

Interim report for second quarter of 2005

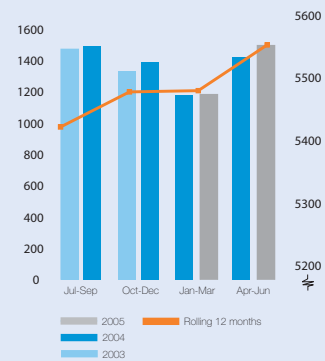


The acquisition of Astron has resulted in the formation of Europe's leading player within prefabricated steel buildings

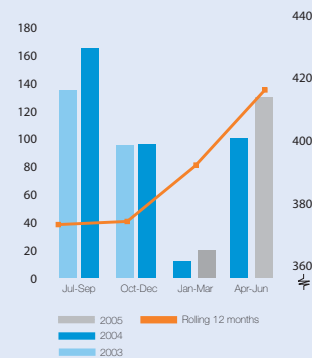
THE LINDAB GROUP

- **TURNOVER UNDER THE QUARTER INCREASED BY 6.4 PERCENT FOR COMPARABLE UNITS**
- **OPERATING PROFIT (EBITA) INCREASED BY 26 PERCENT FROM MSEK 103 TO MSEK 130**
- **AGREEMENT SIGNED ON ACQUISITION OF ASTRON BUILDING**

SALES, MSEK



OPERATING PROFIT (EBITA), MSEK



The Lindab Group

SALES AND MARKET

Sales during the second quarter amounted to MSEK 1,494, an increase of 5.1 percent compared to the previous year. The increase in sales for comparable units amounted to 6.4 percent, of which positive exchange rate effects accounted for 1.3 percentage.

During the quarter, the market for Lindab products improved overall. Demand in the, for Lindab important, Nordic market continued to grow, with an increase in sales of 16 percent after adjustment for the divestment of Folke. During the quarter, there was slow growth in Western Europe despite a depressed market. Sales in Central and Eastern Europe declined slightly, principally because of a weaker market in Poland. In the USA, there was still no clear direction to demand within the commercial sector.

Sales for the first half of 2005 amounted to MSEK 2,675 (2,600). Adjusted for divestments completed in 2004 the increase in sales amounts to 5.9 percent. The weakening of the Swedish currency had a positive effect on sales of 0.8 percentage.

EARNINGS

Operating profit for the second quarter amounted to MSEK 130, which is an increase of 26 percent compared to 2004. Operating margin for the quarter was 8.7 percent, which is an improvement of 1.5 percentage compared to 2004. This was the eighth consecutive quarter with increasing profit. The improved results may mainly be attributed to a growth in sales and efficient costs control. In 2005, steel prices, which rose drastically in 2004, have levelled off and the price of sheet steel remained unchanged during the second quarter.

Operating margin was 7.5 percent based on 12-month rolling figures, compared to 6.3 percent at the same time the previous year.

Profit after financial items increased to MSEK 112 (81).

Operating profit for the January-June period amounted to MSEK 150 (118).

NET DEBT AND FINANCIAL POSITION

Net debt - the difference between interest-bearing assets and interests-bearing debts - amounted to MSEK 2,030 June 30 2005 (2,199). The equity/assets ratio was 43 percent (38).

On June 30, debt/equity ratio amounted to 0.81 (1.01).

Net financial items amounted to MSEK -18 (-22). For the first half-year, net financial expense amounted to MSEK -37 (-46). Lower interest rates and a lower net debt explains the improved net financial items.

CASH FLOW

Cash flow amounted to MSEK 76 (140) during the second quarter. The strong cash flow in the second quarter of 2004 stemmed from the divestment of parts of Folke in Borlänge in May 2004. The work of decreasing the amount of capital tied up in stocks continued in the second quarter and despite the expansion of stocks of finished goods in the run-up to the high season, total stocks declined by MSEK 72.

Cash flow amounted to MSEK -173 (-61) during the first six months. This position is completely seasonally related and may be mainly attributed to a greater working capital.

INVESTMENTS

Second quarter investments amounted to MSEK 23 (16). During the second quarter of 2004, Folke in Borlänge was sold off, which decreased net investment by MSEK 10.

Of investments, expansion investments accounted to MSEK 11, and efficiency and maintenance investments to MSEK 6 each.

Total depreciation for the quarter amounted to MSEK -48 (-49).

