

Interim report Jan-Mar 2004

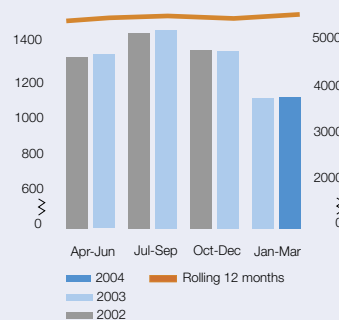


Duct system
Circular ventilation parts from the Safe system

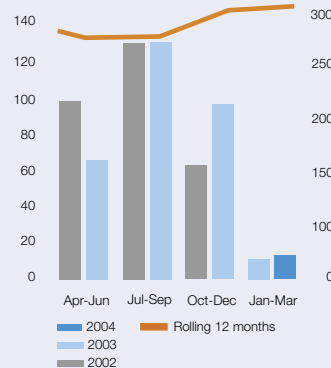
THE LINDAB GROUP

- CONTINUED POSITIVE EARNINGS TREND
- STRONG GROWTH IN CENTRAL AND EASTERN EUROPE
- SOURING STEEL PRICES

SALES, SEK M



PROFIT AFTER DEPRECIATION ACCORDING TO PLAN, SEK M



The Lindab Group

- POSITIVE EARNINGS TREND AND ORGANIC GROWTH OF 5 PERCENT OVER THE QUARTER
- OPERATING PROFIT (EBITA) WAS SEK 12 MILLION (9)
- FOCUS ON CORE AREAS CONTINUES, FOLKE I BORLÄNGE WAS SOLD AFTER PERIOD'S END

SALES AND MARKETS

Sales for Q1 amounted to SEK 1,179 million (1,158). Adjusted for exchange rate fluctuations and acquisitions/disposals, volumes were up by 5 percent for the period.

Demand on a number of Lindab's key markets, including the Nordic Region and Western Europe, remained weak during the first quarter. Commercial construction has continued to progress poorly in these regions. Lindab is however continuing to take market shares on these markets, through strong distribution and a broad product portfolio.

Sales trends on Lindab's growth markets, Central and Eastern Europe and the USA, have however been positive. EU membership for various Central and Eastern European countries will further increase interest in establishing themselves in the region, which positively affects both of Lindab's business areas.

The USA showed strong development during Q1, both in product and machine sales within Ventilation.

EARNINGS

The operating profit for the period was SEK 12 million (9). The positive earnings trend from the second half of 2003 continued.

The profit for the quarter was impacted by start-up costs of SEK 8 million for the new production facility in Prague.

The sold-off galvanisation unit's operating profit was SEK 7 million in Q1 2003. Adjusted for these items the improved profits for the quarter amounted to SEK 18 million.

The price of sheet metal, Lindab's most important raw material, has risen dramatically during Q1. The focus is to maintain or improve the Group's contribution margin.

NET DEBT AND FINANCIAL POSITION

Net debt – the difference between interest-bearing assets and interest bearing debt was SEK 1,992 million (2,144) on 31 March 2004 and the equity/assets ratio was 41 percent (40).

Net financial income was SEK –20 million (–26). The main reason for the improved net financial income is lower interest rates.

CASH FLOW

Cash flow during Q1 was SEK –203 million (–210). This trend is seasonally normal and mostly due to increased working capital.

INVESTMENTS

Investments in Q1 stood at SEK 44 million (23).

The majority of the investments are expansion investments,

especially in Central and Eastern Europe. The acquisition of Götze & Lausche meant investments of SEK 9 million. Of total investments, SEK 41 million was in machinery and SEK 3 million was in buildings.

Total depreciation for the quarter was SEK 72 million (72), of which depreciation of machinery and fixtures was SEK 43 million (43). Amortisation of goodwill was SEK 29 million (29).

CORPORATE ACQUISITIONS/DISPOSALS

The assets and liabilities of the German company Götze & Lausche were acquired at the beginning of the year. The acquisition strengthened Lindab's duct business mainly in eastern Germany. The business is expected to achieve sales of EUR 5 million in 2004.

