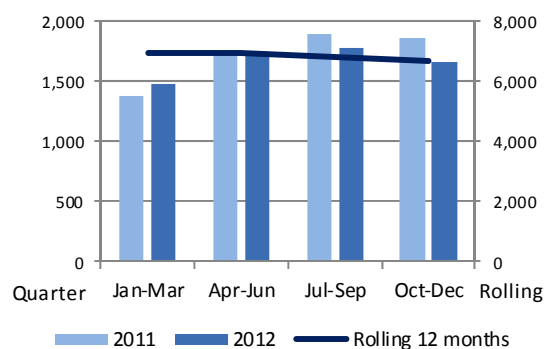
Sales in the Nordic region, which is Lindab's biggest market, fell by 15 percent during the quarter when adjusted for currency and structure. All Nordic markets are showing negative sales trends. Sales in Sweden, which is Lindab's largest market, have decreased mainly due to falling demand as well as the severe winter, while the comparable quarter last year performed strongly.

Sales in Western Europe decreased by 4 percent adjusted for currency and structure. The majority of markets in Western Europe are showing negative sales trends.

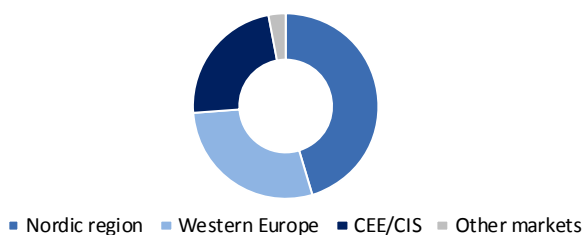
Sales in the CEE/CIS decreased by 15 percent adjusted for currency and structure; however sales in Lindab's largest markets in the region of Russia were unchanged.

Sales for the period January–December amounted to SEK 6,656 m (6,878), which is a decrease of 3 percent compared with the corresponding period the previous year. Adjusted for currency and structure the decrease amounted to 5 percent. Completed acquisitions and divestments combined have increased net sales by 3 percent.

SALES REVENUE, SEK m



BREAKDOWN OF SALES REVENUE BY MARKET, LAST 12 MONTHS, %



## Profit

Operating profit (EBIT) for the fourth quarter amounted to SEK 105 m (107), excluding one-off items of SEK –65 m (–42), see note 6.

Operating profit for the quarter decreased slightly compared with the corresponding period the previous year. The slight decrease in profit is due to lower volumes, which have been largely offset by implemented cost and efficiency activities and this has given rise to the operating margin (EBIT), excluding one off items, having increased to 6.3 percent (5.8). The profit for the quarter has been affected somewhat positively by a full-year effect generated by a reduction in rental costs for one of Lindab's central production facilities commencing from the start of 2012.

The cost reduction programme that was announced at the start of 2012 has generated a positive impact on profit during the quarter. The programme has been successful and because some markets have experienced weaker demand than expected, additional savings measures have been implemented, meaning that the total cost savings are now higher than planned when the programme was first announced.

The quarter has been affected by one-off costs of SEK 65 m (42), whereof SEK 38 m attributable to structural measures as part of the cost reduction programme. The severance costs for the President and CEO, estimated at SEK 27 m, are also included in the one-off items, see note 6.

The pre-tax result for the quarter amounted to SEK 6 m (22). The after-tax result amounted to SEK 2 m (–5). Earnings per share amounted to SEK 0.03 (–0.07). The average share price during the fourth quarter of 2012 has been lower than the conversion rates in the incentive programmes, therefore no dilutive effects have occurred.

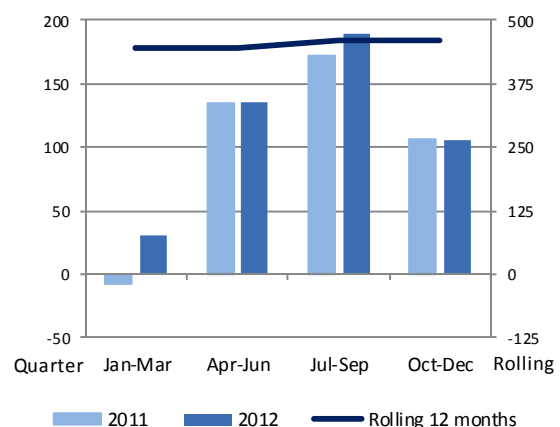
The operating profit (EBIT) for the period January–December, excluding one-off items, amounted to SEK 460 m, which is an increase of 13 percent compared with the previous year's profit of SEK 407 m.

The operating margin (EBIT) for the same period, excluding one-off items, amounted to 6.9 percent (5.9).

The pre-tax result for the period January–December amounted to SEK 178 m (186). The after-tax result amounted to SEK 122 m (91). Earnings per share amounted to SEK 1.61 (1.21).

The profit for the period January–December has been affected by one-off costs totalling SEK –126 m (–59). These are explained by structural measures as part of the cost reduction programme, costs related to the change of President and CEO, as well as transaction costs for the acquisition of subsidiaries, see note 6.

OPERATING PROFIT (EBIT), SEK m  
(Adjusted for one-off items)





#### BREAKDOWN OF OPERATING PROFIT (EBIT) BY BUSINESS AREA (Adjusted for one-off items), LAST 12 MONTHS, %



■ Ventilation ■ Building Components ■ Building Systems

### Cost reduction programme

On 10 January 2012, a cost reduction programme was announced that was estimated to save approximately SEK 150 m each year, before inflation, acquisitions and sales activities.

Due to the continued weakening demand, additional cost reduction activities have been decided. The additional measures together with the original programme will generate annual savings of SEK 300 m. After inflation and sales activities, this will generate annual savings of approximately SEK 200 m. Full effect of the savings is expected from the third quarter of 2013.

Activities that were initiated during the quarter have resulted in one-off costs totalling SEK 38 m. The one-off costs for the programme booked in 2012 amount to SEK 92 m, see note 6.

Total one-off costs for the full extended programme are estimated at approximately SEK 170 m, meaning that approximately SEK 60 m remain to be booked in 2013.

### Seasonal variations

Lindab's operations are affected by seasonal variations in the construction industry, and the greatest proportion of sales is normally seen during the second half of the year. The most substantial seasonal variations are to be found within the Building Components and Building Systems business areas. The Ventilation business area is less dependent on seasons and the weather since the installation of ventilation systems is mainly carried out indoors.

There is normally a deliberate stock build-up of mainly finished goods during the first six months, which gradually becomes a stock reduction during the second half of the year as a result of increased activity within the construction market

### Depreciation/amortisation and write-downs

The depreciation for the quarter is in line with last year, amounting to SEK 44 m (45). The depreciation for the period January–December amounted to SEK 156 m (163) and relates to tangible fixed assets.

### Tax

Tax expenses for the quarter amounted to SEK 4 m (27). The pre-tax result amounted to SEK 6 m (22). The actual tax rate for the quarter was 67 percent (123). The average tax rate was 59 percent (17). Tax for the quarter and the actual tax rate have been positively affected by SEK 11 m due to a conversion of the deferred tax assets and liabilities in Sweden to the new tax rate of 22 percent, and negatively by the SEK 14 m reversal of deferred taxes on loss carry-forwards. Last year, deferred tax on loss carry-forwards was reversed by SEK 19 m.

Tax expenses for the period January–December were SEK 56 m (95). The actual tax rate for the quarter was 31 percent (51). The average tax rate was 19 percent (25).

The average tax rate is based on a weighting of Lindab's profit and tax rate in each country. The discrepancies between the actual and

the average tax rates are due to differences between taxable profit and profit before tax (EBT), and because deferred tax assets on loss carry-forwards have not been capitalised in certain subsidiaries because of prevailing market uncertainty. In addition, the effective tax rate is only affected by direct adjustments to tax assets and liabilities, such as adjustments to new tax rates and the amortisation of previously capitalised tax assets.

### Cash flow

Cash flow from operating activities amounted to SEK 192 m for the fourth quarter compared with SEK 252 m for the same period the previous year. The decrease was due to lower cash flow from operating activities before changes in working capital of SEK 32 m (90). Operating profit amounted to SEK 40 m compared with SEK 65 m for the corresponding period last year, which is mainly explained by higher one-off items for the period. Reversed items not affecting cash flow decreased by SEK 7 m compared to the previous year. The decrease in items not affecting cash flow is mainly due to lower unrealised exchange rate differences as well as larger changes in provisions. Paid taxes of SEK –41 m (–9), have also contributed to the decrease, while net tax assets compared to the same period the previous year are higher. The change in working capital contributed positively with SEK 160 m, which is in line with last year.

