

# Year-end report 2014

## Fourth quarter

- Sales revenue increased by 3 percent to SEK 1,836 m (1,786), an increase of 1 percent when adjusted for currency and structure.
- Operating profit (EBIT) amounted to SEK 102 m (158), excluding one-off items of SEK –21 m (–4). Including one-off items, it amounted to SEK 81 m (154).
- The operating margin (EBIT), excluding one-off items, amounted to 5.6 percent (8.8).
- The after-tax result amounted to SEK 42 m (99).
- Earnings per share amounted to SEK 0.55 (1.30).
- Cash flow from operating activities amounted to SEK 263 m (455).
- The net debt-equity ratio amounted to 0.5 (0.5) at the end of the quarter.



## January – December 2014

- Sales revenue increased by 7 percent to SEK 7,003 m (6,523), an increase of 5 percent when adjusted for currency and structure.
- Operating profit (EBIT) amounted to SEK 497 m (498), excluding one-off items of SEK –30 m (–46). Including one-off items, it improved to SEK 467 m (452).
- The operating margin (EBIT), excluding one-off items, amounted to 7.1 percent (7.6).
- The after-tax result increased to SEK 283 m (233).
- Earnings per share increased to SEK 3.71 (3.05).
- Cash flow from operating activities amounted to SEK 278 m (620).
- Proposed dividend of SEK 1.10 (0).

## A challenging quarter involving many activities

Already a couple of weeks ago, we reported a significant deterioration in Building Systems' result, which naturally impacted the profit of the Group as a whole. The fourth quarter was generally marked by uncertainty in the market and with large fluctuations in currencies.

At the same time, it is also satisfying to report that Products & Solutions, which is our biggest segment, has shown its best fourth quarter since 2008 in terms of both sales and operating margin.

For Lindab, the fourth quarter also meant starting the implementation of our strategy as the next step in the development of our business. The new strategic direction means, among other things, that we intend to become a supplier of complete ventilation solutions. Somewhat simplified, we dare to claim that Lindab has one of the world's best duct systems as well as many leading indoor climate solutions that we continue to develop. Through the acquisition of the highly reputed company MP3 in Italy, we strengthened our offering in the important area of fire and smoke protection significantly.

The strategy also means that we need to focus and we must critically review our activities in order to generate the resources

needed to implement our plans effectively. During the quarter for example, negotiations were initiated on cutbacks in Finland, the decision was made to close down a small production unit in the Czech Republic, and a number of senior management positions were replaced with internal resources, including the country managers in Switzerland, Hungary and the USA. All of these activities are intended to support the implementation of the strategy and increase our efficiency.

The weakened Russian market and its impacts on the Building Systems division are constantly on the agenda. Therefore, within the division we initiated a project to increase market diversification during the year, which has resulted in improved sales in the Western European region. Furthermore, we have made changes in the management of Building Systems, with a new divisional manager already appointed. During the quarter, we also implemented a number of measures to improve the cost structure and create opportunities to further increase our market diversification.

Anders Berg, Grevie, February 2015



## Comments on the report

### Significant events

- The acquisition of ventilation company MP3 and the fastening systems company Bjarnes System
- Negative trend in Russia and a weak rouble – strong impact on Building Systems
- Decisions on a number of structural and cost efficiency measures

### Sales and markets

Sales revenue during the fourth quarter improved to SEK 1,836 m (1,786), which is an increase of 3 percent compared with the fourth quarter of 2013. Adjusted for currency and structure, sales growth was 1 percent. The acquisitions have only had marginal effect on sales.

For the fifth quarter in a row, sales improved compared with the corresponding quarter of the previous year. The improvement in sales is explained by continued positive development within the Products & Solutions segment, where sales grew by 5 percent adjusted for currency and structure. All of Lindab's regions in the segment have shown growth during the quarter. The new organisation, in place since October 2013, along with a number of completed sales activities have contributed strongly to this growth, which can be compared with the underlying market growth, estimated at around 1 percent when weighted for the relevant markets. However, the sales trend for the Building Systems segment has been negative, explained by weak sales in the important markets for the segment, Russia and Belarus, which were very strong during the comparable period of last year. A number of interacting factors have affected sales in the Russian market negatively: a weak underlying market, imposed sanctions and the sharp fall of the Russian rouble in the quarter, especially during the month of December. At the same time, difficulties with financing among customers have pushed planned projects and deliveries into the future.

In the Nordic region, which is Lindab's largest sales region, sales increased by 5 percent during the quarter when adjusted for currency and structure. Along with Norway, Sweden, which is Lindab's biggest market, has shown continued high growth, while Denmark and Finland have shown a negative sales trend in the quarter.

Sales in Western Europe increased by 7 percent when adjusted



for currency and structure. Most of the markets in the region, including the three biggest markets, the UK, Germany and France showed strong growth.

Sales in CEE/CIS decreased by 13 percent when adjusted for currency and structure. The negative sales trend during the quarter was mainly due to lower volumes and a strong comparison quarter for Russia and Belarus. CIS represents approximately 7 percent of the Group's total sales during the last twelve months.

Sales revenue during the period January–December improved to SEK 7,003 m (6,523), which is an increase of 7 percent compared with the corresponding period in 2013. Adjusted for currency and structure, the change was 5 percent.

### Profit

Operating profit (EBIT) for the fourth quarter amounted to SEK 102 m (158), excluding one-off items of SEK –21 m (–4), see Note 7. The operating margin (EBIT), excluding one-off items, amounted to 5.6 percent (8.8).

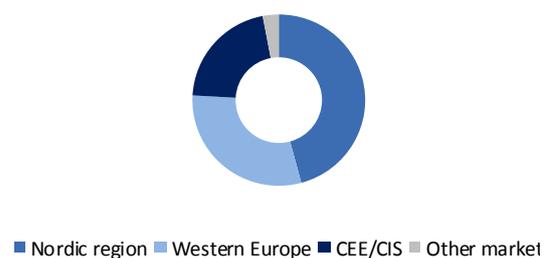
The lower operating profit in the quarter compared with the corresponding period of the previous year is explained by the weak trend in sales and profit in Russia and Belarus. General unrest in conjunction with the sharp fall of the Russian rouble during the quarter has had an adverse effect on earnings. The weak rouble has also led to an unfavourable valuation of accounts payable. The higher sales volume in the segment Products & Solutions has contributed positively to the result, but not enough to compensate for the deterioration in Building Systems during the quarter. The cost level in the quarter was slightly higher than the comparable period in the previous year. In order to improve the cost structure and increase market diversification within Building Systems, a number of additional measures were taken during the quarter, including changes in senior executives at both the divisional and market levels. Measures have also been taken within Products & Solutions to generate resources for the implementation of the strategy that was announced in October. Among other things, negotiations on structural changes in Finland were initiated, as well as decisions made on measures to increase efficiency in the Czech Republic and in a number of other areas.

The quarter has been affected by one-off items of SEK –21 m (–4), attributable to structural measures as part of the reorganisation, and for further cost efficiency measures, see Note 7.

The pre-tax result for the quarter amounted to SEK 63 m (126). The after-tax result amounted to SEK 42 m (99). Earnings per share amounted to SEK 0.55 (1.30).

For the period January–December, operating profit (EBIT), excluding one-off items, amounted to SEK 497 m, which is on a

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



par with the corresponding period of the previous year, when it amounted to SEK 498 m.

The operating margin (EBIT), excluding one-off items, for the same period amounted to 7.1 percent (7.6).

The pre-tax result for the period January–December improved to SEK 386 m (329). The after-tax result increased to SEK 283 m (233). Earnings per share improved to SEK 3.71 (3.05), which is mainly explained by significantly lower financing costs as a result of new credit agreements in place since February, as well as lower indebtedness during the period and lower one-off items in the operating profit.

The profit and net financial items for the period January–December were impacted by costs, previously capitalised, attributable to previous credit agreements and amounting to SEK 13 m.

The total one-off costs for both the previous cost-reduction programme and the reorganisation now amount to SEK 190 m since the end of 2011, compared with the previous estimate of SEK 180 m. The change is explained by the additional measures decided on in the quarter.