CORPORATE ACQUISITIONS/DISPOSALS

Astron Building SA has been acquired to strengthen the position on the European steel building market and to provide growth within one of the defined core product areas. The acquisition will make Lindab Europe's leading player in the area of prefabricated steel buildings. Geographically the acquisition complements Lindab's steel building business extremely well. During the last financial year Astron had turnover of MEUR 115 with operating profits of MEUR 9. Sales in Central and Eastern Europe has grown drastically in recent years and now account for 50 percent of the total turnover. Astron employs a workforce of 650, and has production facilities in Luxembourg and the Czech Republic. The purchase price amounted to MEUR 74.5, free of debt. The required permit has been obtained from the Swedish Competition Authority and Astron will be consolidated into the group from September 1.

PERSONNEL

The number of employees at the end of the quarter was 3,553 compared to 3,733 at the same time in 2004. The decrease in staff numbers mainly affected the Ventilation business area and may be explained by the rationalisation of production in Germany and in the USA, which involved 130 persons.

INCOME STATEMENT, GROUP, ACCORDING TO IFRS				
MSEK	APR-JUN 2005	APR-JUN 2004	JAN-JUN 2005	JAN-JUN 2004
Sales	1 494	1 421	2 675	2 600
Cost of goods sold	-902	-866	-1 598	-1 585
CONTRIBUT. MARGIN 1	592	555	1 077	1 015
Production overheads	-132	-127	-270	-264
CONTRIBUT. MARGIN 2	460	428	807	751
Selling expenses	-182	-166	-354	-327
Administration expenses	-102	-103	-204	-201
R&D costs	-10	-9	-18	-17
Other operating income	10	2	14	8
Other operating expenses	2	0	-1	-1
EBITDA	178	152	244	213
Depreciation	-48	-49	-94	-95
EBITA	130	103	150	118
Amortisation of goodwill	-	-	-	-
EBIT	130	103	150	118
Interest income	2	2	4	4
Interest expenses	-22	-24	-42	-49
Other financial income and expenses	2	0	1	-1
EBT	112	81	113	72
Paid tax	-33	-28	-42	-33
Deferred tax	-5	2	6	1
NET PROFIT	74	55	77	40

CASH FLOW STATEMENT, GROUP				
MSEK	APR-JUN 2005	APR-JUN 2004	JAN-JUN 2005	JAN-JUN 2004
Operating activities				
Operating profit	130	103	150	118
Depreciation and amortisation	48	49	94	95
CASH FLOW FROM OPERATIONS	178	152	244	213
Financial items	-18	-22	-37	-46
Paid tax	-38	-26	-36	-32
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL	122	104	171	135
Change in working capital	-36	34	-286	-162
CASH FLOW FROM OPERATING ACTIVITIES	86	138	-115	-27
Investments, net	-23	-16	-61	-60
CASH FLOW AFTER INVESTING ACTIVITIES	63	122	-176	-87
Other items	13	18	3	26
NET CASH FLOW	76	140	-173	-61
Changes in interest-bearing liabilities	-29	-89	174	14
Change in liquid funds	47	51	1	-47

BALANCE SHEET, GROUP, ACCORDING TO IFRS			
ASSETS			
MSEK	2005-06-30	2004-06-30	2004-12-31
Intangible fixed assets	2 026	2 015	2 026
Tangible fixed assets	1 418	1 421	1 394
Financial fixed assets	34	61	28
Fin. fixed assets int.-bearing	23	-	25
Other long-term receivables	51	22	29
Stock	961	948	1 024
Other receivables	1 192	1 057	863
Other receivables, int.-bearing	-	-	4
Cash and bank	118	173	117
TOTAL ASSETS	5 823	5 697	5 510

SHAREHOLDERS' EQUITY AND LIABILITIES			
MSEK	2005-06-30	2004-06-30	2004-12-31
Shareholders' equity	2 511	2 188	2 372
Interest-bearing provisions	79	60	82
Non interest-bearing provisions	135	156	144
Long-term liabilities			
Interest-bearing liabilities	1 932	2 098	1 738
Current liabilities			
Interest-bearing liabilities	160	214	182
Non Interest-bearing liabilities	1 006	981	992
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5 823	5 697	5 510

KEY FIGURES		
	JAN-JUN 2005	JAN-JUN 2004
Operating margin, percent ^{1,2)}	5,6	4,5
Earnings per share, SEK ³⁾	77	40
Cash flow, MSEK	-173	-61
Debt/equity ratio, times ⁴⁾	0.81	1.01
Equity per share, SEK	2 511	2 188
Equity/assets ratio, percent ⁵⁾	43.1	38.4
Shares in issue: 1 000 000		

Definitions:

- 1) Operating profit comprises earnings after depreciation according to plan excluding goodwill (EBITA).
- 2) The operating margin has been calculated as EBITA expressed as a percentage of sales during the period.
- 3) Net profit in relation to number of shares in issue.
- 4) Debt/equity ratio - the difference between net debt - in relation to shareholders' equity.
- 5) The equity/assets ratio has been calculated as shareholders' equity as a percentage of total assets as per the balance sheet.