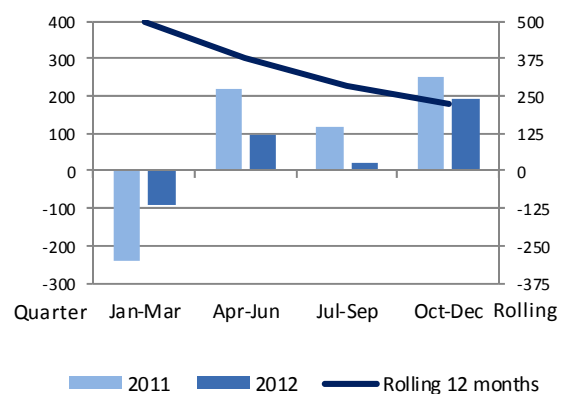
For the period January–December, cash flow from operating activities amounted to SEK 222 m (345). The decrease was partly due to lower cash flow from operating activities before changes in working capital of SEK 246 m (304). Operating profit amounted to SEK 334 m compared with SEK 348 m for the corresponding period last year, which is explained by higher one-off items for the period. Reversed items not affecting cash flow decreased by SEK 26 m compared to last year. The decrease in items not affecting cash flow is mainly due to lower unrealised exchange rate differences as well as larger changes in provisions. Paid taxes of SEK –125 m (–71) have also contributed to the decrease, while net tax assets compared to the same period the previous year are higher. The change in working capital had a negative impact of SEK –24 m (41).

Cash flow from investing activities is reported under the headings "Investments" and "Business Combinations".

Financing activities for the quarter resulted in a cash flow of SEK –116 m (–256), which is explained by reduced borrowing.

Financing activities for the period January–December resulted in a net cash flow of SEK 291 m (–202) consisting of increased borrowing of SEK 315 m (–127) the sale of SEK 52 m (–) in treasury shares and the dividend of SEK –76 m (–75).

#### CASH FLOW FROM OPERATING ACTIVITIES, SEK m





## Investments

Investments in fixed assets amounted to SEK 36 m (45) for the quarter, while divestments amounted to SEK 2 m (8). The single biggest investment relates to the continuing expansion investment in Russia. Cash flow from investing activities amounted to SEK –34 m (–37) net, excluding acquisitions and divestments.

For the period January–December, investments in fixed assets amounted to SEK –162 m (–143), while divestments amounted to SEK 8 m (22). The investments relate mainly to efficiency investments in the Czech Republic and expansion investments in Russia. Cash flow from investing activities amounted to SEK –154 m (–114) net, excluding acquisitions and divestments of subsidiaries.

## Business combinations

On 19 March, Plannja's sandwich panel and decking profile business was acquired through an acquisition of assets. The business had annual sales of around SEK 150 m in the Nordic markets and employed approximately 50 people. The acquisition is strategically important for Lindab Building Components in the Nordic region, which is now able to offer own produced sandwich panels to both new and existing customers.

During the third quarter, Lindab acquired the remaining 3.3 percent of the shares and now owns 100 percent of the Polish company Centrum Klimat S.A. On 30 April, 51.8 percent of the company was acquired and a further 44.9 percent was acquired on 26 June. The company is a leading Polish manufacturer and distributor of ventilation and indoor climate systems. The company is based in Warsaw and was listed on the Warsaw stock exchange at the time of the acquisition. The company has around 200 employees and had sales of SEK 205 m for the full year 2011. About 65 percent of sales are generated from the Polish market with the remainder from exports, mainly to Europe. The company is part of the Ventilation business area. The acquisition reinforces Lindab's position within air duct systems and enhances distribution; important synergies will also be generated.

Cash flow from acquisitions for the period January–December amounted to SEK –287 m (–29) net.

## Financial position

The net debt amounted to SEK 2,070 m (1,747) at 31 December 2012. Currency fluctuations have had a marginal effect on the net debt during the quarter. The equity/assets ratio amounted to 41 percent (42) and the net debt-equity ratio was 0.8 (0.6). Net financial income during the quarter was SEK –34 m (–43).

For the period January–December, the net financial income amounted to SEK –156 m (–162).

The existing credit agreement with Nordea and Handelsbanken expires in February 2015. At the year end, the total credit limit was SEK 3,000 m (3,500). The agreement contains covenants, which are monitored quarterly. Lindab fulfils the terms of its current credit agreement. From 1 January 2013, the total credit limit amounts to SEK 2,900 m in accordance with the current credit agreement.

## Pledged assets and contingent liabilities

During the first quarter, Lindab pledged floating charges amounting to SEK 17 m. There have been no further changes since the first quarter. Floating charges therefore amount to a total of SEK 330 m pledged under the credit agreement with Nordea and Handelsbanken.

To ensure that Lindab can use the Building Systems plant in Luxembourg in the long term under better financial conditions, Lindab has entered into an agreement with the present property owner, DAL, to acquire all shares in the company that owns the property. Unless early completion is exercised, completion will take

place when the current tenancy expires on 29 January 2015. The purchase price corresponds to equity and is not expected to exceed SEK 2 m.

The company's liquid assets correspond to the purchase price. The property's book value at the time of completion is estimated at EUR 25 m, corresponding to the estimated market value. Hypothecation of the property totals the same amount.

Simultaneously, Lindab has entered into agreement with third parties to resell the property and enter into a long term lease.

The cumulative effect of the agreements is a decrease in Lindab's rental costs from 2012 and thereby safeguards the use of the facility at a reasonable cost.

## The parent company

The parent company had no sales during the quarter. The after-tax result for the period amounted to SEK 52 m (59).

For the period January–December, the corresponding profit was SEK 0 m (0).

## Significant risks and uncertainties

There have been no significant changes to what was stated by Lindab in its Annual Report for 2011 under Risks and risk management (pages 98–103).

## Employees

The number of employees at the end of the quarter, converted to equivalent full-time employment, totalled 4,363 (4,347), including 255 from completed acquisitions and divestments since the corresponding quarter the previous year.

## Incentive programme

The Annual General Meeting 2012 decided, in accordance with the Board's proposal, to introduce a long-term incentive programme in the form of a performance-based share savings programme. The offer has been made to 83 participants in various management positions and senior executives at Lindab and 63 have accepted the offer, thereby acquiring a total of 79,100 Lindab shares. On maximum allocation, 368,900 Lindab shares will be transferred to the participants. Further information can be found under Corporate Governance at [www.lindabgroup.com](http://www.lindabgroup.com).

## Extraordinary General Meeting

At the Extraordinary General Meeting on 16 October 2012 it was decided to reduce the number of Board members from eight to six. Furthermore, for the duration until the next Annual General Meeting, Sonat Burman-Olsson, Stefan Charette, Erik Eberhardson and Birgit Nørgaard were re-elected as board members, and Gerald Engström and Kjell Nilsson were newly elected as board members, whereby Kjell Nilsson was newly elected Chairman of the Board. Union representatives Markku Rantala and Pontus Andersson remain regular board members.

## Annual General Meeting 2013

The board has decided that the Annual General Meeting will be held on 15 May 2013 at 14.00 (CET) at Lindab Arena, Ängelholm, Sweden. Notice to attend the meeting will be sent out in due course.

## The Lindab Share

The highest price paid for Lindab shares during the period January–December was SEK 57.95 on 28 February, and the lowest was SEK 37.17 on 27 June. The closing price on 28 December 2012 was SEK 43.00. The average daily trading volume of Lindab shares was 193,167 shares per day (159,200).



Lindab holds 2,375,838 treasury shares (3,375,838), equivalent to 3.0 percent (4.3) of the total number of Lindab shares. The number of outstanding shares totals 76,331,982 (75,331,982), while the total number of shares is 78,707,820.