A majority of Folke i Borlänge AB's business was sold to Bröderna Edstrand AB on 3 May. The earnings effect on the operating profit is expected to be marginal, however, goodwill will be written down by SEK 5 million. The sale will positively affect net debt by SEK 50 million.

PERSONNEL

The Group employed 3,633 people at the end of the quarter compared with 3,528 for the same period in 2003.

Half of this increase is due to the new production facility in Prague. The acquisition and disposal accounts for a third of the increase and the remaining are new employees within the growth areas of Central and Eastern Europe.

ORGANISATIONAL CHANGES

Anders Persson left his position as Business Area Manager for Profile on 1 March 2004 and took up the position of HR/IR Manager at Group level. Peter Andsberg, formerly Regional Manager Central and Eastern Europe, took up a new position on the same day as Business Area Manager for Profile, located in Hungary, which has been Profile's largest growth market in recent years.

Dick McCullough has been appointed the new CEO in the USA. This is an important growth market for Lindab and McCullough has many years' experience of the ventilation industry.

INCOME STATEMENT, GROUP

SEK M	Q 1 2004	Q 1 2003	JAN-DEC 2003
Sales	1 179	1 158	5 302
Cost of goods sold	-719	-700	-3 265
CONTRIBUTION MARGIN I	460	458	2 037
Production overheads	-143	-143	-538
CONTRIBUTION MARGIN II	317	315	1 499
Selling expenses	-161	-156	-602
Administration expenses	-98	-94	-387
R&D costs	-8	-10	-35
Items affecting comparability	0	0	0
Other operating income	6	3	38
Other operating expenses	-1	-6	-41
EBITDA	55	52	472
Depreciation	-43	-43	-167
EBITA	12	9	305
Amortisation of goodwill	-29	-29	-118
EBIT	-17	-20	187
Interest income	2	2	9
Interest expenses	-21	-28	-109
Other financial income and expenses	-1	0	5
EBT	-37	-46	92
Paid tax	-5	10	-84
Deferred tax	-1	-14	18
NET PROFIT	-43	-50	26

CASH FLOW STATEMENT, GROUP

SEK M	Q 1 2004	Q 1 2003	JAN-DEC 2003
Operating activities			
Operating profit	-17	-20	187
Depreciation and amortisation	72	73	285
CASH FLOW FROM OPERATIONS	55	53	472
Financial items	-20	-26	-95
Paid tax	-6	-4	-66
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	29	23	311
Change in working capital	-196	-201	-53
CASH FLOW FROM OPERATING ACTIVITIES	-167	-178	258
Investments, net	-44	-23	-113
CASH FLOW AFTER INVESTING ACTIVITIES	-211	-201	145
Other items	8	-9	-6
NET CASH FLOW	-203	-210	139
Change in interest-bearing liabilities	105	181	-27
CHANGE IN LIQUID FUNDS	-98	-29	112

**BALANCE SHEET, GROUP
ASSETS**

SEK M	2004-03-31	2003-03-31	2003-12-31
Intangible fixed assets	1 983	2 113	2 012
Tangible fixed assets	1 204	1 251	1 180
Financial fixed assets	71	84	72
Stock	939	928	858
Other receivables	1 004	956	836
Cash and bank	122	79	220
TOTAL ASSETS	5 323	5 411	5 178

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	2 202	2 180	2 210
Interest-bearing provisions	61	58	61
Non interest-bearing provisions	146	169	144
Long-term liabilities			
Interest-bearing liabilities	1 819	2 005	1 659
Current liabilities			
Interest-bearing liabilities	234	160	291
Non-interest-bearing liabilities	861	839	813
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5 323	5 411	5 178

KEY FIGURES

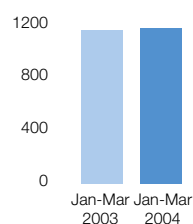
	Q 1 2004	Q 1 2003
Operating margin, percent ^{1,2)}	1.0	0.8
Return on capital employed, percent ³⁾	0.3	0.2
Earnings per share, SEK ⁴⁾	-43	-50
Cash flow, SEK M	-203	-210
Debt/equity ratio, times ⁵⁾	0.90	0.98
Equity per share, SEK	2 202	2 180
Equity/assets ratio, percent ⁶⁾	41.3	40.3
Shares in issue: 1,000,000.		