### Seasonal variations

Lindab's business 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.

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 40 m (40). Depreciation for the period January–December amounted to SEK 158 m (157).

### Tax

Tax expenses for the quarter amounted to SEK 21 m (27). The pre-tax result amounted to SEK 63 m (126). The effective tax rate for the quarter was 33 percent (21). The average tax rate was 20 percent (24). The tax for the quarter and the effective tax rate have been adversely affected, among other things, by the reversal of deferred tax on loss carry-forwards in Finland. At the same time, loss carry-forwards have not been recognised in some companies such as in Germany.

Tax expenses for the period January–December were SEK 103 m (96). The pre-tax result amounted to SEK 386 m (329). The effective tax rate for the period was 28 percent (29). The average tax rate was 20 percent (23).

The average tax rate is based on a weighting of Lindab's profit

and tax rate in each country. The differences between the effective and the average tax rate are due to the fact that the taxable profit differs from the pre-tax result (EBT), and that tax loss carry-forwards have not been recognised in certain Group companies due to the prevailing uncertainty about the trend in the market. In addition, only the effective tax rate is affected by direct adjustments of tax claims and tax liabilities, such as in the case of adaptations to new tax rates and write-downs of previously capitalised tax claims.

### Cash flow

Cash flow from operating activities for the fourth quarter amounted to SEK 263 m compared with SEK 455 m for the same period the previous year.

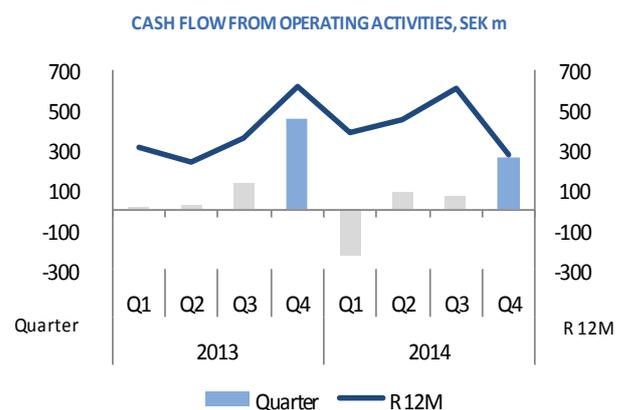
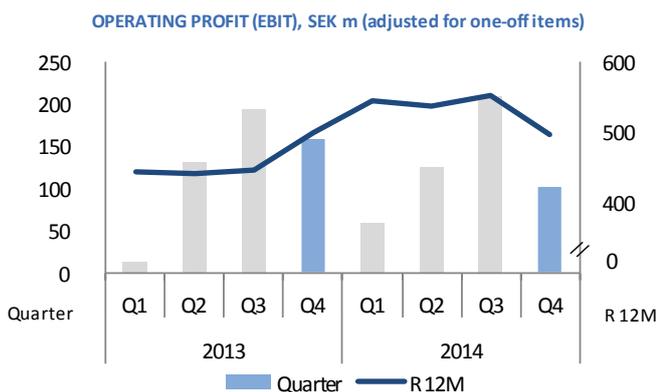
This development is partially attributable to a decrease in cash flow from operating activities before the change in working capital which amounted to SEK 92 m (132). The operating profit for the period decreased to SEK 81 m (154). Reversed items not affecting cash flow have increased slightly to SEK 25 m (17). Reversals relating to a change in provisions for restructuring vary between periods as do reversals of unrealised exchange rate differences. Interest paid and tax paid have affected the comparison of the cash flow positively compared with the previous year by SEK –12 m (–24) and SEK –4 m (–20), respectively.

The change in the cash flow from operating activities was also affected by a lower cash flow due to the change in working capital amounting to SEK 171 m (323) compared with the same period last year. The change in stock amounted to SEK 97 m (141) and the change in operating receivables amounted to SEK 242 m (249), while the change in operating liabilities reduced the cash flow and amounted to SEK –168 m (–67). For the corresponding quarter of the previous year, operating liabilities were affected by a change in accounts payable, which was an accrual effect of payments to suppliers.

Cash flow from operating activities for the period January–December decreased and amounted to SEK 278 m (620). This was mainly due to the change in working capital for the full year having decreased compared with the previous year, amounting to SEK –161 m (192), where the changes in stocks, operating receivables and operating liabilities contributed to the negative trend primarily driven by the increased sales volume.

Cash flow from operating activities before the change in working capital for the whole year improved somewhat and amounted to SEK 439 m (428). Interest paid for the full year has fallen to SEK –62 m (–115) as a result of new credit agreements signed in February 2014.

Cash flow from investing activities is explained under the headings "Investments" and "Business combinations".



Financing activities for the quarter resulted in a cash flow of SEK –216 m (–312).

Financing activities for the period January–December resulted in a cash flow of SEK –24 m (–482). The reduction in amortisation compared with the previous year is explained by a substantially lower cash flow from operating activities, from investment in property in the Czech Republic, and from acquisitions.

### Investments

Investments for the quarter in fixed assets amounted to SEK 45 m (29), of which SEK 6 m (7) refers to investments in intangible assets related to IT projects. Apart from the normal level of maintenance investments and reinvestments, other investments in fixed assets are mainly related to a number of efficiency projects in Switzerland, Finland and Estonia for example, as well as in central production in Grevie and Luxembourg. In addition, investments have been made in expansion projects; in part for ventilation products capacity and in part to extend the range in Norway. Disposals amounted to SEK 8 m (2). Net cash flow from investing activities amounted to SEK –37 m (–29), excluding acquisitions.

For the period January–December, investments in fixed assets amounted to SEK 273 m (93), while disposals amounted to SEK 11 m (3). The increase in investments in fixed assets is explained mainly by the acquisition of a property in the Czech Republic that was previously operationally leased. The purchase price amounted to SEK 139 m, which corresponds to the current market value of the property. The property is used primarily for the central production of ventilation products within the Group. The positive full-year effect on operating profit (EBIT) exceeded SEK 4 m. Net cash flow from investing activities amounted to SEK –262 m (–90), excluding acquisitions.

### Business combinations

During the quarter, an agreement was signed concerning the acquisition of the ventilation company MP3, which is described further under “Significant events after the reporting period” and in Note 3.

At the beginning of November, the fastening systems company Bjarnes Systems AB was acquired. The company had annual sales of approximately SEK 12 m and had one employee. The acquisition creates opportunities for continued development of the important Nordic tinsmith market, and opens up new opportunities in other markets in Europe.

During the second quarter, Klimasystem AS, a former agent for Lindab's indoor climate systems, was acquired in Norway. The company had four employees and annual sales of approximately SEK 15 m. The acquisition contributes additional expertise to the product range for indoor climate solutions.

The operations of NovoClima were acquired through an acquisition of assets during the first quarter. These operations were placed in a newly formed company, Lindab Götene AB. These operations had annual sales of approximately SEK 40 m, of which only a marginal proportion were to customers outside the Lindab Group. The number of employees was 26 and activities include the manufacture of waterborne indoor climate products included in the Lindab range. With the acquisition of NovoClima, Lindab assured and increased efficiency in the value chain.

The net cash flow from acquisitions for the period January–December amounted to SEK –30 m (–21). No acquisitions were made during 2013. The cash flow for 2013 is attributable to regulated payments for the acquisition of Centrum Klima S.A., which was acquired in 2012.

### Financial position

Net debt amounted to SEK 1,746 m (1,612) as of 31 December 2014. The weak Swedish krona has increased net debt by approximately SEK 95 m since the beginning of the year. The equity/assets ratio amounted to 48 percent (46) and the net debt-equity ratio was 0.5 (0.5). Net financial items for the quarter amounted to SEK –18 m (–28). This positive development is explained by lower indebtedness, as well as better conditions and lower credit limit in the new credit agreement which was concluded with Nordea, SEB and Svensk Exportkredit (SEK) in February 2014.

As of 31 December 2014, long-term credit agreements amounted to SEK 1,600 m from Nordea and SEB, and SEK 500 m from Svensk Exportkredit. The credit limit with SEB/Nordea is valid for 3 years and the credit limit with Svensk Exportkredit is valid for 5 years. These agreements replace the previous credit agreements of SEK 2,800 m as of 31 December 2013. The agreements contain covenants, which are monitored quarterly. Lindab fulfills the terms of these credit agreements.