The biggest shareholders by the end of the quarter, in relation to the number of outstanding shares are Creades AB with 12.2 percent (–), Systemair AB with 12.0 percent (–), Lannebo Fonder with 9.0 percent (7.0), Livförsäkringsaktiebolaget Skandia with 8.8 percent (9.5), and Swedbank Robur Fonder with 8.5 percent (9.9). The ten largest holdings constitute 64.8 percent of the shares (64.1), excluding Lindab's own holding.

### **Proposed dividend to shareholders**

Lindab's Board of Directors will propose a zero-dividend for 2012 at the Annual General Meeting on 15 May. The previous year's dividend amounted to SEK 1.00 per share, resulting in a total dividend of SEK 76 m.

### **Significant events following the close of the period**

Anders Berg, new President and CEO, will take office on 18 March 2013. Berg most recently held the position as Vice President Operations at SSAB with placement in Shanghai, China. Berg with a M.Sc. in Industrial Engineering has eight years' experience from various positions within the SSAB Group.

### **Accounting principles**

See note 1, page 17.

Unless otherwise specified in this Interim Report, all statements refer to the Group. Figures in parentheses indicate the outcome for the corresponding period in the previous year. A compilation of key figures can be found on pages 15–16.

One-off items are specified in note 6.



## SALES REVENUE AND GROWTH

	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Sales revenue, SEK m	1,667	1,855	6,656	6,878
Change, SEK m	-188	158	-222	351
Change, %	-10	9	-3	5
Of which				
Volumes and prices, %	-12	10	-5	9
Acquisitions/divestments, %	4	0	3	0
Currency effects, %	-2	-1	-1	-4

## SALES REVENUE PER MARKET

SEK m	Oct-Dec 2012	%	Oct-Dec 2011	%	Jan-Dec 2012	%	Jan-Dec 2011	%
Nordic region	768	46	891	48	3,019	46	3,158	46
Western Europe	460	28	486	26	1,895	28	1,949	28
CEE/CIS	389	23	431	23	1,542	23	1,553	23
Other markets	50	3	47	3	200	3	218	3
<b>Total</b>	<b>1,667</b>	<b>100</b>	<b>1,855</b>	<b>100</b>	<b>6,656</b>	<b>100</b>	<b>6,878</b>	<b>100</b>

## SALES REVENUE PER BUSINESS AREA

SEK m	Oct-Dec 2012	%	Oct-Dec 2011	%	Jan-Dec 2012	%	Jan-Dec 2011	%
Ventilation	876	53	938	51	3,591	54	3,612	53
Building Components	533	32	622	33	2,052	31	2,268	33
Building Systems	258	15	295	16	1,013	15	998	14
Other operations	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,667</b>	<b>100</b>	<b>1,855</b>	<b>100</b>	<b>6,656</b>	<b>100</b>	<b>6,878</b>	<b>100</b>
<b>Gross internal sales all segments</b>	<b>2</b>		<b>-7</b>		<b>10</b>		<b>12</b>	

## OPERATING PROFIT (EBIT) AND RESULT BEFORE TAX (EBT)

SEK m	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Ventilation	43	45	263	221
Building Components	29	44	135	192
Building Systems	38	31	100	38
Other operations	-5	-13	-38	-44
<b>Total (EBIT), excluding one-off items</b>	<b>105</b>	<b>107</b>	<b>460</b>	<b>407</b>
One-off items*	-65	-42	-126	-59
<b>Total (EBIT), including one-off items*</b>	<b>40</b>	<b>65</b>	<b>334</b>	<b>348</b>
Net financial income	-34	-43	-156	-162
<b>Result before tax (EBT)</b>	<b>6</b>	<b>22</b>	<b>178</b>	<b>186</b>

\*) One-off items are described in note 6.





## Ventilation business area

- Sales revenue during the fourth quarter amounted to SEK 876 m (938), a decrease of 7 percent. Adjusted for currency effects and structure, sales revenue decreased by 9 percent.
- The operating margin (EBIT) for the fourth quarter, excluding one-off items, increased to 4.9 percent (4.8).

### Sales and markets

Sales revenue during the fourth quarter decreased by 7 percent compared with the corresponding period the previous year, amounting to SEK 876 m (938). Adjusted for currency effects and structure, sales revenue decreased by 9 percent. The acquisitions of Centrum Klima and Elia have positively affected sales by 5 percent during the quarter compared with the corresponding period the previous year.

Sales revenue for the period January–December amounted to SEK 3,591 m (3,612). When adjusted for currency and structure, sales revenue decreased by 3 percent.

Sales for the business area decreased in the Nordic region and Western Europe, while the acquisition of Centrum Klima contributed to increased sales in CEE/CIS. Some individual markets, such as France and the USA, also reported increased sales during the quarter.

### Profit

Operating profit (EBIT) for the fourth quarter, excluding one-off items, amounted to SEK 43 m (45). The operating margin (EBIT) increased to 4.9 percent (4.8). The slight improvement in the operating margin was due to lower fixed costs from the efficiency

activities, which offset the lower volume. Centrum Klima has continued to contribute positively to the profit.

One-off items for the quarter amounted to SEK –11 m (–6) relating to restructuring costs resulting from the cost reduction programme.

Operating profit (EBIT) for the period January–December, excluding one-off items, amounted to SEK 263 m (221), corresponding to an increase of 19 percent.

### Other

The customer offering for residential ventilation, Lindab Inside, which has been particularly successful in Italy and France during the year, will be rolled out in several additional markets in 2013.

Cost and efficiency measures are continuing. During the quarter, production in Finland has been restructured and concentrated in Jyveskylä and Tallinn, Estonia.

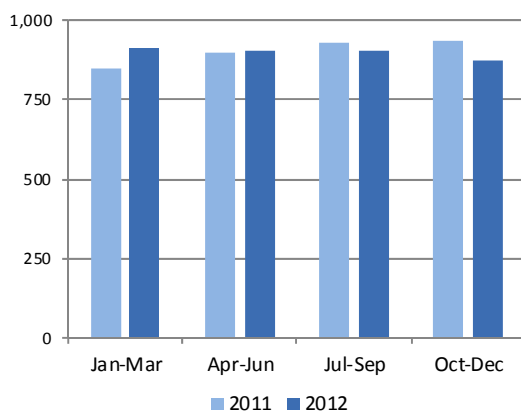
During the quarter, a decision was made to start production of duct fittings on a small scale at the existing Building Systems production unit in Yaroslavl, Russia, in the first part of 2013.

### KEY FIGURES VENTILATION

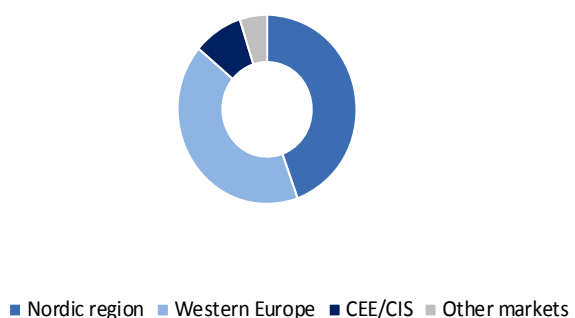
	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Sales revenue, SEK m	876	938	3,591	3,612
Operating profit (EBIT)*, SEK m	43	45	263	221
Operating margin (EBIT)*, %	4.9	4.8	7.3	6.1
No. of employees at close of period	2,597	2,415	2,597	2,415

\*) Excluding one-off items. One-off items are described in note 6.

SALES REVENUE PER QUARTER, SEK m



BREAKDOWN OF SALES REVENUE BY MARKET, LAST 12 MONTHS, %





## Building Components business area

- Sales revenue during the fourth quarter amounted to SEK 533 m (622), a decrease of 14 percent. Adjusted for currency and structure, sales revenue decreased by 17 percent.
- The operating margin (EBIT) for the fourth quarter, excluding one-off items, decreased to 5.4 percent (7.1).

### Sales and markets

Sales revenue decreased by 14 percent to SEK 533 m (622). Adjusted for currency effects and structure, sales decreased by 17 percent.

The business area continued to show negative sales development during the quarter compared with the previous year. The harsh winter that affected much of Europe in December has had a negative impact on sales. In the Nordic region, the two largest markets, Sweden and Denmark reported a decline in sales, while Norway showed improved sales. Sales in Sweden for the corresponding quarter in 2011 were record high, which affects the comparison.

