

Financial statement for fourth quarter and the full year 2004



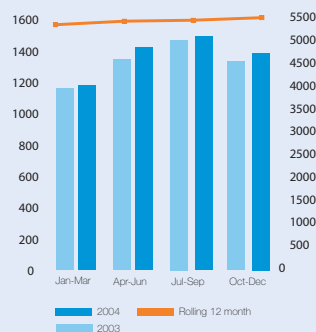
Roof drainage
Circular silencer
Supply and exhaust diffuser

THE LINDAB GROUP

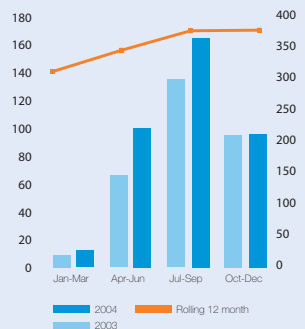
- OPERATING PROFIT INCREASED FROM SEK 305 MILLION TO SEK 374 MILLION
- CASH FLOW AMOUNTED TO SEK 269 MILLION
- ORGANIC GROWTH AT 7.4 PERCENT DURING THE FOURTH QUARTER

STEEL PRICES STILL AT HISTORICALLY HIGH LEVEL

SALES, SEK M



PROFIT AFTER DEPRECIATION ACCORDING TO PLAN, SEK M



The Lindab Group

SALES AND MARKETS

Sales for Q4 amounted to SEK 1,387 million (1,331), which is an increase of 4 percent. Adjusted for exchange rate fluctuations and acquisitions/disposals, the positive organic growth continued during Q4 and amounted to 7.4 percent. The economic outlook has gradually improved during the quarter. On the important Swedish and Danish markets, demand has increased and the fourth quarter shows a positive sales trend. Several positive signals towards the end of the year have suggested the economic outlook is improving in the Euro zone. Generally, Lindab's industry is in the latter stages of an economic cycle. Central and Eastern Europe are continuing to grow. In the USA, construction activity concerning commercial premises is in a hesitant phase.

Sales for the full year 2004 amounted to SEK 5,477 million (5,302), which is an increase of 3 percent. The strength of the Swedish krona has negatively affected sales by 1 percent. Acquisitions/disposals for the year reduced sales by 2.5 percent. Organic growth reached 6.5 percent, largely due to price increases.

EARNINGS

The operating profit for the fourth quarter was in line with the previous year and amounted to SEK 96 million (95). During the quarter, steel prices continued to rise, which has meant continued focus on price increases for the customers and internal rationalisation.

The year has shown a gradual improvement in the result. The operating profit for January to December rose by 23 percent to SEK 374 million (305). The main reason for the improved profit is improved volumes and margins. The profit was burdened by start-up costs of SEK 20 million for the new production facility in Prague.

Lindab has successfully dealt with the volatile steel market in 2004 without a reduction in profitability or lost market shares.

NET DEBT AND FINANCIAL POSITION

The Lindab Group's financial position has been strengthened during the year. Net debt – the difference between interest-bearing assets and interest-bearing debts - was SEK 1,522 million (1,791) as of 31 December 2004, the equity/assets ratio improved by 2 percent to 45 percent (43).

The net debt/equity ratio at the end of the year amounted to 0.66 compared with 0.81 at the corresponding time the previous year.

Net financial income/expense for Q4 improved by SEK 5 million and amounted to SEK -18 million (-23). For 2004, the net financial income/expense amounted to SEK -74 million (-95). The improvement, SEK 21 million was largely attributable to lower loan costs.

CASH FLOW

Cash flow for Q4 amounted to SEK 234 million (220). Improved working capital explains the majority of the cash flow. During the corresponding period the previous year, the galvanisation business

was sold off, which positively affected the cash flow by SEK 80 million.

The cash flow for 2004 was very strong and amounted to SEK 269 million (139). During the year, increasing steel prices led to higher stocks, which in turn led to higher working capital. An improved operating profit and net interest income/expense had a positive contribution.

INVESTMENTS

Investments during the quarter amounted to SEK 59 million. The majority of investments related to investments in machinery. Total depreciation for the quarter amounted to SEK 68 million (68), of which amortisation of goodwill is the motive for SEK 28 million (29).

Investments for 2004 amounted to SEK 149 million (113). The largest single machinery investments were in the production facility in Prague, Czech Republic, in total SEK 28 million. Other investments related mainly to expansion and maintenance investments in machinery. Corporate acquisitions/disposals led to net investments of SEK 2 million.

Total depreciation for the period was SEK 293 million (285), of which depreciation of machinery, buildings and fixtures was SEK 172 million (167).

Amortisation of goodwill amounted to SEK 121 million (118).