The lower credit limit compared to the previous agreements is mainly due to a number of short-term overdraft facilities and guarantee frameworks having been signed, primarily with Nordea and SEB. These facilities were previously part of the long-term credit limit. Overall, the new agreements offer substantially improved terms with regard to margins and flexibility.

For the period January–December, net financial items amounted to SEK –81 m (–123).

### Pledged assets and contingent liabilities

By reason of the new credit agreement, which was signed in February, the amount for floating charges in pledged assets had decreased by SEK 323 m during the year and now amounts to SEK 22 m (345). There have not been any other significant changes to pledged assets and contingent liabilities in 2014.

### The parent company

Sales revenue for the quarter amounted to SEK 1 m (1). The after-tax result amounted to SEK 31 m (54).

Sales revenue for the period January–December amounted to SEK 3 m (3). The after-tax result for the period amounted to SEK 1 m (0).

### Significant risks and uncertainties

There have been no significant changes to what was stated by Lindab in its Annual Report for 2013 under Risks and Risk Management (pages 81–85). Risks and uncertainties in the short term include, among other things, political unrest and instability in certain markets, for example Russia, and currency fluctuations in particular in respect of the currencies RUB, CHF and EUR.

### Employees

The number of employees at the end of the quarter, converted to equivalent full-time employees, was 4,587 (4,371). Adjusted for acquisitions, the net increase in the number of employees was 185 compared with the corresponding quarter of last year, and the increase was mainly in production, explained by higher volumes.

### Annual General Meeting

The Board has decided that the Annual General Meeting will be held on 27 April 2015. Notice to attend the meeting will be sent out in due order.

## The Lindab Share

The highest price paid for Lindab shares during the period January–December was SEK 83.70 on 28 February and 9 June, and the lowest was SEK 52.35 on 16 October. The closing price on 31 December was SEK 65.60. The average daily trading volume of the Lindab share was 261,264 shares per day (111,758).

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

The largest shareholders at the end of the quarter in relation to the number of outstanding shares are Creades AB with 10.3 percent (10.3), Lannebo Fonder with 9.0 percent (7.8), Handelsbanken Fonder with 6.5 percent (4.8), Skandia with 6.1 percent (8.6) and Swedbank Robur Fonder with 6.0 percent (5.3). The ten largest holdings constitute 58.1 percent (61.1) of the shares, excluding Lindab's own holding.

Systemair AB (publ), which was Lindab's largest shareholder in 2013 with 12.0 percent at the end of the quarter in the previous year, sold its entire holding on 3 March 2014.

## Incentive programme

From the incentive programme LTIP 2011-2014 resolved by the Annual General Meeting, only matching shares consisting of one share for each share held at the end of May 2014 were allocated and the allocation is predicated on continued employment at that point in time. In total, 35,091 shares were allocated.

No allocation of performance shares has occurred, since none of the set targets have been met.

The LTIP Incentive programme 2012-2015 resolved by the Annual General Meeting continues and allocations under this programme will be made after 31 May 2015.

No incentive programmes were resolved by the 2013 and 2014 Annual General Meetings.

## Proposed dividend to shareholders

Lindab's Board proposes that the Annual General Meeting on 27 April 2015 resolves to pay a dividend of SEK 1.10 per share, in line with the company's dividend policy, giving a total dividend of SEK 84 m. The proposed record day is 29 April 2015, after which it is estimated that the dividend will be paid on 5 May.

## Strategy 2015-2020

In conjunction with the presentation of the third quarter's results on 28 October, Lindab's new strategy was announced.

The new strategy entails a long-term re-positioning in order to generate greater added value for more stakeholders and cover a larger section of the value chain. It is based on Lindab's internal strengths and unique opportunities to take advantage of global trends in population growth, urbanisation, energy efficiency, intelligent buildings and materials, and the fast-growing market segment HVAC (heating, ventilation and air conditioning). In short, the strategy encompasses five focus areas that are to generate higher profitability and growth in the coming years.

## Financial targets

New long-term financial targets were also adopted in conjunction with the new strategy. The period for achieving these targets extends over one business cycle.

**Growth:** Our annual growth rate shall be 5–8 percent, as a combination of organic and acquired growth.

**Profitability:** The operating margin (EBIT) is to amount to 10 percent.

**Capital structure:** The ratio of long-term seasonally adjusted net debt to EBITDA is not to exceed 2.5.

**Dividend policy:** Dividends to shareholders are to normally comprise 30 percent of profit after tax, taking into account Lindab's financial position, acquisition needs and long-term financing needs.

## Significant events after the reporting period

In December, a contract was signed to acquire MP3 S.r.l., a leading manufacturer of solutions for indoor climate, with specialist knowledge in smoke and fire protection. The acquisition is in line with Lindab's ambition to strengthen its position as a supplier of complete ventilation solutions and to increase its market coverage. Completion of the transaction and access occurred on 15 January 2015.

MP3 has its registered office in Padua in Northern Italy, has annual sales of approximately SEK 210 m, with an operating profit (EBIT) of around SEK 20 m, and 95 employees. Half of its sales are in Italy and half are export sales, mainly within Europe.

MP3 will be integrated into Lindab's operations, which means synergy gains, mainly in sales, but also in terms of costs. The acquisition is expected to make a positive contribution to Lindab's operations already in 2015.

The current line of credit limits with SEB and Nordea, as described under Financial position on page 4, were extended for a further year at the beginning of January 2015. These credit limits now extend to the first quarter 2018.

## Accounting principles

See Note 1. From 1 January 2014, a new segment structure has been introduced. For more information, see Note 4. One-off items are specified in Note 7.

# Segments

## Products & Solutions

- Sales revenue during the fourth quarter improved to SEK 1,587 m (1,464), an increase of 8 percent. Adjusted for currency and structure, sales increased by 5 percent.
- The operating margin (EBIT) for the fourth quarter, excluding one-off items, increased to 6.7 percent (6.3).

## Sales and markets

Sales revenue for Products & Solutions during the fourth quarter increased by 8 percent compared with the corresponding period of the previous year, and improved to SEK 1,587 m (1,464). Adjusted for currency and structure, sales revenue increased by 5 percent. The acquisitions have only had marginal effect on sales.

All regions showed growth in the quarter. Sales of indoor climate solutions and building solutions are continuing to grow very strongly for the segment generally. In the Nordic region, Sweden and Norway showed growth, while Denmark and Finland have shown a negative sales trend. In Western Europe, the UK and France continue to show good growth. Germany, too, is showing continued growth as a result of a successfully implemented reorganisation and structural measures. In CEE/CIS, which accounts for 15 percent of the segment's sales, it is mainly

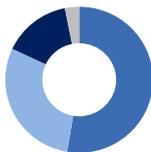
Poland, the biggest market in the region, which is showing a positive trend, while most of the other markets have negative sales trends.

The improvement in sales is mainly due to the new organisation with its focus on profitable growth and to a number of completed and ongoing strategic sales activities.

Sales revenue for the period January–December increased by 11 percent to SEK 6,084 m (5,496), an increase of 7 percent when adjusted for currency and structure.



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



■ Nordic region ■ Western Europe ■ CEE/CIS ■ Other market

## Profit

The operating profit (EBIT) for Products & Solutions for the fourth quarter, excluding one-off items, improved to SEK 106 m (92). The operating margin (EBIT) increased to 6.7 percent (6.3). The improvement in the quarter is explained by a higher volume, while a lower gross margin and a somewhat higher cost level affected the result negatively. The lower gross margin is explained by the product mix, primarily driven by a higher proportion of building solutions and increased freight costs. The cost level is slightly higher, explained by the increased sales volume in the quarter and establishments in the previous quarters. In the segment, cost efficiency measures were taken during the quarter to generate resources for the implementation of the strategy that was announced in October. Among other things, negotiations on structural changes in Finland have been initiated, as well as decisions made on measures to increase efficiency in the Czech Republic and in a number of other areas.