Sales development in the CEE/CIS was negative as a result of the continued weak demand in the region. During the quarter, however, the largest market in the region, Hungary, continued to see stable sales despite a decline in underlying demand. This is partly due to competitors having left the market previously.

Sales for the period January–December decreased by 10 percent to SEK 2,052 m (2,268). Adjusted for currency and structure the decrease was 12 percent.

### Profit

Operating profit (EBIT) for the quarter, excluding one-off items, amounted to SEK 29 m (44). The operating margin (EBIT) amounted to 5.4 percent (7.1) for the quarter. The change in profit was due to lower volumes, partially offset by lower fixed costs. One-off items for the quarter amounted to SEK –20 m (–20) relating to restructuring costs resulting from the cost reduction programme, see note 6.

Operating profit (EBIT) for the period January–December, excluding one-off items, amounted to SEK 135 m (192), corresponding to a decrease of 30 percent.

### Other

The cost and efficiency activities have continued. Meanwhile, sales activities within core products have been intensified, especially with regard to roof drainage. In CEE the expansion of stock holding Lindab Centres continued, totalling approximately 100 at the year end with the number of installers connected to the loyalty programme passing 4,500.

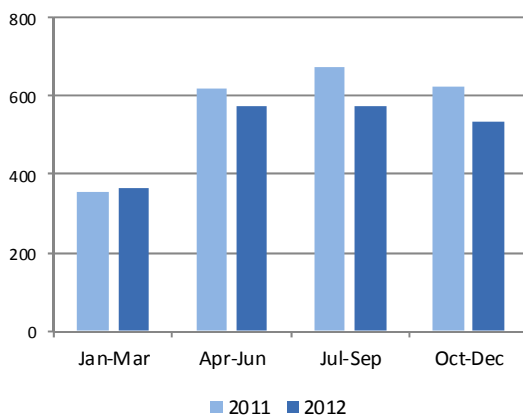
During the quarter, the decision was taken to start own distribution of roof drainage products in the first half of 2013 in the North American market with the sales organisation to be based in Portsmouth, Virginia.

### KEY FIGURES BUILDING COMPONENTS

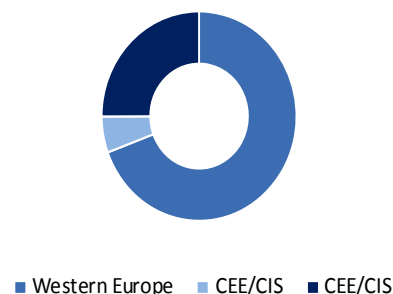
	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Sales revenue, SEK m	533	622	2,052	2,268
Operating profit (EBIT)*, SEK m	29	44	135	192
Operating margin (EBIT)*, %	5.4	7.1	6.6	8.5
No. of employees at close of period	932	995	932	995

\*) Excluding one-off items. One-off items are described in note 6.

SALES REVENUE PER QUARTER, SEK m



BREAKDOWN OF SALES REVENUE BY MARKET, LAST 12 MONTHS, %







## Building Systems business area

- Sales revenue during the fourth quarter amounted to SEK 258 m (295), a decrease of 13 percent. Adjusted for currency effects, the decrease amounted to 11 percent.
- The operating margin (EBIT) for the fourth quarter, excluding one-off items, increased to 14.7 percent (10.5).

### Sales and markets

Sales revenue decreased by 13 percent to SEK 258 m (295) during the fourth quarter. Adjusted for currency effects, sales decreased by 11 percent.

Sales for the business area indicate negative sales development in all regions. However, in Russia, which is the business area's main market, the sales in the quarter were unchanged compared to the same quarter last year.

The order intake was higher than the corresponding quarter in 2011. The increase in order intake was most notable in the CEE/CIS region.

Sales for the period January–December increased by 2 percent to SEK 1,013 m (998). Adjusted for currency the increase was 4 percent.

### Profit

Operating profit (EBIT) for the quarter, excluding one-off items, amounted to SEK 38 m (31). The operating margin (EBIT) amounted to 14.7 percent (10.5) for the quarter.

The improved profit was due to lower costs compared to the corresponding quarter the previous year, which more than compensated for the lower sales. The profit for the quarter has been affected positively by a full-year effect generated by a reduction in rental costs for one of Lindab's central production facilities commencing from the start of 2012.

Operating profit (EBIT) for the period January–December, excluding one-off items, amounted to SEK 100 m (38).

### Other

The focus on Russia and CIS continues. Four orders worth more than SEK 20 m were taken in this region during the quarter. The expansion of the production facility in Yaroslavl is now complete.

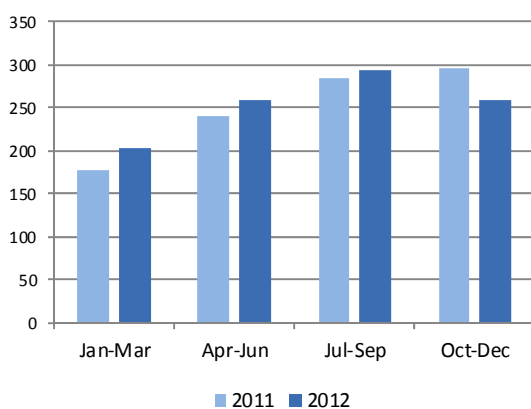
The development of a new competitive small building concept is ready for launch in 2013. Several product improvements have also been completed during the quarter, including faster and simpler fitting of the best-selling roof solution plus solutions to overcome thermal bridges at door and window openings.

### KEY FIGURES BUILDING SYSTEMS

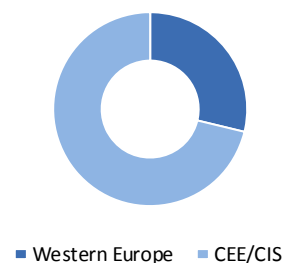
	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Sales revenue, SEK m	258	295	1,013	998
Operating profit (EBIT)*, SEK m	38	31	100	38
Operating margin (EBIT)*, %	14.7	10.5	9.9	3.8
No. of employees at close of period	720	821	720	821

\*) Excluding one-off items. One-off items are described in note 6.

### SALES REVENUE PER QUARTER, SEK m



### BREAKDOWN OF SALES REVENUE BY MARKET, LAST 12 MONTHS, %





# Statement of comprehensive income

(Income statement)

SEK m	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Sales revenue	1,667	1,855	6,656	6,878
Cost of goods sold	-1,219	-1,365	-4,786	-4,987
<b>Gross profit</b>	<b>448</b>	<b>490</b>	<b>1,870</b>	<b>1,891</b>
Other operating income	20	28	85	77
Selling expenses	-230	-254	-907	-939
Administrative expenses	-117	-139	-477	-517
R & D costs	-12	-11	-44	-40
Other operating expenses	-69	-49	-193	-124
<b>Total operating expenses</b>	<b>-408</b>	<b>-425</b>	<b>-1,536</b>	<b>-1,543</b>
<b>Operating profit (EBIT)*</b>	<b>40</b>	<b>65</b>	<b>334</b>	<b>348</b>
Interest income	7	3	12	8
Interest expenses	-40	-47	-162	-168
Other financial income and expenses	-1	1	-6	-2
<b>Net financial income</b>	<b>-34</b>	<b>-43</b>	<b>-156</b>	<b>-162</b>
<b>Result before tax (EBT)</b>	<b>6</b>	<b>22</b>	<b>178</b>	<b>186</b>
Tax on profit for the period	-4	-27	-56	-95
<b>Profit for the period</b>	<b>2</b>	<b>-5</b>	<b>122</b>	<b>91</b>
–attributable to the parent company's shareholders	2	-5	122	91
–attributable to non-controlling interest	-	-	-	-
<b>Other comprehensive income</b>				
Cash flow hedges	3	4	11	-2
Translation differences, foreign operations	60	-126	-88	-54
Income tax attributable to cash flow hedges	-1	-1	-3	1
<b>Other comprehensive income</b>	<b>62</b>	<b>-123</b>	<b>-80</b>	<b>-55</b>
<b>Total comprehensive income</b>	<b>64</b>	<b>-128</b>	<b>42</b>	<b>36</b>
–attributable to the parent company's shareholders	64	-128	42	36
–attributable to non-controlling interest	-	-	-	-
<b>Earnings per share, SEK</b>				
Undiluted	0.03	-0.07	1.61	1.21
Diluted	0.03	-0.07	1.61	1.21

\*) One-off items are described in note 6.