Definitions:

- 1) EBITA comprises earnings after depreciations according to plan excluding goodwill.
- 2) EBITA as a percentage of sales.
- 3) EBITA as a percentage of average capital employed.
- 4) Net profit divided by number of shares in issue.
- 5) Net debt - interest-bearing liabilities and interest-bearing provisions less liquid funds - as a percentage of shareholders' equity.
- 6) Shareholders' equity as a percentage of total assets.

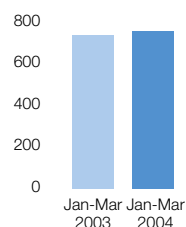
SALES BY MARKET		
SEK M	Q 1 2004	Q 1 2003
Nordic Region	635	656
Western Europe	306	294
Central and Eastern Europe	151	126
USA	81	77
Other markets	6	5
TOTAL	1 179	1 158

SALES GROUP, SEK M



SALES BY BUSINESS AREA		
SEK M	Q 1 2004	Q 1 2003
Ventilation	761	742
Profile	341	323
Other business	77	93
TOTAL	1 179	1 158

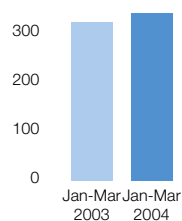
SALES VENTILATION, SEK M



Ventilation includes Ventilation Europe and Ventilation USA plus machinery manufacture of Spiro/Spiral-Helix. Other business includes Folke i Borlänge AB and central units. The sold-off galvanisation business is also included in 2003.

EBITA BY BUSINESS AREA		
SEK M	Q 1 2004	Q 1 2003
Ventilation	27	27
Profile	-4	-14
Other business	-11	-4
TOTAL	12	9

SALES PROFILE, SEK M



The operating profit (EBITA) is the profit/loss after depreciation according to plan excluding goodwill. The group's goodwill amortisation for Q1 2004 brake down as follows: Ventilation of SEK 16 million (16), on Profile of SEK 12 million (12) and on Other business of SEK 1 million (1) in Q1 2004.

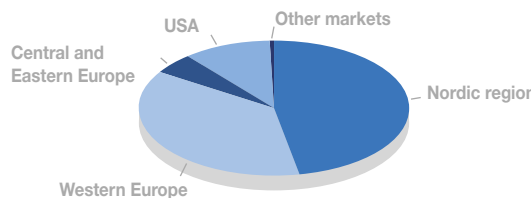
Business areas

VENTILATION

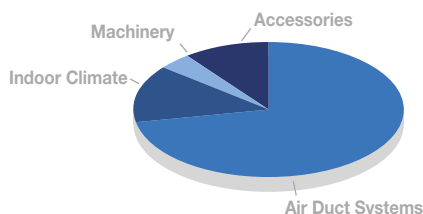
- USA SHOWS GOOD GROWTH
- CONTINUED WEAK DEMAND IN THE NORDIC REGION AND WESTERN EUROPE
- THE CZECH REPUBLIC PROJECT RUNNING ACCORDING TO PLAN

VENTILATION		
SEK M	Q 1 2004	Q 1 2003
Sales	761	742
Operating profit	27	27
Numbers of employees	2 374	2 170

SALES BY MARKET



SALES BY PRODUCT AREA



SALES AND MARKETS

The Ventilation business area's sales were up 3 percent to SEK 761 million (742). Adjusted for exchange rates and structural effects, the volume increase was 3 percent. Growth for the period mainly came from the USA and Central and Eastern Europe. Demand on the Nordic markets and Western Europe is still weak.

Production started up in the new Central European production facility outside Prague during Q1. The project follows the plan. At the end of the quarter, 163 employees worked at the plant. The start-up had a SEK 6 million effect on the business area's quarterly profits. Production volumes will gradually expand in 2004.