The quarter has been affected by one-off items of SEK –13 m (–4), attributable to structural measures as part of the reorganisation, and to the further cost efficiency measures decided on in the quarter, see Note 7. Operating profit (EBIT) for the period January–December, excluding one-off items, improved to SEK 471 m (360).

## Activities – Products & Solutions

Efficiency measures to generate scope for the implementation of the strategy have been taken. A number of senior management

positions have been replaced with internal resources, including the country managers in Switzerland, Hungary and the USA. Negotiations were initiated regarding reductions in less profitable activities in Finland, and a decision was made to close down a small production unit in the Czech Republic.

In line with the strategic direction of streamlining the supply chain, standardised Logistic Excellence Audits were carried out at five of the Group's larger units as a first step. These audits are designed to drive continuous improvement and identify best practice. During the quarter, and initially at units in Sweden, Denmark, Norway, Finland and the Czech Republic, Lindab also started to introduce its new Lindab Inventory Control System (LICS), which facilitates the identification of work processes and flow analysis in a system that provides an easy overview.

## Building Systems

- Sales revenue during the fourth quarter amounted to SEK 249 m (322), a decrease of 23 percent. Adjusted for currency and structure, sales decreased by 17 percent.
- The operating margin (EBIT) for the fourth quarter, excluding one-off items, amounted to 1.6 percent (22.0).
- Replacement of divisional manager.

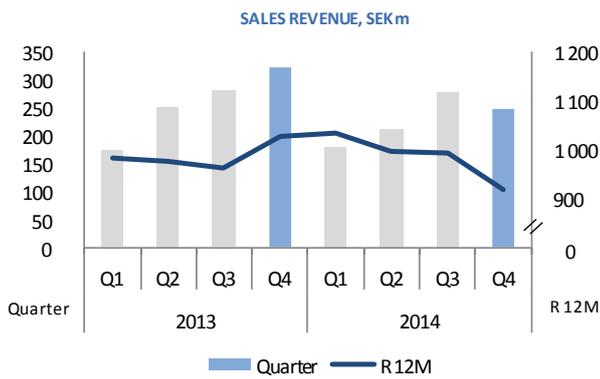
## Sales and markets

Sales revenue for Building Systems decreased by 23 percent to SEK 249 m (322) during the fourth quarter. Adjusted for currency and structure, sales decreased by 17 percent.

Sales for the segment were lower than in the corresponding period of the previous year, explained by weak sales to the important markets for the segment, Russia and Belarus, which were strong for the comparable period of last year. A number of interacting factors have affected sales in the Russian market negatively; a weak underlying market, imposed sanctions and the heavy fall of the Russian rouble in the quarter, especially during the month of December. At the same time, difficulties with financing among customers has postponed planned projects and deliveries into the future. Other important markets for the segment such as Germany and Poland showed very good growth, which is a result of the strategic activities implemented to increase market diversification.

The order intake during the fourth quarter developed positively.

Sales revenue for the period January–December decreased by 11 percent to SEK 919 m (1,027), a decrease of 8 percent when adjusted for currency and structure.



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



**Profit**

The operating profit (EBIT) for Building Systems for the quarter, excluding one-off items, amounted to SEK 4 m (71). The operating margin (EBIT) amounted to 1.6 percent (22.0) during the quarter.

For several years now, profitability for Division Building Systems has had a large exposure to Russia, and also to Belarus. The general uncertainty in these markets in conjunction with the significant weakening of the rouble has had an adverse effect on the earnings during the quarter. Among other things, the weak rouble has led to an unfavourable valuation of accounts payable.

In the corresponding quarter of the previous year, Building Systems reported very strong earnings figures, and good sales growth as a result of a number of successful projects, primarily in Russia and Belarus. In addition, establishment grants were obtained for the production unit in Yaroslavl. All in all, this generated an operating margin of 22 percent for the fourth quarter of 2013, which makes the contrast in the comparison even starker.

The quarter has been affected by one-off items of SEK –8 m (–), attributable to structural measures as part of the reorganisation, and to the additional cost efficiency measures decided on in the quarter, see Note 7. Operating profit (EBIT) for the period January–December, excluding one-off items, amounted to SEK 52 m (159).

**Activities – Building Systems**

During the quarter, a decision was made to replace the divisional manager with an internally recruited resource.

Five large orders have been received in Russia, Kazakhstan, Poland and Germany, each to values exceeding SEK 10 m. Many activities have been undertaken to compensate for the sharp fall in the rouble such as price increases in the CIS during December, as well as measures to increase the proportion of local inputs to the production.

During the quarter, marketing activities under the Astron brand included educational materials to raise awareness of the fact that the purchase price of a building is a relatively small part of the total cost of a building's life.

## SALES REVENUE AND GROWTH

	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Sales revenue, SEK m	1,836	1,786	7,003	6,523
Change, SEK m	50	119	480	-133
Change, %	3	7	7	-2
Of which				
Volumes and prices, %	1	8	5	-1
Acquisitions/divestments, %		0		1
Currency effects, %	2	-1	2	-2

## SALES REVENUE PER MARKET

SEK m	Oct-Dec 2014		Oct-Dec 2013		Jan-Dec 2014		Jan-Dec 2013	
		%		%		%		%
Nordic region	857	47	800	45	3,208	46	2,968	46
Western Europe	517	28	452	25	2,106	30	1,761	27
CEE/CIS	403	22	484	27	1,479	21	1,590	24
Other markets	59	3	50	3	210	3	204	3
<b>Total</b>	<b>1,836</b>	<b>100</b>	<b>1,786</b>	<b>100</b>	<b>7,003</b>	<b>100</b>	<b>6,523</b>	<b>100</b>

## SALES REVENUE PER SEGMENT

SEK m	Oct-Dec 2014		Oct-Dec 2013		Jan-Dec 2014		Jan-Dec 2013	
		%		%		%		%
Products & Solutions	1,587	86	1,464	82	6,084	87	5,496	84
Building Systems	249	14	322	18	919	13	1,027	16
Other operations	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,836</b>	<b>100</b>	<b>1,786</b>	<b>100</b>	<b>7,003</b>	<b>100</b>	<b>6,523</b>	<b>100</b>
<b>Gross internal sales all segments</b>	<b>4</b>		<b>1</b>		<b>4</b>		<b>5</b>	

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

SEK m	Oct-Dec 2014		Oct-Dec 2013		Jan-Dec 2014		Jan-Dec 2013	
		%		%		%		%
Products & Solutions	106	6.7	92	6.3	471	7.7	360	6.6
Building Systems	4	1.6	71	22.0	52	5.7	159	15.5
Other operations	-8	-	-5	-	-26	-	-21	-
<b>Total (EBIT), excluding one-off items</b>	<b>102</b>	<b>5.6</b>	<b>158</b>	<b>8.8</b>	<b>497</b>	<b>7.1</b>	<b>498</b>	<b>7.6</b>
One-off items*	-21	-	-4	-	-30	-	-46	-
<b>Total (EBIT), including one-off items*</b>	<b>81</b>	<b>4.4</b>	<b>154</b>	<b>8.6</b>	<b>467</b>	<b>6.7</b>	<b>452</b>	<b>6.9</b>
Net financial income	-18	-	-28	-	-81	-	-123	-
<b>Result before tax (EBT)</b>	<b>63</b>	<b>-</b>	<b>126</b>	<b>-</b>	<b>386</b>	<b>-</b>	<b>329</b>	<b>-</b>

\*) One-off items are described in Note 7.