# Statement of cash flows

(Indirect method)

<i>Amounts in SEK m</i>	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
<b>Operating activities</b>				
Operating profit	40	65	334	348
Reversal of depreciation/amortisation	44	45	156	163
Reversal of capital gains (-) / losses (+) reported in operating profit	1	1	0	4
Provisions, not affecting cash flow	34	20	24	6
Adjustment for other items not affecting cash flow	-3	17	1	34
<b>Total</b>	<b>116</b>	<b>148</b>	<b>515</b>	<b>555</b>
Interest received	-5	0	7	4
Interest paid	-38	-49	-151	-184
Tax paid	-41	-9	-125	-71
<b>Cash flow from operating activities before change in working capital</b>	<b>32</b>	<b>90</b>	<b>246</b>	<b>304</b>
<b>Change in working capital</b>				
Stock (increase - /decrease +)	169	215	44	68
Operating receivables (increase - /decrease +)	275	245	64	-138
Operating liabilities (increase + /decrease -)	-284	-298	-132	111
<b>Total change in working capital</b>	<b>160</b>	<b>162</b>	<b>-24</b>	<b>41</b>
<b>Cash flow from operating activities</b>	<b>192</b>	<b>252</b>	<b>222</b>	<b>345</b>
<b>Investing activities</b>				
Acquisition of Group companies	-7	-6	-287	-32
Sales of Group companies	-	-	0	3
Investments in intangible fixed assets	-10	-12	-21	-32
Investments in tangible fixed assets	-26	-33	-141	-111
Change in financial fixed assets	0	0	0	0
Sale/disposal of intangible fixed assets	0	0	0	0
Sale/disposal of tangible fixed assets	2	8	8	22
Received Government grants	-	-	-	7
<b>Cash flow from investing activities</b>	<b>-41</b>	<b>-43</b>	<b>-441</b>	<b>-143</b>
<b>Financing activities</b>				
Increase +/-decrease - in borrowing	-116	-256	315	-127
Sale of treasury shares	-	-	52	-
Dividend to shareholders	-	-	-76	-75
<b>Cash flow from financing activities</b>	<b>-116</b>	<b>-256</b>	<b>291</b>	<b>-202</b>
<b>Cash flow for the period</b>	<b>35</b>	<b>-47</b>	<b>72</b>	<b>0</b>
Cash and cash equivalents at start of the period	260	295	235	239
Effect of exchange rate changes on cash and cash equivalents	6	-13	-6	-4
<b>Cash and cash equivalents at end of the period</b>	<b>301</b>	<b>235</b>	<b>301</b>	<b>235</b>



# Statement of financial position

(Balance sheet)

<i>Amounts SEK m</i>	<b>31 Dec 2012</b>	<b>31 Dec 2011</b>
<b>Assets</b>		
Fixed assets		
Goodwill	2,682	2,591
Other intangible fixed assets	65	66
Tangible fixed assets	1,208	1,084
Financial fixed assets, interest bearing	39	36
Other financial fixed assets	156	320
<b>Total fixed assets</b>	<b>4,150</b>	<b>4,097</b>
Current assets		
Stock	966	962
Accounts receivable	962	1,023
Other current assets	230	154
Other receivables, interest bearing	5	8
Cash and bank	301	235
<b>Total current assets</b>	<b>2,464</b>	<b>2,382</b>
<b>TOTAL ASSETS</b>	<b>6,614</b>	<b>6,479</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>	<b>2,710</b>	<b>2,699</b>
Long-term liabilities		
Provisions, interest-bearing	142	135
Liabilities, interest-bearing	2,056	1,772
Provisions	169	338
Other long-term liabilities	13	13
<b>Total long-term liabilities</b>	<b>2,380</b>	<b>2,258</b>
Current liabilities		
Liabilities, interest-bearing	216	118
Provisions	73	49
Accounts payable	569	708
Other short-term liabilities	666	647
<b>Total current liabilities</b>	<b>1,524</b>	<b>1,522</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>6,614</b>	<b>6,479</b>



## Statement of changes in equity

Amounts in SEK m	Equity relating to the parent company's shareholders					Total	Non-controlling interest	Total Equity
	Share Capital	Other contributed capital	Hedging reserve	Foreign currency transl.	Profit brought forward			
<b>Opening balance, 1 January 2011</b>	<b>79</b>	<b>2,251</b>	<b>-7</b>	<b>46</b>	<b>386</b>	<b>2,755</b>	<b>-</b>	<b>2,755</b>
Profit for the period					91	91	-	91
Other comprehensive income			-1	-54		-55	-	-55
<b>Total comprehensive income</b>			<b>-1</b>	<b>-54</b>	<b>91</b>	<b>36</b>		<b>36</b>
Incentive programme		1				1	-	1
Futures contracts to acquire treasury shares, incentive programme		-18				-18	-	-18
Dividend to shareholders					-75	-75	-	-75
<b>Closing balance, 31 December 2011</b>	<b>79</b>	<b>2,234</b>	<b>-8</b>	<b>-8</b>	<b>402</b>	<b>2,699</b>	<b>-</b>	<b>2,699</b>
<b>Opening balance, 1 January 2012</b>	<b>79</b>	<b>2,234</b>	<b>-8</b>	<b>-8</b>	<b>402</b>	<b>2,699</b>	<b>-</b>	<b>2,699</b>
Profit for the period					122	122	-	122
Other comprehensive income			8	-88		-80	-	-80
<b>Total comprehensive income</b>			<b>8</b>	<b>-88</b>	<b>122</b>	<b>42</b>		<b>42</b>
Sale of treasury shares					52	52	-	52
Incentive programme <sup>1)</sup>		2				2	-	2
Futures contracts to acquire treasury shares, Incentive programme <sup>1)</sup>		-9				-9	-	-9
Dividend to shareholders					-76	-76	-	-76
Acquisition of non-controlling interest					-	-	-	-
<b>Closing balance, 31 December 2012</b>	<b>79</b>	<b>2,227</b>	<b>-</b>	<b>-96</b>	<b>500</b>	<b>2,710</b>	<b>-</b>	<b>2,710</b>

- 1) The 2012 Annual General Meeting resolved, as in the previous year, to implement a long-term share-based incentive programme. The offering has been aimed at 83 participants in various management positions and senior executives at Lindab. 63 accepted the offer. Upon maximum allocation, 368,900 shares may be transferred to the participants. These shares have been secured in the form of futures contracts to acquire treasury shares with third parties, which mean that no dilution occurs. Provisions for the incentive programme initiated in 2011 continued during 2012.

### Share capital

The share capital of SEK 78,707,820 is divided among 78,707,820 shares with a face value of SEK 1.00. Lindab International holds 2,375,838 (3,375,838) treasury shares, corresponding to 3.0 percent (4.3) of the total number of Lindab shares, following the sale of 1,000,000 treasury shares in 2012.

### Annual General Meeting

The Annual General Meeting on 9 May 2012 resolved to pay a dividend to shareholders of SEK 1.00 per share, corresponding to

SEK 76 m. A dividend of SEK 75 m was paid last year. The Annual General Meeting resolved that the remainder of the retained earnings of SEK 544 m would be carried forward. The Annual General Meeting also resolved on the sale of treasury shares, which took place in the second quarter of 2012. The sale of these increased retained earnings by SEK 52 m.

The Annual General Meeting also resolved to introduce a further long-term incentive programme in the form of a performance-based share savings programme for senior executives and key employees in the Group, as in the previous year, see note 1.



## Parent company

### Income statement

<i>Amounts SEK m</i>	Oct-Dec 2012	Oct-Dec 2011	Jan-Dec 2012	Jan-Dec 2011
Administrative expenses	-1	-	-5	-3
Other operating income/costs	1	-2	8	-3
<b>Operating profit</b>	<b>0</b>	<b>-2</b>	<b>3</b>	<b>-6</b>
Profit from subsidiaries	95	111	95	111
Interest expenses, internal	-25	-30	-98	-106
<b>Result before tax</b>	<b>70</b>	<b>79</b>	<b>0</b>	<b>-1</b>
Tax on profit for the period	-18	-20	0	1
<b>Profit for the period*</b>	<b>52</b>	<b>59</b>	<b>0</b>	<b>0</b>

\*) Comprehensive income corresponds to profit for the period.