CORPORATE ACQUISITIONS/DISPOSALS

At the end of 2003, the assets and liabilities of the German company Götze & Lauscher were acquired. The acquisition strengthens Lindab's duct business, mainly in eastern Germany. On 31 December 2003 Lindab acquired Bravida's duct manufacturing activities in Denmark.

On 3 May the majority of Folke i Borlänge AB's activities were sold to Bröderna Edstrand AB. The earnings effect on the operating profit is marginal, although goodwill has been written down by SEK 5 million. The sale has had a positive effect on the net debt by SEK 45 million.

On 1 December, the assets and liabilities of the Danish company Solidan were acquired. The business focuses on deliveries of profile products in southern Denmark and northern Germany. The business is expected to achieve sales of DKK 27 million in 2005.

PERSONNEL

The Group employed 3,666 people at the end of the quarter, compared with 3,874 for the same period in 2003.

The reduction is the result of the disposal of companies which has reduced the number of employees of 70 people and rationalisation of production in Germany and the USA with the redundancies of 100 people.

ORGANISATIONAL CHANGE

On 1 January 2005 Hannu Paitula was appointed Business Area Manager for Ventilation. Hannu Paitula has been working in the ventilation business for 20 years at Fläkt, ABB and as CEO of FläktWoods Group.

INCOME STATEMENT, GROUP				
SEK M	Q 4 2004	Q 4 2003	JAN-DEC 2004	JAN-DEC 2003
Sales	1 387	1 331	5 477	5 302
Cost of goods sold	-803	-820	-3 278	-3 265
CONTRIBUT. MARGIN 1	584	511	2 199	2 037
Production overheads	-165	-124	-566	-538
CONTRIBUT. MARGIN 2	419	387	1 633	1 499
Selling expenses	-171	-144	-659	-602
Administration expenses	-105	-110	-403	-387
R&D costs	-6	-8	-29	-35
Other operating income	7	27	19	38
Other operating expenses	-8	-18	-15	-41
EBITDA	136	134	546	472
Depreciation	-40	-39	-172	-167
EBITA	96	95	374	305
Amortisation of goodwill	-28	-29	-121	-118
EBIT	68	66	253	187
Interest income	3	3	9	9
Interest expenses	-21	-28	-81	-109
Other financial income and expenses	-	2	-2	5
EBT	50	43	179	92
Minority share	-	-	-1	-
Paid tax	-27	-41	-95	-84
Deferred tax	-3	19	-	18
NET PROFIT	20	21	83	26

CASH FLOW STATEMENT, GROUP				
SEK M	Q 4 2004	Q 4 2003	JAN-DEC 2004	JAN-DEC 2003
Operating activities				
Operating profit	68	66	253	187
Depreciation and amor- tisation	68	68	293	285
CASH FLOW FROM OPERATIONS	136	134	546	472
Financial items	-18	-23	-74	-95
Paid tax	-30	-22	-95	-66
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL	88	89	377	311
Change in working capital	217	91	37	-53
CASH FLOW FROM OPERATING ACTIVITIES	305	180	414	258
Investments, net	-59	41	-149	-113
CASH FLOW AFTER INVESTING ACTIVITIES	246	221	265	145
Other items	-12	-1	4	-6
NET CASH FLOW	234	220	269	139
Changes in interest-bea- ring liabilities	-241	-118	-372	-27
Change in liquid funds	-7	102	-103	112

BALANCE SHEET, GROUP		
ASSETS		
SEK M	2004-12-31	2003-12-31
Intangible fixed assets	1 900	2 012
Tangible fixed assets	1 148	1 180
Financial fixed assets	28	72
Fin. fixed assets, int.-bearing	25	-
Other long-term receivables	29	-
Stock	1 024	858
Other receivables	842	836
Other receivables, int.-bearing	4	-
Cash and bank	117	220
TOTAL ASSETS	5 117	5 178
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	2 311	2 210
Minority interests in subsid.	2	-
Interest-bearing provisions	82	61
Non interest-bearing provisions	144	144
Long-term liabilities		
Interest-bearing liabilities	1 412	1 659
Current liabilities		
Interest-bearing liabilities	174	291
Non interest-bearing liabilities	992	813
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5 117	5 178

KEY FIGURES		
	JAN-DEC 2004	JAN-DEC 2003
Operating margin, percent ¹⁻²⁾	6.8	5.8
Earnings per share, SEK ³⁾	83	26
Cash flow, SEK M	269	139
Debt/equity ratio, times ⁴⁾	0.66	0.81
Equity per share, SEK	2 311	2 210
Equity/assets ratio, percent ⁵⁾	45	43
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) Net debt – the difference between interest-bearing liabilities and liquid funds – 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				
SEK M	Q 4 2004	Q 4 2003	JAN-DEC 2004	JAN-DEC 2003
Nordic Region	711	686	2 752	2 780
Western Europe	317	293	1 299	1 235
Central and Eastern Europe	290	275	1 089	955
USA	66	73	309	306
Other markets	3	4	28	26
TOTAL	1 387	1 331	5 477	5 302

During the quarter demand has increased in the Nordic Region. Adjusted for the disposal of Folke and the acquisition of Bravida in Denmark, growth is slightly more than 11 percent. During the fourth quarter, Western Europe has shown increased demand. Central and Eastern Europe continue to grow, although the increase in VAT on building materials in Poland in May has slowed activities somewhat. In the USA, construction activity is still in a hesitant phase.