## NUMBER OF EMPLOYEES AT CLOSE OF PERIOD

	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Products & Solutions	3,830	3,605	3,830	3,605
Building Systems	709	720	709	720
Other operations	48	46	48	46
<b>Total</b>	<b>4,587</b>	<b>4,371</b>	<b>4,587</b>	<b>4,371</b>

# Statement of comprehensive income

(Income statement)

<i>Amounts in SEK m</i>	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Sales revenue	1,836	1,786	7,003	6,523
Cost of goods sold	-1,337	-1,267	-5,030	-4,643
<b>Gross profit</b>	<b>499</b>	<b>519</b>	<b>1,973</b>	<b>1,880</b>
Other operating income	18	54	63	120
Selling expenses	-246	-255	-952	-905
Administrative expenses	-120	-113	-457	-446
R & D expenses	-15	-12	-51	-45
Other operating expenses	-55	-39	-109	-152
<b>Total operating expenses</b>	<b>-418</b>	<b>-365</b>	<b>-1,506</b>	<b>-1,428</b>
<b>Operating profit (EBIT)*</b>	<b>81</b>	<b>154</b>	<b>467</b>	<b>452</b>
Interest income	2	5	7	9
Interest expenses	-13	-29	-79	-127
Other financial income and expenses	-7	-4	-9	-5
<b>Net financial items</b>	<b>-18</b>	<b>-28</b>	<b>-81</b>	<b>-123</b>
<b>Result before tax (EBT)</b>	<b>63</b>	<b>126</b>	<b>386</b>	<b>329</b>
Tax on profit for the period	-21	-27	-103	-96
<b>Profit for the period</b>	<b>42</b>	<b>99</b>	<b>283</b>	<b>233</b>
<i>–attributable to the parent company's shareholders</i>	<b>42</b>	<b>99</b>	<b>283</b>	<b>233</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to the income statement</b>				
Actuarial gains/losses, defined benefit plans	-22	18	-29	11
Deferred tax attributable to defined benefit plans	5	-3	6	-2
	<b>-17</b>	<b>15</b>	<b>-23</b>	<b>9</b>
<b>Items that can later be reclassified to the income statement</b>				
Translation differences, foreign operations	41	91	163	55
Hedging of net investments	-43	-18	-73	-18
Tax attributable to hedging of net investments	10	4	16	4
	<b>8</b>	<b>77</b>	<b>106</b>	<b>41</b>
<b>Other comprehensive income, net of tax</b>	<b>-9</b>	<b>92</b>	<b>83</b>	<b>50</b>
<b>Total comprehensive income</b>	<b>33</b>	<b>191</b>	<b>366</b>	<b>283</b>
<i>–attributable to the parent company's shareholders</i>	<b>33</b>	<b>191</b>	<b>366</b>	<b>283</b>
<b>Earnings per share, SEK**</b>				
Undiluted	0.55	1.30	3.71	3.05
Diluted	0.55	1.30	3.71	3.05

\*) One-off items, which are included in other operating expenses, are described in Note 7.

\*\*) Based on the number of outstanding shares, i.e excluding treasury shares.

# Statement of cash flows

(Indirect method)

<i>Amounts in SEK m</i>	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
<b>Operating activities</b>				
Operating profit	81	154	467	452
Reversal of depreciation/amortisation	40	40	158	157
Reversal of capital gains (-) / losses (+) reported in operating profit	3	2	3	2
Provisions, not affecting cash flow	3	-38	-42	-10
Adjustment for other items not affecting cash flow	-21	13	-20	-6
<b>Total</b>	<b>106</b>	<b>171</b>	<b>566</b>	<b>595</b>
Interest received	2	5	7	10
Interest paid	-12	-24	-62	-115
Tax paid	-4	-20	-72	-62
<b>Cash flow from operating activities before change in working capital</b>	<b>92</b>	<b>132</b>	<b>439</b>	<b>428</b>
<b>Change in working capital</b>				
Stock (increase – /decrease +)	97	141	-111	8
Operating receivables (increase – /decrease +)	242	249	-76	76
Operating liabilities (increase + /decrease –)	-168	-67	26	108
<b>Total change in working capital</b>	<b>171</b>	<b>323</b>	<b>-161</b>	<b>192</b>
<b>Cash flow from operating activities</b>	<b>263</b>	<b>455</b>	<b>278</b>	<b>620</b>
<b>Investing activities</b>				
Acquisition of Group companies	-10	-6	-30	-21
Investments in intangible fixed assets	-6	-7	-25	-17
Investments in tangible fixed assets	-39	-22	-248	-76
Change in financial fixed assets	0	-2	0	0
Sale/disposal of intangible fixed assets	0	-	0	0
Sale/disposal of tangible fixed assets	8	2	11	3
<b>Cash flow from investing activities</b>	<b>-47</b>	<b>-35</b>	<b>-292</b>	<b>-111</b>
<b>Financing activities</b>				
Proceeds from borrowings	-	-	1,885	-
Repayment of borrowings	-216	-312	-1,907	-482
Sale of treasury shares	-	-	-2	-
<b>Cash flow from financing activities</b>	<b>-216</b>	<b>-312</b>	<b>-24</b>	<b>-482</b>
<b>Cash flow for the period</b>	<b>0</b>	<b>108</b>	<b>-38</b>	<b>27</b>
Cash and cash equivalents at start of the period	301	215	331	301
Effect of exchange rate changes on cash and cash equivalents	-1	8	7	3
<b>Cash and cash equivalents at end of the period</b>	<b>300</b>	<b>331</b>	<b>300</b>	<b>331</b>

# Statement of financial position

(Condensed Balance sheet)

<i>Amounts SEK m</i>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
<b>Assets</b>		
Fixed assets		
Goodwill	2,859	2,734
Other intangible fixed assets	64	60
Tangible fixed assets	1,240	1,144
Financial fixed assets, interest bearing	46	42
Other financial fixed assets	132	152
<b>Total fixed assets</b>	<b>4,341</b>	<b>4,132</b>
Current assets		
Stock	1,107	958
Accounts receivable	1,064	942
Other current assets	147	153
Other receivables, interest bearing	2	1
Cash and bank	300	331
<b>Total current assets</b>	<b>2,620</b>	<b>2,385</b>
<b>TOTAL ASSETS</b>	<b>6,961</b>	<b>6,517</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>	<b>3,344</b>	<b>2,967</b>
Long-term liabilities		
Provisions, interest-bearing	201	169
Liabilities, interest-bearing	1,765	1,645
Provisions	111	176
Other long-term liabilities	5	10
<b>Total long-term liabilities</b>	<b>2,082</b>	<b>2,000</b>
Current liabilities		
Other Liabilities, interest-bearing	128	171
Provisions	52	62
Accounts payable	650	681
Other short-term liabilities	705	636
<b>Total current liabilities</b>	<b>1,535</b>	<b>1,550</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>6,961</b>	<b>6,517</b>

## Statement of changes in equity

<i>Amounts in SEK m</i>	<b>Equity relating to the parent company's shareholders</b>				
	<b>Share Capital</b>	<b>Other contributed capital</b>	<b>Foreign currency transl. adj.</b>	<b>Profit brought forward</b>	<b>Total Equity</b>
<b>Opening balance, 1 January 2013</b>	<b>79</b>	<b>2,227</b>	<b>-96</b>	<b>473</b>	<b>2,683</b>
Profit for the period				233	233
Other comprehensive income, net of tax					
Actuarial gains/losses, defined benefit plans				9	9
Translation differences, foreign operations			55		55
Hedging of net investments			-14		-14
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>242</b>	<b>283</b>
Incentive programme <sup>1)</sup>		1			1
<b>Closing balance, 31 December 2013</b>	<b>79</b>	<b>2,228</b>	<b>-55</b>	<b>715</b>	<b>2,967</b>
<b>Opening balance, 1 January 2014</b>	<b>79</b>	<b>2,228</b>	<b>-55</b>	<b>715</b>	<b>2,967</b>
Profit for the period				283	283
Other comprehensive income, net of tax					
Actuarial gains/losses, defined benefit plans				-23	-23
Translation differences, foreign operations			163		163
Hedging of net investments			-57		-57
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>106</b>	<b>260</b>	<b>366</b>
Incentive programme <sup>1)</sup>		0			0
Maturity of futures contracts to acquire treasury shares, incentive programme		11			11
Effect unused shares, incentive programme		2			2
Shares to be allocated, incentive programme		-2			-2
<b>Closing balance, 31 December 2014</b>	<b>79</b>	<b>2,239</b>	<b>51</b>	<b>975</b>	<b>3,344</b>

- 1) The 2011 and 2012 Annual General Meetings decided to introduce a long-term Incentive programme for each year. To ensure that Lindab holds shares for the maximum allocation, futures contracts have been signed with third parties to acquire treasury shares, meaning that no dilution occurs. Provisions for the incentive programme initiated during 2012 continued during 2014 and will be paid out after 31 May 2015. The incentive programme initiated during 2011 fell due in 2013 and was paid out during the second quarter of 2014.