### Balance sheet

<i>Amounts SEK m</i>	31 Dec 2012	31 Dec 2011
<b>Assets</b>		
Fixed assets		
Shares in Group companies	3,467	3,467
Financial fixed assets, interest bearing	7	7
Other long-term receivables	2	2
<b>Total fixed assets</b>	<b>3,476</b>	<b>3,476</b>
Current assets		
Other receivables	2	0
Cash and bank	1	7
<b>Total current assets</b>	<b>3</b>	<b>7</b>
<b>TOTAL ASSETS</b>	<b>3,479</b>	<b>3,483</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>	<b>1,383</b>	<b>1,407</b>
Provisions		
Provisions, interest-bearing	7	10
Long-term liabilities		
Liabilities to Group companies, interest-bearing	2,087	2,064
<b>Total provisions and long-term liabilities</b>	<b>2,094</b>	<b>2,074</b>
Current liabilities		
Liabilities	2	2
<b>Total current liabilities</b>	<b>2</b>	<b>2</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,479</b>	<b>3,483</b>





# Key figures

	Quarterly periods											
	2012				2011				2010			
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
<i>SEK m unless otherwise specified</i>												
Sales revenue	1,667	1,773	1,737	1,479	1,855	1,891	1,755	1,377	1,697	1,881	1,716	1,234
Operating profit, (EBITDA) <sup>1)</sup>	84	219	158	29	110	211	174	15	112	247	134	72
Operating profit, (EBITA) <sup>2)</sup>	40	183	119	-8	65	172	135	-24	76	206	92	27
Depreciation/amortisation and write-downs	44	36	39	37	45	40	39	39	146	42	45	47
Operating profit, (EBIT) <sup>3)</sup>	40	183	119	-8	65	172	135	-24	-35	205	89	25
Operating profit, (EBIT), excluding one-off items	105	190	135	30	107	172	135	-7	75	212	110	-50
After tax result	2	10	56	-46	-5	88	60	-52	-86	114	27	-28
Total comprehensive income	64	-9	34	-47	-128	86	153	-75	-128	13	-26	-157
Operating margin, (EBITA), % <sup>4)</sup>	2.4	10.3	6.9	-0.5	3.5	9.1	7.7	-1.7	4.5	11.0	5.4	2.2
Operating margin, (EBITA), % <sup>5)</sup>	2.4	10.3	6.9	-0.5	3.5	9.1	7.7	-1.7	-2.1	10.9	5.2	2.0
Operating margin (EBIT), excluding one-off items, %	6.3	10.7	7.8	2.0	5.8	9.1	7.7	-0.5	4.4	11.3	6.4	-4.1
Undiluted average number of shares, (000's)	75,998	75,885	75,980	75,332	75,332	75,332	75,332	75,332	75,332	75,332	75,332	74,810
Diluted average number of shares, (000's) <sup>6)</sup>	75,998	75,885	75,980	75,332	75,332	75,332	75,332	75,332	75,398	75,332	75,332	74,810
Undiluted number of shares, (000's)	76,332	76,332	76,332	75,332	75,332	75,332	75,332	75,332	75,332	75,332	75,332	75,332
Diluted number of shares, (000's) <sup>6)</sup>	76,332	76,332	76,332	75,332	75,332	75,332	75,332	75,332	75,398	75,332	75,332	75,332
Undiluted earnings per share, SEK <sup>7)</sup>	0.03	145	0.74	-0.61	-0.07	17	0.80	-0.69	-1.14	151	0.36	-0.37
Diluted earnings per share, SEK <sup>8)</sup>	0.03	145	0.74	-0.61	-0.07	17	0.80	-0.69	-1.14	151	0.36	-0.37
Cash flow from operating activities	192	23	97	-90	252	115	217	-239	324	172	67	-172
Cash flow from operating activities per share, SEK <sup>9)</sup>	2.53	0.30	1.29	-1.19	3.35	1.54	2.88	-3.17	4.30	2.28	0.89	-2.30
Total assets	6,614	7,021	7,144	6,513	6,479	7,207	7,122	6,674	6,570	7,275	7,482	7,206
Net debt <sup>10)</sup>	2,070	2,218	2,192	1,932	1,747	1,945	2,043	2,097	1,856	2,104	2,243	2,286
Net debt/equity ratio, times <sup>11)</sup>	0.8	0.8	0.8	0.7	0.6	0.7	0.7	0.8	0.7	0.7	0.8	0.8
Equity	2,710	2,646	2,670	2,652	2,699	2,827	2,758	2,680	2,755	2,882	2,869	2,889
Undiluted equity per share, SEK <sup>12)</sup>	35.50	34.66	35.44	35.20	35.83	37.53	36.61	35.58	36.57	38.26	38.08	38.35
Diluted equity per share, SEK <sup>13)</sup>	35.50	34.66	34.98	35.20	35.83	37.53	36.61	35.58	36.54	38.26	38.08	38.35
Equity/asset ratio, % <sup>14)</sup>	41.0	37.7	37.7	40.7	41.7	39.2	38.7	40.2	41.9	39.6	38.3	40.1
Return on equity, % <sup>15)</sup>	4.6	4.3	3.4	3.6	3.3	0.4	1.3	0.1	0.9	4.0	1.4	0.9
Return on capital employed, % <sup>16)</sup>	6.7	7.3	7.0	7.5	7.1	5.0	5.6	4.7	5.5	6.6	4.7	4.5
Return on operating capital, % <sup>17)</sup>	7.1	7.6	7.4	7.8	7.4	5.2	5.8	4.8	5.6	6.7	4.7	4.5
Return on operating capital, excluding one-off items, %	9.8	9.8	9.5	9.5	8.7	7.8	8.5	7.9	6.9	5.8	4.4	4.0
Return on total assets, % <sup>18)</sup>	5.0	5.4	5.2	5.5	5.2	3.6	4.1	3.5	4.1	4.9	3.5	3.4
Interest coverage ratio, times <sup>19)</sup>	1.2	4.1	2.9	-0.2	1.5	4.1	3.4	-0.6	-0.7	4.4	2.0	0.6
No. of employees at close of period <sup>20)</sup>	4,363	4,438	4,593	4,344	4,347	4,446	4,487	4,395	4,381	4,485	4,444	4,394

\*) Operating profit (EBITA) reported excluding one-off items, as reported originally.