EARNINGS

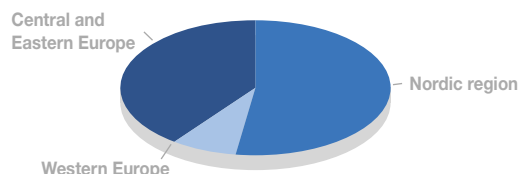
The operating profit for Q1 was SEK 27 million (27). The Swiss, German and British restructuring scheme started in 2003 is going according to plan and will be fully effective in Q2 2004.

PROFILE

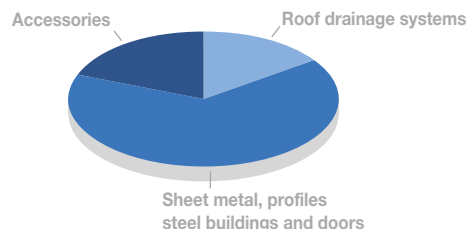
- CONTINUED GROWTH IN CENTRAL AND EASTERN EUROPE
- IMPROVED MARGINS
- STRONG INFLOW OF ORDERS FOR BUILDING SYSTEMS

PROFILE		
SEK M	Q 1 2004	Q 1 2003
Sales	341	323
Operating profit	-4	-14
Numbers of employees	1 144	1 117

SALES BY MARKET



SALES BY PRODUCT AREA



SALES AND MARKETS

The business area's sales rose by 6 percent to SEK 341 million (323). Profile has a strong seasonal variation where Q1 has the lowest volumes. Adjusted for exchange rate fluctuations the volume increase was 10 percent. In Central and Eastern Europe business activities has been very positive during the start of the year with a sales rise of 27 percent compared to last year. Nordic region and Western Europe has principally unchanged sales volumes.

A number of Building System projects have been signed during the period, of which the largest is in the UK with an order value of SEK 25 million.

EARNINGS

The operating loss for Q1 was SEK 4 million (-14). The reason for the improvement can mainly be explained by increased margins and good volume growth.

OTHER BUSINESS

SALES AND MARKETS

Folke i Borlänge AB and central units are part of other business. The sold-off galvanisation business was also included in 2003. During Q1, Folke i Borlänge AB had continued sales success.

In the beginning of May, a majority of the business was sold to Bröderna Edstrand AB. The earnings effect on the operating profit is expected to be marginal, however, goodwill will be written down by SEK 5 million.

EARNINGS

The operating loss for Q1 was SEK 11 million (-4). The main reason for lower result that the galvanisation business was included in Q1 2003 and showed a profit of SEK 7 million.

This interim report has not been reviewed by the Group's auditor.



LINDAB IN A NUTSHELL

Lindab is an international group which develops, manufactures and markets sheet metal products and system solutions in the Ventilation and Profile business areas.

The Ventilation business area focuses on the ventilation industry, offering everything from ventilation components to complete indoor climate solutions. Lindab has been the European market leader in circular duct systems for a number of years now. A range of accessories has gradually been added around this central product system, which - along with our IT tools - enable the sale of complete system solutions for both ventilation and indoor climate technology.

The Profile business area focuses on the construction industry, offering an extensive range of construction components and complete steel building kits for both residential and commercial properties. A wide variety of components and solutions for the construction industry is supplied. At the heart of the business is an extensive range of roof drainage solutions, which is currently the market-leading brand in Scandinavia. Profile also offers a wide range of profiled sheet metal wall and roof cladding, lightweight construction systems for modern steel structures, garage and industrial doors, and system sales of prefabricated buildings with components from the other product areas.

The group has operations in 26 countries and generated sales of SEK 5,302 M in 2003. Its head office is in Grevie near Båstad on the beautiful Bjäre peninsula in southwestern Sweden.

The Lindab Intressenter group was formed in 2001 when Ratos, the Sixth Swedish National Pension Fund/AP6, Livförsäkringsaktiebolaget Skandia and the company's management bought out the listed company Lindab AB.

LINDAB'S MISSION

Lindab is a world leader for well thought-out sheet metal solutions for ventilation and construction. Lindab is the natural partner for customers wishing to facilitate construction, thereby saving time, money and the environment while cutting the risk, increasing quality and raising comfort levels.

FINANCIAL REPORTS 2004

Interim report January-June	25 August
Interim report January-September	12 November
Financial statement 2004	February 2005

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