### 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 AB (publ) holds 2,375,838 (2,375,838) treasury shares, corresponding to 3.0 percent (3.0) of the total number of Lindab shares.

## Parent company

### Income statement

<i>Amounts SEK m</i>	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
Sales revenue*	1	1	3	3
Administrative expenses	-1	-2	-4	-4
Other operating income/costs	0	0	0	0
<b>Operating profit</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>
Profit from subsidiaries	49	94	49	94
Interest expenses, internal	-9	-24	-48	-93
<b>Result before tax</b>	<b>40</b>	<b>69</b>	<b>0</b>	<b>0</b>
Tax on profit for the period	-9	-15	1	0
<b>Profit for the period**</b>	<b>31</b>	<b>54</b>	<b>1</b>	<b>0</b>

\*) Other operating income has been reclassified to Sales revenue.

\*\*) Comprehensive income corresponds to profit for all periods.

### Condensed Balance sheet

<i>Amounts SEK m</i>	31 Dec 2014	31 Dec 2013
<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	52	1
Cash and bank	0	2
<b>Total current assets</b>	<b>52</b>	<b>3</b>
<b>TOTAL ASSETS</b>	<b>3,528</b>	<b>3,479</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>	<b>1,384</b>	<b>1,383</b>
Provisions		
Provisions, interest-bearing	8	8
Long-term liabilities		
Liabilities to Group companies, interest-bearing	2,134	2,086
<b>Total provisions and long-term liabilities</b>	<b>2,142</b>	<b>2,094</b>
Current liabilities		
Other liabilities	2	2
<b>Total current liabilities</b>	<b>2</b>	<b>2</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,528</b>	<b>3,479</b>

# Key figures

	Quarterly periods											
	2014 Oct- Dec	2014 Jul- Sep	2014 Apr- Jun	2014 Jan- Mar	2013 Okt- Dec	2013 Jul- Sep	2013 Apr- Jun	2013 Jan- Mar	2012 Okt- Dec	2012 Jul- Sep	2012 Apr- Jun	2012 Jan- Mar
<i>SEK m unless otherwise specified</i>												
Sales revenue	1,836	1,904	1,757	1,506	1,786	1,753	1,643	1,341	1,667	1,773	1,737	1,479
Operating profit, (EBITDA) <sup>1)</sup>	121	244	164	97	194	206	164	45	84	219	158	29
Operating profit, (EBITA) <sup>2)</sup>	81	205	124	57	154	165	126	7	40	183	119	-8
Depreciation/amortisation and write-downs	40	39	40	39	40	41	38	38	44	36	39	37
Operating profit, (EBIT) <sup>3)</sup>	81	205	124	57	154	165	126	7	40	183	119	-8
Operating profit, (EBIT), excluding one-off items	102	210	125	60	158	195	132	13	105	190	135	30
After tax result	42	145	82	14	99	101	61	-28	2	110	56	-46
Total comprehensive income	33	142	204	-12	191	73	204	-185	62	-10	32	-48
Operating margin, (EBITA), % <sup>4)</sup>	4.4	10.8	7.1	3.8	8.6	9.4	7.7	0.5	2.4	10.3	6.9	-0.5
Operating margin, (EBITA), % <sup>5)</sup>	4.4	10.8	7.1	3.8	8.6	9.4	7.7	0.5	2.4	10.3	6.9	-0.5
Operating margin (EBIT), excluding one-off items, %	5.6	11.0	7.1	4.0	8.8	11.1	8.0	1.0	6.3	10.7	7.8	2.0
Undiluted average number of shares, (000's)	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	75,980	75,332
Diluted average number of shares, (000's) <sup>6)</sup>	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	75,980	75,332
Undiluted number of shares, (000's)	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	75,332
Diluted number of shares, (000's) <sup>6)</sup>	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	75,332
Undiluted earnings per share, SEK <sup>7)</sup>	0.55	1.90	1.07	0.18	1.30	1.32	0.80	-0.37	0.03	1.44	0.74	-0.61
Diluted earnings per share, SEK <sup>8)</sup>	0.55	1.90	1.07	0.18	1.30	1.32	0.80	-0.37	0.03	1.44	0.74	-0.61
Cash flow from operating activities	263	153	88	-226	455	136	26	3	192	23	97	-90
Cash flow from operating activities per share, SEK <sup>9)</sup>	3.45	2.00	1.15	-2.96	5.96	1.78	0.34	0.04	2.52	0.30	1.28	-1.19
Total assets	6,961	7,301	7,208	6,770	6,517	6,726	6,815	6,589	6,623	7,031	7,153	6,521
Net debt <sup>10)</sup>	1,746	1,883	1,998	2,038	1,612	2,020	2,139	2,140	2,106	2,252	2,224	1,962
Net debt/equity ratio, times <sup>11)</sup>	0.5	0.6	0.6	0.7	0.5	0.7	0.8	0.9	0.8	0.9	0.8	0.7
Equity	3,344	3,311	3,169	2,955	2,967	2,776	2,703	2,498	2,683	2,621	2,647	2,630
Undiluted equity per share, SEK <sup>12)</sup>	43.81	43.38	41.52	38.71	38.87	36.37	35.41	32.73	35.15	34.34	34.68	34.91
Diluted equity per share, SEK <sup>13)</sup>	43.81	43.38	41.52	38.71	38.87	36.37	35.41	32.73	35.15	34.34	34.68	34.91
Equity/asset ratio, % <sup>14)</sup>	48.0	45.3	44.0	43.6	45.5	41.3	39.7	37.9	40.5	37.3	37.0	40.3
Return on equity, % <sup>15)</sup>	9.0	11.2	10.2	9.9	8.5	5.1	5.5	5.4	4.6	4.3	3.4	3.6
Return on capital employed, % <sup>16)</sup>	8.9	10.4	9.8	10.0	9.1	6.7	7.0	7.0	6.8	7.4	7.0	7.4
Return on operating capital, % <sup>17)</sup>	9.3	10.9	10.3	10.5	9.6	7.1	7.4	7.3	7.1	7.6	7.4	7.8
Return on operating capital, excluding one-off items, %	9.9	11.2	11.0	11.4	10.5	9.3	9.2	9.3	9.8	9.8	9.5	9.5
Return on total assets, % <sup>18)</sup>	6.8	8.0	7.5	7.6	6.9	5.1	5.2	5.2	5.0	5.4	5.2	5.5
Interest coverage ratio, times <sup>19)</sup>	4.2	14.8	8.3	1.5	4.9	5.5	3.7	0.3	1.2	4.1	2.9	-0.2
No. of employees at close of period <sup>20)</sup>	4,587	4,677	4,624	4,558	4,371	4,387	4,368	4,350	4,363	4,438	4,593	4,344

\* Not restated. Changes in IAS 19R are not reflected.

For Definitions, see page 20.