## Key figures

				Full-year Periods				
	2009 Oct- Dec	2008 Oct- Dec	2007 Oct- Dec	2012	2011	2010	2009	2008
SEK m unless otherwise specified								
Sales revenue	1,602	2,427	2,485	6,656	6,878	6,527	7,019	9,840
Operating profit, (EBITDA) <sup>1)</sup>	92	182	418	490	511	565	479	1,388
Operating profit, (EBITA) <sup>2)</sup>	37	117	372	334	348	401	265	1,172
Depreciation/amortisation and write-downs	57	66	48	156	163	280	225	225
Operating profit, (EBIT) <sup>3)</sup>	34	115	370	334	348	284	254	1,163
Operating profit, (EBIT), excluding one-off items	34	218	370	460	407	347	301	1,279
After tax result	5	46	247	122	91	27	34	723
Total comprehensive income	29	295	329	42	36	-298	-142	1,124
Operating margin, (EBITA), % <sup>4)</sup>	2.3	4.8	15.0	5.0	5.1	6.1	3.8	11.9
Operating margin, (EBITA), % <sup>5)</sup>	2.1	4.7	14.9	5.0	5.1	4.4	3.6	11.8
Operating margin (EBIT), excluding one-off items, %	2.1	9.0	14.9	6.9	5.9	5.3	4.3	13.0
Undiluted average number of shares, (000's)	74,772	75,299	78,708	75,998	75,332	75,203	74,772	77,548
Diluted average number of shares, (000's) <sup>6)</sup>	74,772	75,299	78,708	75,998	75,332	75,203	74,772	77,548
Undiluted number of shares, (000's)	74,772	74,772	78,708	76,332	75,332	75,332	74,772	74,772
Diluted number of shares, (000's) <sup>6)</sup>	74,772	74,772	78,708	76,332	75,332	75,332	74,772	74,772
Undiluted earnings per share, SEK <sup>7)</sup>	0.07	0.61	3.14	1.61	1.21	0.36	0.45	9.32
Diluted earnings per share, SEK <sup>8)</sup>	0.07	0.61	3.14	1.61	1.21	0.36	0.45	9.32
Cash flow from operating activities	245	220	575	222	345	391	719	673
Cash flow from operating activities per share, SEK <sup>9)</sup>	3.28	2.92	7.31	2.92	4.58	5.20	9.62	8.68
Total assets	7,442	8,625	7,700	6,614	6,479	6,570	7,442	8,625
Net debt <sup>10)</sup>	2,422	2,774	2,238	2,070	1,747	1,856	2,422	2,774
Net debt/equity ratio, times <sup>11)</sup>	0.8	0.8	0.8	0.8	0.6	0.7	0.8	0.8
Equity	3,003	3,346	2,969	2,710	2,699	2,755	3,003	3,346
Undiluted equity per share, SEK <sup>12)</sup>	40.16	44.75	37.72	35.50	35.83	36.57	40.16	44.75
Diluted equity per share, SEK <sup>13)</sup>	40.16	44.75	37.72	35.50	35.83	36.57	40.16	44.75
Equity/asset ratio, % <sup>14)</sup>	40.4	38.8	38.6	41.0	41.7	41.9	40.4	38.8
Return on equity, % <sup>15)</sup>	1.1	23.4	35.9	4.6	3.3	0.9	1.1	23.4
Return on capital employed, % <sup>16)</sup>	4.3	20.0	24.5	6.7	7.1	5.5	4.3	20.0
Return on operating capital, % <sup>17)</sup>	4.3	20.7	25.4	7.1	7.4	5.6	4.3	20.7
Return on operating capital, excluding one-off items, %	5.1	22.8	25.4	9.8	8.7	6.9	5.1	22.8
Return on total assets, % <sup>18)</sup>	3.3	14.3	17.4	5.0	5.2	4.1	3.3	14.3
Interest coverage ratio, times <sup>19)</sup>	1.0	2.0	8.6	2.1	2.1	1.6	1.8	6.1
No. of employees at close of period <sup>20)</sup>	4,435	5,291	5,256	4,363	4,347	4,381	4,435	5,291

\*) Operating profit (EBITA) reported excluding one-off items, as reported originally.



## Notes

### NOTE 1 ACCOUNTING PRINCIPLES

The consolidated accounts for the fourth quarter and the period January-December 2012, as for the annual accounts for 2011, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, the Annual Accounts Act and the Swedish Financial Reporting Board RFR 1, Supplementary Accounting Rules for Groups.

This quarterly report has been prepared in accordance with IAS 34. The Group applies the same accounting policies as described in the Annual Report for 2011 with the following additions.

#### Non-controlling interests

Transactions with non-controlling interests are reported as transactions with shareholders. For acquisitions, the Group may choose to evaluate these holdings to either the proportionate share of the acquired company's net assets or the net assets' fair value, which affects the reported goodwill associated with the acquisition

#### Incentive programme

The incentive programme, initiated in 2011 and 2012, assumes that each participant is entitled to receive one matching share for each acquired share and up to six performance shares. The allocation of shares at the end of the programme depends on the vesting conditions that have been met. Since it is usually not possible to measure the services provided by employees, in order to obtain the individual components in the reward package, Lindab values the share-based payments based on the fair value of the equity instruments in accordance with IFRS 2, paragraph 11. If the conditions are met, Lindab reports a cost for the reward programme and a similar entry in equity in accordance with IFRS 2, paragraph 7. Lindab continuously assesses whether the current conditions of the programme are met and subsequently regulates the cumulative personnel costs.

In a separate transaction, as a result of the incentive programmes, forward contracts have been agreed with Nordea to acquire treasury shares in order to guarantee a holding of the shares that Lindab estimates will be awarded to participants at the end of each programme. Lindab will receive/purchase all shares acquired by Nordea. The value of the shares is initially determined and the contract requires delivery of the underlying equity instrument. The transactions are recorded in accordance with IAS 32, paragraph 23 (AG 27 a-b), meaning that a liability is recorded and a reduction of Other contributed capital in equity. The obligation is recognised as a financial liability, in accordance with IAS 39 paragraph 43 at the time of acquisition, at its fair value in the form of the present value of future payments.

None of the new or revised standards, interpretations and improvements that have been adopted by the EU and applied from 1 January 2012, have had an effect on the Group.

The parent company's financial statements are prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and RFR 2, Accounting for legal entities, and according to the same principles that were applied to the Annual Report for 2011.

### NOTE 2 EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES

Significant estimates and assumptions are described in Note 4 in the Annual Report for 2011.

There have not been any changes made to anything that could have a material impact on the interim report.

### NOTE 3 BUSINESS COMBINATIONS

	Acquisitions	
	2012	2011
<b>Acquisition Cost</b>	<b>196</b>	<b>26</b>
<b>Identifiable net assets</b>		
Intangible fixed assets	35	1
Tangible fixed assets	110	-
Deferred tax assets	6	-
Stock	68	4
Current assets	49	6
Cash and cash equivalents	26	-
Deferred tax liabilities	-2	-
Current and long-term liabilities	-109	-5
Goodwill	139	20
Non-controlling interests	-126	-
<b>Acquired net assets</b>	<b>196</b>	<b>26</b>

Acquisitions in 2012 consist of the acquisition of assets of the majority of Plannja's project sales organisation and of the company Centrum Klima S.A.

Acquisitions in 2011 consisted of Juvenco A/S, Airflux BVBA and Elia SARL. The acquisition of Centrum Klima was completed in three stages, with Lindab's initial acquisition of 52 percent of the company's shares completed in April. The acquisition has been recorded in accordance with the principle of full goodwill based on the fair value of net assets. In June and August, a further 45 percent and 3 percent were acquired respectively following a public offering, which was recorded as an equity transaction.

Direct transaction costs amount to SEK 7 m and have been charged to other operating expenses in the consolidated income statement.

The total cash flow effect of the acquisition, including transaction costs, amounts to SEK -287 m (-29).

### NOTE 4 OPERATING SEGMENTS

Lindab's operations are managed and reported by business area, which is consistent with the segmentation.

The Ventilation business area offers duct systems and accessories, as well as indoor climate solutions for ventilation, cooling and heating. The Building Components business area offers steel products and systems for roof drainage, roof and wall cladding, as well as steel profiles for wall, roof and beam constructions. The Building Systems business area offers complete pre-engineered steel building systems. A complete building solution comprising the outer shell with the main structure, wall, roof and accessories. The operating segment Other comprises parent company functions including Group Treasury.

Information about revenues from external customers, operating profit and the pre-tax result by operating segment is shown in the tables on page 6.



Revenues from other segments total small amounts and a breakdown of this sum by segment therefore does not offer any additional value.

Inter-segment transfer pricing is determined on an arms-length basis i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported wherever the asset is located.

Assets per segment that have changed by more than 10 percent compared with the end of 2011 are shown below:

- Ventilation: Stock has increased by 11 percent and other liabilities by 11 percent.
- Building Components: No assets and liabilities have changed by more than 10 percent.

- Building Systems: Stock has decreased by 30 percent, other assets have increased by 15 percent and other liabilities have decreased by 15 percent.

No changes have occurred in the fundamentals for segmentation or in the calculation of the segment's profit since the last Annual Report was issued.

## NOTE 5 TRANSACTIONS WITH RELATED PARTIES

Lindab's inner circle and the extent of transactions with related parties are described in note 29 of the 2011 Annual Report.

As of 20 August, Systemair AB (publ) is considered to be a related party. The extent of any transactions with Systemair AB (publ) has not had a significant impact on the company's position and results.

During the year, no transactions have taken place between Lindab and related parties that have had a significant impact on the company's position and results.