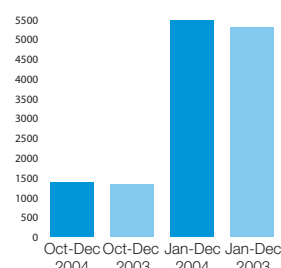
SALES BY BUSINESS AREA				
SEK M	Q 4 2004	Q 4 2003	JAN-DEC 2004	JAN-DEC 2003
Ventilation	773	719	3 121	2 965
Profile	602	542	2 226	2 003
Other business	12	70	130	334
TOTAL	1 387	1 331	5 477	5 302

Ventilation includes Ventilation Europe and Ventilation USA plus machine manufacturing through Spiro/Spiral-Helix. Other business include functions common to the Group and Folke Perforering AB. Figures for 2003 also include the sold-off galvanisation business.

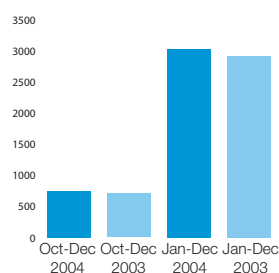
OPERATING PROFIT BY BUSINESS AREA				
SEK M	Q 4 2004	Q 4 2003	JAN-DEC 2004	JAN-DEC 2003
Ventilation	35	37	156	160
Profile	77	50	263	155
Other business	-16	8	-45	-10
TOTAL	96	95	374	305

The operating profit (EBITA) refers to profit/loss after depreciation according to plan excluding goodwill. For the twelve months of 2004, a distribution of amortisation of goodwill will burden Ventilation by SEK 73 million (69), Profile by SEK 47 million (48) and Other business by SEK 1 million (1). The lower profit under Other business is largely explained by a capital gain of SEK 15 million from sale of the galvanisation business during the fourth quarter of 2003.

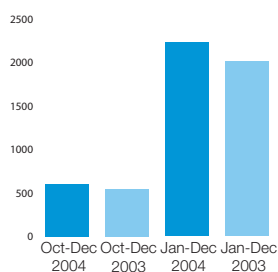
SALES GROUP, SEK M



SALES VENTILATION, SEK M



SALES PROFILE, SEK M



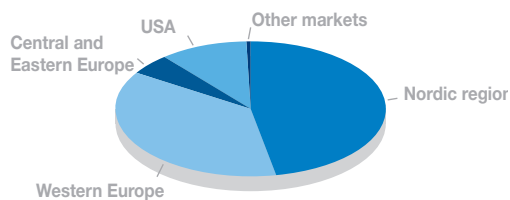
Business areas

VENTILATION

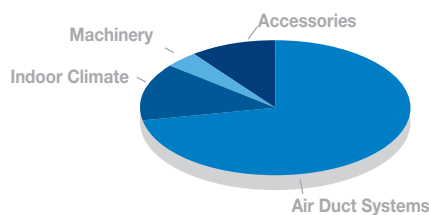
- SLIGHTLY BETTER DEMAND ON THE NORDIC MARKETS
- PRODUCTION STREAMLINING IN GERMANY AND THE USA
- IMPROVEMENT IN PRODUCTIVITY IN THE CZECH REPUBLIC AS PLANNED

VENTILATION				
SEK M	Q 4 2004	Q 4 2003	ACC DEC 2004	ACC DEC 2003
Sales	773	719	3 121	2 965
Operating profit	35	37	156	160
Number of employees			2 364	2 452

SALES BY MARKET



SALES BY PRODUCT AREA



SALES AND MARKETS

Sales for the Ventilation business area increased during Q4 by 7.5 percent to SEK 773 million (719). Growth during the period came mainly from the Nordic markets. Demand in Western Europe remains weak but has stabilised. In the USA, the market remains hesitant. The economic outlook during the fourth quarter has improved, but we are standing by our assessment from the previous quarter of a gradual recovery during 2005.

Sales for the business area during the year amounted to SEK 3,121 million (2,965), which is an increase of 5 percent. The acquisitions that were realised at the end of 2003, Götze & Lauscher in Germany and the Bravida production facility in Denmark, have been integrated into the business. Start-up of the new production facility in Prague is proceeding according to plan, and production volumes have gradually increased during the year.