## Key figures

	Quarterly periods, cont.			Full-year periods					
	2011 *Oct- Dec	2010 *Oct- Dec	2009 *Oct- Dec	2014	2013	2012	*2011	*2010	*2009
<i>SEK m unless otherwise specified</i>									
Sales revenue	1,855	1,697	1,602	7,003	6,523	6,656	6,878	6,527	7,019
Operating profit, (EBITDA) <sup>1)</sup>	110	112	92	625	609	490	511	565	479
Operating profit, (EBITA) <sup>2)</sup>	65	76	37	467	452	334	348	401	265
Depreciation/amortisation and write-downs	45	146	57	158	157	156	163	280	225
Operating profit, (EBIT) <sup>3)</sup>	65	-35	34	467	452	334	348	284	254
Operating profit, (EBIT), excluding one-off items	107	75	34	497	498	460	407	347	301
After tax result	-5	-86	5	283	233	122	91	27	34
Total comprehensive income	-128	-128	29	366	283	36	36	-298	-142
Operating margin, (EBITA), % <sup>4)</sup>	3.5	4.5	2.3	6.7	6.9	5.0	5.1	6.1	3.8
Operating margin, (EBITA), % <sup>5)</sup>	3.5	-2.1	2.1	6.7	6.9	5.0	5.1	4.4	3.6
Operating margin (EBIT), excluding one-off items, %	5.8	4.4	2.1	7.1	7.6	6.9	5.9	5.3	4.3
Undiluted average number of shares, (000's)	75,332	75,332	74,772	76,332	76,332	75,998	75,332	75,203	74,772
Diluted average number of shares, (000's) <sup>6)</sup>	75,332	75,398	74,772	76,332	76,332	75,998	75,332	75,203	74,772
Undiluted number of shares, (000's)	75,332	75,332	74,772	76,332	76,332	76,332	75,332	75,332	74,772
Diluted number of shares, (000's) <sup>6)</sup>	75,332	75,398	74,772	76,332	76,332	76,332	75,332	75,332	74,772
Undiluted earnings per share, SEK <sup>7)</sup>	-0.07	-1.14	0.07	3.71	3.05	1.61	1.21	0.36	0.45
Diluted earnings per share, SEK <sup>8)</sup>	-0.07	-1.14	0.07	3.71	3.05	1.61	1.21	0.36	0.45
Cash flow from operating activities	252	324	245	278	620	222	345	391	719
Cash flow from operating activities per share, SEK <sup>9)</sup>	3.35	4.30	3.28	3.64	8.12	2.92	4.58	5.20	9.62
Total assets	6,479	6,570	7,442	6,961	6,517	6,623	6,479	6,570	7,442
Net debt <sup>10)</sup>	1,747	1,856	2,422	1,746	1,612	2,106	1,747	1,856	2,422
Net debt/equity ratio, times <sup>11)</sup>	0.6	0.7	0.8	0.5	0.5	0.8	0.6	0.7	0.8
Equity	2,699	2,755	3,003	3,344	2,967	2,683	2,699	2,755	3,003
Undiluted equity per share, SEK <sup>12)</sup>	35.83	36.57	40.16	43.81	38.87	35.15	35.83	36.57	40.16
Diluted equity per share, SEK <sup>13)</sup>	35.83	36.54	40.16	43.81	38.87	35.15	35.83	36.57	40.16
Equity/asset ratio, % <sup>14)</sup>	41.7	41.9	40.4	48.0	45.5	40.5	41.7	41.9	40.4
Return on equity, % <sup>15)</sup>	3.3	0.9	1.1	9.0	8.5	4.6	3.3	0.9	1.1
Return on capital employed, % <sup>16)</sup>	7.1	5.5	4.3	8.9	9.1	6.8	7.1	5.5	4.3
Return on operating capital, % <sup>17)</sup>	7.4	5.6	4.3	9.3	9.6	7.1	7.4	5.6	4.3
Return on operating capital, excluding one-off items, %	8.7	6.9	5.1	9.9	10.5	9.8	8.7	6.9	5.1
Return on total assets, % <sup>18)</sup>	5.2	4.1	3.3	6.8	6.9	5.0	5.2	4.1	3.3
Interest coverage ratio, times <sup>19)</sup>	1.5	-0.7	1.0	5.4	3.5	2.1	2.1	1.6	1.8
No. of employees at close of period <sup>20)</sup>	4,347	4,381	4,435	4,587	4,371	4,363	4,347	4,381	4,435

\* Not restated. Changes in IAS 19R are not reflected.  
For Definitions, see page 20.

## Notes

### NOTE 1 ACCOUNTING POLICIES

The consolidated accounts for the fourth quarter of 2014, as for the annual accounts for 2013, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish 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 has applied the same accounting policies as described in the Annual Report for 2013.

From 1 January 2014, Lindab will be applying the following new and amended accounting standards:

- IFRS 10 Consolidated Financial Statements and the Amendment in IAS 27 Consolidated Financial Statements and separate financial reports.
- IFRS 11 Joint Arrangements and the amendment in IAS 28 Investments in Associates and Joint Ventures
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 32 Financial Instruments: Presentation – Amendment
- IAS 36 Impairment of Assets – Amendment
- IAS 39 Financial Instruments: Recognition and Measurement – Amendment.

None of the new or revised standards, interpretations and improvements adopted by the EU have had any 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 accounting principles that were applied to the Annual Report for 2013.

### NOTE 2 EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES

Significant estimates and assumptions are described in note 4 in the Annual Report for 2013.

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

### NOTE 3 BUSINESS COMBINATIONS

	Total Acquisitions	
	2014	2013
<b>Purchase price</b>	<b>33</b>	-
<b>Identifiable net assets</b>		
Tangible fixed assets	13	-
Financial fixed assets	1	-
Stock	19	-
Current assets	8	-
Current and long-term liabilities	-10	-
Goodwill	2	-
<b>Acquired net assets</b>	<b>33</b>	-

During the quarter, a contract was signed concerning the acquisition of MP3, which is described further under "Significant events after the reporting period", since the takeover was implemented on 15 January 2015. Negotiations on the final total purchase price is in progress.

At the beginning of November, Bjarnes Systems AB was acquired. The company had annual sales of approximately SEK 12 m and had one employee. The acquisition creates opportunities for continued development of the important Nordic sheet metalworking market, and opens up new opportunities in other markets in Europe.

During the second quarter, Klimasystem AS, a former agent for the Lindab indoor climate systems, was acquired in Norway. The company had four employees and annual sales of approximately SEK 15 m. The acquisition contributes additional expertise to the product range for indoor climate solutions.

The operations of NovoClima was acquired through an acquisition of assets during the first quarter. These operations were placed in a newly formed company, Lindab Götene AB. These operations had annual sales of approximately SEK 40 m, of which only a marginal proportion were to customers outside the Lindab Group. The number of employees was 26 and activities include the manufacture of waterborne indoor climate products included in the Lindab range. With the acquisition of NovoClima, Lindab has assured and increased efficiency in the value chain.

The net cash flow from acquisitions for the period January–December amounted to SEK –30 m (–21). No acquisitions were made during 2013. The cash flow for 2013 is attributable to regulated payments for the acquisition of Centrum Klima S.A., which was acquired in 2012.

### NOTE 4 OPERATING SEGMENTS

Lindab's business was operated in three business areas up until the reorganisation of 1 October 2013. The former business area structure for Ventilation and Building Components was then replaced by a matrix organisation. Throughout 2013, the segments were reported in accordance with the previous structure. From 1 January 2014 onwards, reports are issued under the new reporting structure, which means that the group now consists of two segments, Products & Solutions and Building Systems. Products & Solutions consists of the former business areas Ventilation and Building Components, and Building Systems will continue as its own segment as was previously the case. This is also reflected in the figures that we are reporting for the segments. The segment Other as previously covers the parent company's functions.

The segments constitute the lowest level of cash-generating unit and thus goodwill is tested for impairment at the segment level. Tests performed as of 31 October indicate no impairment needs. As a result of the weak earnings trend during the fourth quarter for the Building Systems segment, the tests have been updated and there is no current need for impairment.

Information about revenues from external customers and operating profit by operating segment, excluding one-off items, is shown in the tables on page 8.

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 and liabilities per segment that have changed by more than 10 percent compared with the end of 2013 are shown below:

- Products & Solutions: Stock has increased by 20 percent, and Other assets have increased by 15 percent.
- Building Systems: Other assets have decreased by 12 percent.

## NOTE 5 TRANSACTIONS WITH RELATED PARTIES

Lindab's related parties and the extent of transactions with its related parties are described in note 29 of the 2013 Annual Report. Systemair AB (publ), which was Lindab's biggest shareholder 2013 with 12 percent, sold its entire holding on 3 March 2014. Other transactions as described in the 2013 Annual Report have continued to the same extent during 2014. These have not had a significant impact on the company's position and profit 2014.