SALES BY MARKET				
MSEK	APR-JUN 2005	APR-JUN 2004	JAN-JUN 2005	JAN-JUN 2004
The Nordic region	777	692	1 411	1 330
Western Europe	340	324	646	630
Central and Eastern Europe	291	315	456	462
USA	67	84	139	165
Other markets	19	6	23	13
TOTAL	1 494	1 421	2 675	2 600

During the quarter, there was an increase in demand in the Nordic region. In Central and eastern Europe demand was somewhat weaker, it is assessed that the downturn is temporary. In the USA the building and construction market is still in a wait-and-see phase.

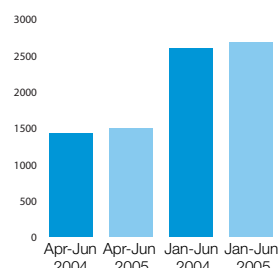
SALES BY BUSINESS AREA				
MSEK	APR-JUN 2005	APR-JUN 2004	JAN-JUN 2005	JAN-JUN 2004
Ventilation	829	787	1 575	1 547
Profile	646	604	1 063	945
Other activities	19	30	37	108
TOTAL	1 494	1 421	2 675	2 600

Ventilation consists of Ventilation Europe and Ventilation USA as well as machine manufacturing Spiro/Spiral-Helix. Other activities include Group wide functions and Folke Perforering AB. The decrease in sales in other activities is explained by the fact that the main part of activities within Folke was sold off at the beginning of May 2004.

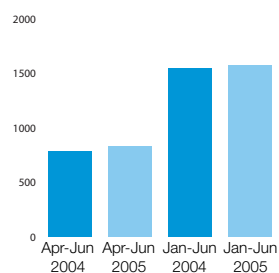
OPERATING PROFIT BY BUSINESS AREA				
MSEK	APR-JUN 2005	APR-JUN 2004	JAN-JUN 2005	JAN-JUN 2004
Ventilation	54	36	74	63
Profile	81	77	90	73
Other activities	-5	-10	-14	-18
TOTAL	130	103	150	118

Operating profit (EBITA) refers to profit after planned depreciation excluding goodwill.

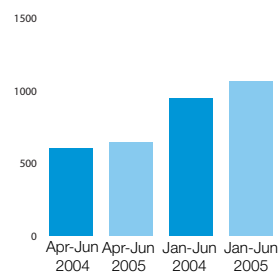
SALES GROUP, MSEK



SALES VENTILATION, MSEK



SALES PROFILE, MSEK



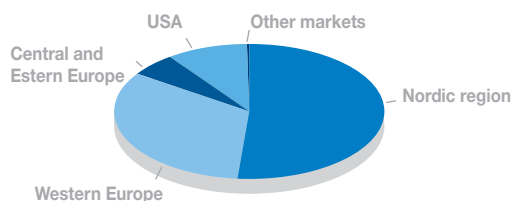
Business areas

VENTILATION

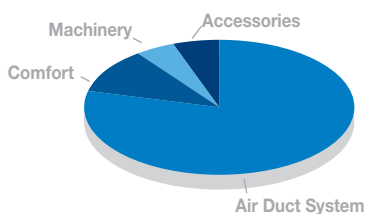
- POSITIVE GROWTH IN SALES FOR CIRCULAR DUCT SYSTEMS
- IMPROVED RESULTS THROUGH INCREASED SALES AND COMPLETED RATIONALISATION ACTIVITIES
- ADDITIONAL MEASURES TAKEN TO DECREASE THE LEVEL OF COSTS

VENTILATION				
MSEK	APR-JUN 2005	APR-JUN 2004	JAN-JUN 2005	JAN-JUN 2004
Sales	829	787	1 575	1 547
Operating profit	54	36	74	63
Number of employees			2 315	2 461

SALES BY MARKET



SALES BY PRODUCT AREA



SALES AND MARKET

Sales within the business area rose by 5 percent during the second quarter. The marketing efforts carried out especially within circular duct systems which begin to show results in the shape of increased sales. The positive development in the Nordic region continues. The demand for commercial construction is still weak in Western Europe and the USA.

Sales during the first six months of the year amounted to MSEK 1,575 (1,547).

EARNINGS

Second quarter operating profit grew by 50 percent to MSEK 54 (36). The improvement in results may be attributed to increasing sales and efficient cost control. Sales of the core products in circular duct systems made positive progress. An action program aimed at adjusting costs levels is being implemented in most of the European units, mainly through production consolidation initiatives. The effects of these rationalisation activities will appear during the second half of 2005 and in 2006.