## NOTE 6 SPECIFICATION OF ONE-OFF ITEMS

Quarter	Current year					<i>Reporting period outcome</i>		
		Ventilation	Building Components	Building Systems	Other Operations	Total	Operating profit (EBIT) incl. one-off items	Operating profit (EBIT) excl. one-off items
1/2012		-16	-	-19	-3	-38	-8	30
2/2012		-15	-1	-	-	-16	119	135
3/2012		-6	-1	-	-	-7	183	190
4/2012		-11	-20	-4	-30	-65	40	105
<b>Total</b>		<b>-48</b>	<b>-22</b>	<b>-23</b>	<b>-33</b>	<b>-126</b>	<b>334</b>	<b>460</b>
Operating profit (EBIT) incl. one-off items, acc. 2012		215	113	77	-71	334		
<b>Operating profit (EBIT) excl. one-off items</b>		<b>263</b>	<b>135</b>	<b>100</b>	<b>-38</b>	<b>460</b>		
<i>The previous year, acc. reporting period</i>								
1/2011		-17	-	-	-	-17	-24	-7
2/2011		-	-	-	-	-	135	135
3/2011		-	-	-	-	-	172	172
4/2011		-6	-20	-16	-	-42	65	107
<b>Total</b>		<b>-23</b>	<b>-20</b>	<b>-16</b>	<b>-</b>	<b>-59</b>	<b>348</b>	<b>407</b>
Operating profit (EBIT) incl. one-off items, acc. 2011		198	172	22	-44	348		
<b>Operating profit (EBIT) excl. one-off items</b>		<b>221</b>	<b>192</b>	<b>38</b>	<b>-44</b>	<b>407</b>		

*Operating profit (EBIT) has been adjusted by the following one-off items per quarter:*

1/2012	SEK -38 m relating to restructuring costs resulting from the cost saving programme that was announced on 10 January 2012.
2/2012	SEK -16 m relating to restructuring costs of SEK -9 m resulting from the cost reduction programme and the transaction costs of SEK -7 m for the acquisition of subsidiaries.
3/2012	SEK -7 m relating to the cost reduction programme.
4/2012	SEK -65 m relating to restructuring costs of SEK -38 m resulting from the cost reduction programme and SEK -27 m relating to severance costs for the President and CEO.
1/2011	SEK -17 m regarding the transfer of Ventilation's production in St. Petersburg, Russia, to Tallinn, Estonia, and the change of business area manager.
4/2011	SEK -22 m relating to the cost reduction programme and SEK -20 m relating to the change in management for the Building Systems business area, and for the write-down of assets in production units in the CEE.

The interim report has been submitted following approval by the Board of Directors.

Båstad 12 February 2013

Carl-Gustav Nilsson  
Acting President and CEO



# The Auditors' review report

## Auditors' report on the review of the interim report

To the Board of Directors of Lindab International AB (publ)  
556606-5446

### Introduction

We have performed a review of the interim report for Lindab International AB at 31 December 2012. The Board of Directors and the President 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.

### The focus and scope of the review

We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410 - Review of Interim Financial Information 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 has a different focus and a much narrower scope than an audit conducted in accordance with the International Standards on Auditing, ISA, and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. The conclusion that is expressed in a review does therefore not provide the same level of assurance as a conclusion that is based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material aspects, is not prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the Parent company in accordance with the Swedish Annual Accounts Act.

Båstad 12 February 2013

Jan Birgeron  
Authorised Accountant Ernst & Young AB

Staffan Landén  
Authorised Accountant Ernst & Young AB





## Definitions

- 1) **Operating profit (EBITDA)** comprises results before planned depreciation and before consolidated amortisation of surplus value on intangible assets.
- 2) **Operating profit (EBITA)** comprises results following planned depreciation but before consolidated amortisation of surplus value on intangible assets.
- 3) **Operating profit (EBIT)** comprises results before financial items and tax.
- 4) **Operating margin (EBITA)** has been calculated as operating profit (EBITA) as a percentage of sales revenue during the period.
- 5) **The operating margin (EBIT)** has been calculated as operating profit (EBIT) expressed as a percentage of sales revenue during the period.
- 6) **Diluted average number of shares** Calculation of the dilution from warrants issued by the Company is made in accordance with IAS 33. The calculation is only made when it can be assumed that the warrants will be redeemed, i.e. when the conversion price for the shares is lower than the average share price for the period.
- 7) **Undiluted earnings per share, SEK** After tax result in relation to the undiluted average number of outstanding shares.
- 8) **Diluted earnings per share, SEK** After tax result in relation to the diluted average number of outstanding shares.
- 9) **Cash flow from operating activities per share, SEK** Cash flow from operating activities in relation to the undiluted average number of outstanding shares during the period.
- 10) **Net debt** The net debt consists of interest bearing liabilities and assets, as well as cash and bank.
- 11) **Net debt/equity ratio** The net debt/equity ratio is expressed as the net debt in relation to shareholders' equity.
- 12) **Undiluted equity per share, SEK** Shareholders' equity in relation to the outstanding undiluted number of shares at the end of the period.
- 13) **Diluted equity per share, SEK** Shareholders' equity in relation to the outstanding diluted number of shares at the end of the period.
- 14) **Equity/asset ratio, %** The equity ratio has been calculated as shareholders' equity as a percentage of total assets according to the balance sheet.
- 15) **Return on equity, %** Return on equity comprises the after-tax profit (rolling twelve-month value), as a percentage of the weighted average shareholders' equity\*\* excluding shares without controlling interests.
- 16) **Return on capital employed, %** Return on capital employed comprises the pre-tax result plus financial costs (rolling twelve-month value) as a percentage of capital employed\*\*. Capital employed refers to total assets less non-interest-bearing provisions and liabilities.
- 17) **Return on operating capital, %** Return on operating capital comprises the operating profit (EBIT, rolling twelve months) as a percentage of average operating capital\*\*. Operating capital refers to the total net debt and shareholders' equity.
- 18) **Return on total assets, %** The return on (total) assets comprises the profit after financial items (EBT) plus financial costs (rolling twelve months) as a percentage of average total assets\*\*.
- 19) **Interest coverage ratio, times** The interest coverage ratio has been calculated as the profit after financial items plus financial expenses in relation to financial expenses.
- 20) **Number of employees at the end of the period** The number of employees at the end of the period consists of the number of employees converted to full-time positions.



## 2013 financial reporting dates

2012 Annual Report	March/April
Interim Report January–March	26 April
Annual General Meeting	15 May

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For more information please visit [www.lindabgroup.com](http://www.lindabgroup.com)

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## Lindab in brief

The Group had sales revenue of SEK 6,656 m in 2012 and is established in 31 countries with approximately 4,300 employees.

The main market is non-residential construction, which accounts for 80 percent of sales, while residential accounts for 20 percent of sales. During 2012, the Nordic market accounted for 46 percent, the CEE/CIS (Central and Eastern Europe plus other former Soviet states) for 23 percent, Western Europe for 28 percent and other markets for 3 percent of total sales.



Lindab's supply chain is characterised by a balance between centralised and decentralised functions. Steel is purchased and processed centrally. Parts of the production are highly automated (pressed ventilation and roof drainage fittings), others are located in low cost countries (mainly the Czech Republic) and some are local (e.g. bulky products). The distribution has been developed in order to be close to the customer. Sales for Ventilation and Building Components are made through

more than 120 Lindab branches and more than 2,000 stock-keeping retailers, while Building Systems conducts sales through a network of more than 330 building contractors.

### Business concept

Lindab develops, manufactures, markets and distributes products and system solutions in steel for simplified construction and improved indoor climate.

### Business model

The business is carried out within three business areas, Ventilation, Building Components and Building Systems. The products are characterised by their high quality, ease of assembly, energy efficiency and environmentally-friendly design and are delivered with high levels of service. Altogether, this increases customer value.

### Lindab International AB

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### Business areas:

#### Ventilation

Duct systems with accessories, as well as solutions for ventilation, heating and cooling for a controlled indoor climate.

#### Building Components

Products and systems in sheet steel for roof drainage, roof and wall cladding, as well as steel profiles for walls, roof and beam constructions.

#### Building Systems

Pre-engineered steel building systems. A complete building solution comprising the outer shell with the main structure, wall, roof and accessories.

*The information here is that which Lindab AB has willingly chosen to make public or that which it is obliged to make public according to the Swedish Securities Market Act and/or the Financial Instrument Trading Act. The information was made public on 13 February 2013 at 07.40.*

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