EARNINGS

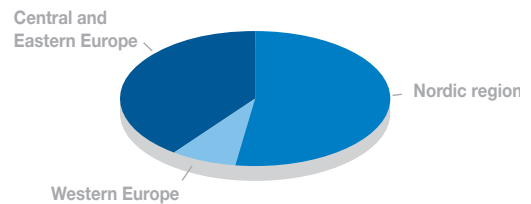
The operating profit for Q4 amounted to SEK 35 million (37). During the quarter, significant rationalisation has been carried out within production in Germany and the USA. In Germany, we have adapted to the current market situation. In the USA, this has been achieved by streamlining production. The operating profit for the full year amounted to SEK 156 million (160). The lower profit is mainly the result of start-up costs for the new production facility in Prague, which amounted to SEK 20 million.

PROFILE

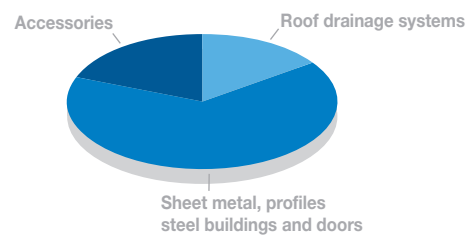
- GROWTH IN CENTRAL AND EASTERN EUROPE EXPLAINS MOST OF IMPROVEMENT IN PROFIT
- IMPROVED DEMAND IN NORDIC REGION
- MOST OF THE PRODUCT GROUPS HAVE EXPERIENCED A POSITIVE TREND

PROFILE				
SEK M	Q 4 2004	Q 4 2003	ACC DEC 2004	ACC DEC 2003
Sales	602	542	2 226	2 003
Operating profit	77	50	263	155
Number of employees			1 176	1 206

SALES BY MARKET



SALES BY PRODUCT AREA



SALES AND MARKETS

Sales for the business area increased during the fourth quarter by 11 percent to SEK 602 million (542). During the quarter there was improved demand on the Nordic markets, and the markets in Central and Eastern Europe continue to expand. The acquisition of the activities of Solidan has marginally affected activities during the quarter.

Sales of the core products, roof drainage and prefabricated buildings, have increased and contributed to the improved result.

Sales for the Profile business area increased during the year by 11 percent to SEK 2,226 million (2,003). Central and Eastern Europe are showing a strong sales trend, while the trend in Western Europe is improving.

EARNINGS

The operating profit for Q4 amounted to SEK 77 million (50). The improvement can mainly be explained by good volume growth in Central and Eastern Europe.

Within Central and Eastern Europe, Romania is showing a continued strong trend, while the Polish market has been negatively affected by increased VAT on building materials during the year. Hungary occupies a strong market position. Denmark has experienced positive development and the acquisition of the activities of Solidan has led to increased opportunities to canvass the Northern German market. Sweden is experiencing ever stronger development. The operating profit for the business area for the full year amounted to SEK 263 million (155).

ACCOUNTING PRINCIPLES

This report has been drawn up in accordance with the recommendations of the Swedish Financial Accounting Standard Council, RR.

From 1 January 2004, recommendation RR29 "Remuneration for employees" has been applied. The new recommendation has had a marginal impact on the result and shareholders' equity.

In all other circumstances, the same accounting principles and methods of calculation have been used as previously.

From 1 January 2005, Lindab will apply the new international accounting standard, International Financial Reporting Standards "IFRS".

The interim report for the first quarter of 2005 will be the first financial report presented in accordance with IFRS for Lindab.

The reporting of Company Acquisitions (IFRS 3), Intangible fixed assets (IAS 38) and Leasing (IAS 17) are areas with significant differences between the current method of accounting and IFRS for Lindab.

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

SEK M	2004	
	RR	IFRS
Result before amortisation of goodwill (EBITA)	374	384
Operating profit (EBIT)	253	384
Result after financial items (EBT)	179	297
Net income	83	202
Shareholders' equity	2,311	2,370

The change to the result relates mainly to non-amortisation of goodwill of SEK 121 million.

Financial leasing (IAS 17) has reduced the shareholders' equity by SEK 67 million and increased the balance sheet total by SEK 268 million.

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 the products 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 had a turnover of SEK 5,477 million in 2004, is represented in 26 countries and has approximately 3,700 employees.

- The Ventilation business area focuses on the ventilation industry, offering components and system solutions. The main products are within the areas of round duct systems and comfort.
- The Profile business area focuses on the construction industry, offering a range of components and profiles for sheet metal construction work. Products such as roof drainage components, profiled sheet metal, building joists and steel framework sections are supplied for the construction of pre-fabricated buildings.
- Lindab Intressenter AB is owned by Ratos, Sjötte AP-fonden and Skandia Liv.

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

FINANCIAL REPORTS 2005

Annual report 2004	April
Interim report January-March, Q1	12 May
Interim report January-June, Q2	24 August
Interim report January-September, Q3	11 November

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