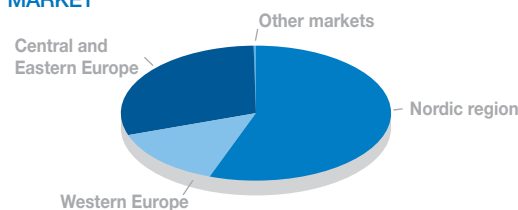
Operating profit for the first six months amounted to MSEK 74 (63).

PROFILE

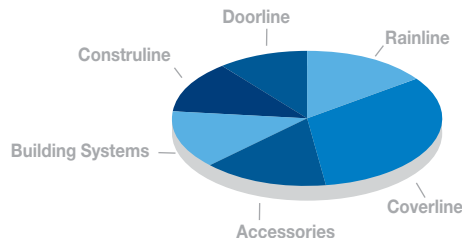
- CONTINUED GOOD MARKET DEMAND IN THE NORDIC MARKETS
- MARKETING EFFORTS WITHIN RAINLINE
- GOOD DEVELOPMENT WITHIN BUILDING SYSTEMS

PROFILE				
MSEK	APR-JUN 2005	APR-JUN 2004	JAN-JUN 2005	JAN-JUN 2004
Sales	646	604	1 063	945
Operating profit	81	77	90	73
Number of employees			1 168	1 198

SALES BY MARKET



SALES BY PRODUCT AREA



SALES AND MARKET

Sales increased by 7 percent during the quarter and amounted to MSEK 646 (604). Sales of all product groups increased, while Building Systems continued to make good progress. The business area noted a good demand position throughout the Nordic region. Demand weakened in Central and Eastern Europe, mainly in Poland and Hungary. In Western Europe marketing efforts in England have produced positive results with increased sales within both the Rainline and Construline product groups.

Sales during the first six months of the year amounted to MSEK 1,063 (945).

EARNINGS

Second quarter operating profit amounted to MSEK 81 (77). Marketing efforts have been fulfilled mainly within the product group Rainline which has affected the profit for the quarter. For the first six months operating profit amounted to MSEK 90 (73).

ACCOUNTING POLICIES

This report has been drawn up in compliance with IAS 34 Interim Reports.

The interim report for the first quarter of 2005 is the first financial report that Lindab has presented in compliance with IFRS.

The reporting of Business Combinations (IFRS 3), Intangible assets (IAS 38) and Financial Leases (IAS 17) are areas of considerable differences between previous reports and IFRS.

If IFRS had been applied in 2004, the following changes would have affected the result and shareholders' equity.

MSEK	Full year 2004	Full year 2004
	RR ¹⁾	IFRS
Operating profit (EBITA)	374	384
Operating profit after goodwill amortization (EBIT)	253	384
Profit after financial items (EBT)	179	297
Net result	83	202
Shareholders' equity including minority interests	2 313	2 372

MSEK	Q. 2 2004	Q. 2 2004
	RR ¹⁾	IFRS
Operating profit (EBITA)	112	118
Operating profit after goodwill amortization (EBIT)	48	118
Profit after financial items (EBT)	10	72
Net result	-22	40
Shareholders' equity including minority interests	2 186	2 188

¹⁾ Swedish Financial Accounting Standards

The change in profit stems mainly from the omission of MSEK 121 in amortisation of goodwill for the full year of 2004 and with MSEK 64 for the period January-June.

Financial leases (IAS 17) has decreased shareholders' equity by MSEK 67 and increased fixed assets by MSEK 245 for the full year of 2004 and for the second quarter shareholders' equity has decreased by MSEK 64 and fixed assets increased by MSEK 253.

BUSINESS CONCEPT

Lindab develops, manufactures, markets and distributes products and system solutions in sheet metal for indoor climate enhancement and simplified building construction.

The business is carried out within two business areas, Ventilation and Profile and with products that are characterized by high quality, ease of installation energy efficiency and environmental awareness and are sold with a high level of service, all of which increase customer value.

THIS IS LINDAB

The Lindab group generated sales of MSEK 5,477 in 2004 and is established in 26 countries and has approx. 3,700 employees.

- The Ventilation business area is directed towards the ventilation industry with components and system solutions. Principal products can be found within the sectors of round duct systems and comfort.
- The Profile business area focuses on the construction sector, offering a range of steel components for building construction. Products such as roof drainage components, profiled sheet metal, wall studs and steel frames are delivered to commercial and industrial buildings.
- Principle owners in Lindab Intressenter AB are Ratos, Sjätte AP-fonden and Skandia Liv.

This report has not been audited by Lindab's auditors.

DATE FOR FINANCIAL REPORTING FOR 2005/2006

Interim report Januari-September, Q3	11 November
Year-end report 2005	23 February 2006

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