## NOTE 6 FINANCIAL INSTRUMENTS

### Disclosures regarding the fair value by class

	31 Dec 2014		31 Dec 2013	
	Total carrying amount	Fair value	Total carrying amount	Fair value
<b>Financial assets</b>				
Other investments held as fixed assets	1	-	3	-
Other long-term receivables	3	-*	2	-*
Accounts receivable	1,064	-*	942	-*
Other receivables	8	-*	14	-*
Accrued income	6	-*	5	-*
Cash and cash equivalents	300	-*	331	-*
<b>Total financial assets</b>	<b>1,382</b>	<b>-</b>	<b>1,297</b>	<b>-</b>
	Total carrying amount	Fair value	Total carrying amount	Fair value
<b>Financial liabilities</b>				
Overdraft facilities	99	99	160	160
Liabilities to credit institutions	1,728	1,725	1,607	1,607
Derivative liabilities	18	18	2	2
Accounts payable	650	-*	682	-*
Other liabilities	6	-*	102	-*
Accrued expenses	172	-*	329	-*
<b>Total financial liabilities</b>	<b>2,673</b>	<b>1,842</b>	<b>2,882</b>	<b>1,769</b>

### Description of fair value

#### *Other investments held as fixed assets*

No information about fair value with respect to unlisted shares and participations is provided. Lindab considers that a fair value cannot be calculated in a reliable manner, and that the market for these holdings is limited.

#### *Other long-term receivables*

Other long-term receivables consists of cash deposited as security for rent, which means that the carrying amount is considered to be a reasonable approximation of fair value.

#### *Interest-bearing liabilities*

The fair value of interest-bearing liabilities is provided for the purposes of disclosure and is calculated by discounting the future cash flows of principals and interest payments, discounted at current market interest rates.

#### *Derivatives*

Forward exchange contracts are valued at fair value by discounting the difference between the contracted forward rate and the rate that can be subscribed for on the balance sheet date for the remaining contract term.

#### *\* Other financial assets and liabilities*

For cash and cash equivalents, accounts receivable, other receivables, accrued income, accounts payable, overdraft facilities, other liabilities and accrued expenses with a remaining maturity of less than six (6) months, the carrying amount is considered to reflect the fair value.

#### **Valuation hierarchy**

The derivative assets, derivative liabilities and interest-bearing liabilities that exist can all be found at Level 2 in the valuation hierarchy.

## NOTE 7 SPECIFICATION OF ONE-OFF ITEMS

Quarter	Current year	Products & Solutions	Building Systems	Other Operations	Reporting period outcome		
					Operating profit (EBIT) incl. one-off items	Operating profit (EBIT) excl. one-off items	Operating profit (EBIT) incl. one-off items
1/2014		-3	-	-	-3	57	60
2/2013		-	-1	-	-1	124	125
3/2013		-5	-2	2	-5	205	210
4/2013		-13	-8	-	-21	81	102
<b>Total</b>		<b>-21</b>	<b>-11</b>	<b>2</b>	<b>-30</b>	<b>467</b>	<b>497</b>
Operating profit (EBIT) incl. one-off items, acc. 2014							
		450	41	-24	467		
<b>Operating profit (EBIT) excl. one-off items</b>		<b>471</b>	<b>52</b>	<b>-26</b>	<b>497</b>		
<i>The previous year, acc. reporting period</i>							
1/2013		-4	-	-2	-6	7	13
2/2013		-6	-	-	-6	126	132
3/2013		-10	-1	-19	-30	165	195
4/2013		-4	-	-	-4	154	158
<b>Total</b>		<b>-24</b>	<b>-1</b>	<b>-21</b>	<b>-46</b>	<b>452</b>	<b>498</b>
Operating profit (EBIT) incl. one-off items, acc. 2013							
		336	158	-42	452		
<b>Operating profit (EBIT) excl. one-off items</b>		<b>360</b>	<b>159</b>	<b>-21</b>	<b>498</b>		
<b>Operating profit (EBIT) has been adjusted by the following one-off items per quarter:</b>							
1/2014	SEK -3m relating to restructuring costs resulting from the reorganisation.						
2/2014	SEK -1m relating to restructuring costs resulting from the reorganisation.						
3/2014	SEK -5m relating to restructuring costs resulting from the reorganisation.						
4/2014	SEK -21m relating to restructuring costs resulting from the reorganisation.						
1/2013	SEK -6m relating to restructuring costs resulting from the cost-reduction programme.						
2/2013	SEK -6m relating to restructuring costs resulting from the cost-reduction programme.						
3/2013	SEK -30m relating to restructuring costs resulting from the cost-reduction programme and reorganisation.						
4/2013	SEK -4m relating to restructuring costs resulting from the cost-reduction programme and reorganisation.						

This interim report for Lindab International AB (publ) has been submitted following approval by the Board of Directors.

Båstad, 9 February 2015

Anders Berg  
President and CEO

## Auditor's review report

### Introduction

We have conducted a review of the interim report for Lindab International AB (publ), CIN 556606-5446, for the period 1 January 2014 to 31 December 2014. The Board of directors and the CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial report based on our review.

### Scope of review

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 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 is substantially less in than an audit conducted in accordance with 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. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

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

Gothenburg, 9 February 2015  
Deloitte AB

Hans Warén  
Authorised public accountant

## Definitions

- 1) **Operating profit (EBITDA)** comprises the results before depreciation and before consolidated amortisation of the surplus value on intangible assets.
- 2) **Operating profit (EBITA)** comprises the results after planned depreciation but before consolidated amortisation of the surplus value in intangible assets.
- 3) **Operating profit (EBIT)** comprises the 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) **Operating margin (EBIT)** has been calculated as operating profit (EBIT) expressed as a percentage of sales revenue during the period.
- 6) **Average number of shares after dilution** Weighted average number of shares outstanding at the end of the period, as well as potential additional shares in accordance with IAS 33.
- 7) **Undiluted earnings per share, SEK** Profit for the period in relation to the undiluted average number of outstanding shares.
- 8) **Diluted earnings per share, SEK** Profit for the period 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 profit after tax for the period, rolling twelve-month value, as a percentage of the average shareholders' equity\* excluding shares without controlling interests.
- 16) **Return on capital employed, %** Return on capital employed comprises the profit before tax (EBT) plus financial expenses, 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 of net debt and shareholders' equity.
- 18) **Return on total assets, %** The return on total assets comprises the profit before tax (EBT) plus financial expenses, rolling twelve months, as a percentage of average total assets\*.
- 19) **Interest coverage ratio** 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.

*\*) Average capital is based on the quarterly value.*

## Financial reporting dates

Annual Report 2014	April 2015
Interim Report January-March	27 April 2015
Annual General Meeting	27 April 2015
Interim Report April-June	17 July 2015

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Subscribe to our customer magazine (Lindab Direct), press releases, Annual Reports and Interim Reports.

## Lindab in brief

The Group had sales revenue of SEK 7,003 m in 2014 and is established in 32 countries with approximately 4,600 employees.

The main market is non-residential construction, which accounts for 80 percent of sales, while residential accounts for 20 percent of sales. During 2014, the Nordic market accounted for 46 percent, the CEE/CIS (Central and Eastern Europe plus other former Soviet states) for 21 percent, Western Europe for 30 percent and other markets for 3 percent of total sales.

The share is listed on the Nasdaq OMX Nordic Exchange, Stockholm List, Large Cap, under the ticker symbol LIAB.

### Business concept

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

### Business model

Lindab's product and solution offering includes products and entire systems for ventilation, cooling and heating, as well as construction products and building solutions such as roof drainage in steel, roof and wall cladding, steel profiles for wall,



roof and beam constructions and large span buildings. Lindab also offers complete, pre-engineered steel construction systems under the Astron brand. These are complete building solutions comprising the outer shell with the main structure, wall, roof and accessories.

The products are characterised by their high quality, ease of assembly, energy efficiency and environmental design and are delivered with high levels of service.

Lindab's value chain is characterised by a good balance between centralised and decentralised functions. The distribution has been developed in order to be close to the customer. Sales are made through around 130 Lindab branches and just on 2,000 stock-keeping retailers, with the exception of Building Systems, which conducts sales through a network of nearly 300 building contractors.

The information provided here is what Lindab International AB has willingly chosen to make public, or what it is obliged to make public under the Swedish Securities Market Act and/or the Financial Instruments Trading Act. This information was made public on 10 February 2015 at 07.40 (CET).

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