

## Third quarter 2014

- Sales revenue increased by 9 percent to SEK 1,904 m (1,753), an increase of 5 percent when adjusted for currency and structure.
- Operating profit (EBIT) increased to SEK 210 m (195), excluding one-off items of SEK –5 m (–30).
- The operating margin (EBIT), excluding one-off items, amounted to 11.0 percent (11.1).
- The after-tax result increased to SEK 145 m (101).
- Earnings per share increased to SEK 1.90 (1.32).
- Cash flow from operating activities amounted to SEK 153 m (136).
- The net debt-equity ratio amounted to 0.6 (0.7) at the end of the quarter.
- A new strategy and new financial targets are presented in conjunction with this interim report.



## January–September 2014

- Sales revenue increased by 9 percent to SEK 5,167 m (4,737), an increase of 6 percent when adjusted for currency and structure.
- Operating profit (EBIT) increased to SEK 395 m (340), excluding one-off items of SEK –9 m (–42).
- The operating margin (EBIT), excluding one-off items, increased to 7.6 percent (7.2).
- The after-tax result increased to SEK 241 m (134).
- Earnings per share increased to SEK 3.16 (1.76).
- Cash flow from operating activities amounted to SEK 15 m (165).

## An important quarter showing the way

We are continuing to build on Lindab's solid foundations and are seeing that our efforts are yielding results. The main part of our business, Products & Solutions, is showing very good sales growth in all our regions. With an increase in sales of 11 percent in the third quarter, along with a clearly improved operating margin, we are on the right track with profitable growth. During September, we reached historically high sales levels in Sweden, Norway and France. Through focused work in the area, we have also managed to reduce the number of accidents at work, and a positive trend has continued. This is of course something that we are very pleased about and is evidence of the strength of our organisation.

Despite the uncertainties in the world around us, including uncertainty in market outlook in Russia and Belarus for example, our Building Systems division, with its project sales of capital-intensive building solutions, has managed to deliver a result with an operating margin of close to 13 percent.

There are always opportunities to develop our business, especially in markets where we currently do not hold a leading position, and where we can increase our market share. We have demonstrated this in a number of instances, such as in France for Products & Solutions, and now also, very pleasingly, in Germany and Italy. We will keep this in mind as we look to the future, and with the positive effects that our new, flatter organisational structure has generated, it is now time to take a further step forward. We are already working hard to implement the first steps in our new strategy. This strategy is based on our strengths and is showing us the way towards becoming a stronger player in a larger playing field.

In connection with this, we have also updated our financial targets, which are challenging but realistic.

Anders Berg, Grevie, October 2014



# Comments on the report

## Significant events in connection with the report

- New strategy and new financial targets

## Sales and markets

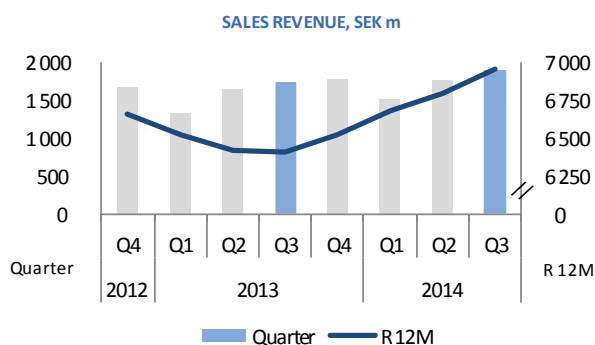
Sales revenue during the third quarter improved to SEK 1,904 m (1,753), which is an increase of 9 percent compared with the third quarter of 2013. Adjusted for currency and structure, sales growth was 5 percent.

For the fourth quarter in a row, sales improved compared with the corresponding quarter of the previous year. The improvement in sales is explained by continued strong development within the Products & Solutions segment, where sales grew by 6 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, mainly due to weak sales in the important market for the segment, Belarus, which were very strong during the comparable period of last year. On the other hand, deliveries to, and thus sales revenues from, the region's biggest market, Russia, are showing growth, while the order intake has been adversely affected as a result of the unrest in the region, as well as the weaker underlying demand in the last quarters.

In the Nordic region, which regarding sales is Lindab's largest 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, have shown continued high growth, while Denmark and Finland have shown a negative sales trend in the quarter.

Sales in the Western Europe region increased by 14 percent when adjusted for currency and structure. Most of the markets in the region, including the two biggest markets, the UK and Germany, showed strong growth.

Sales in the CEE/CIS region decreased by 5 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 Belarus. Most of the markets in the CEE/CIS region, however, showed positive growth. CIS represents approximately 8 percent of the Group's total sales



during the last twelve months.

Sales revenue during the period January–September improved to SEK 5,167 m (4,737), which is an increase of 9 percent compared with the corresponding period in 2013. Adjusted for currency and structure, the change was 6 percent.

## Profit

Operating profit (EBIT) for the third quarter improved to SEK 210 m (195), excluding one-off items of SEK –5 m (–30), see Note 7. The operating margin (EBIT), excluding one-off items, amounted to 11.0 percent (11.1).

The improved operating profit in the quarter compared with the corresponding period of the previous year is explained by the higher sales volume. A lower gross margin has had an adverse effect on the result and can be primarily explained by the product mix in Products & Solutions, as well as the project and market mixes in Building Systems, where a number of particularly successful projects were delivered during the previous year. The cost level in the quarter was slightly higher than the comparable period of the previous year, but shows an improvement compared with the higher cost level during the first two quarters of the current year.

The quarter has been affected by one-off items of SEK –5 m (–30), all attributable to structural measures as part of the reorganisation, see Note 7.

Profit before tax (EBT) for the quarter improved to SEK 193 m (138), which is explained primarily by the improved operating profit (EBIT) but also by significantly lower financing costs as a result of the new credit agreement in place since February, as well as lower indebtedness. The after-tax result increased to SEK 145 m (101). Earnings per share increased to SEK 1.90 (1.32).

Operating profit (EBIT), excluding one-off items, for the period January–September improved to SEK 395 m, which is an increase of 16 percent compared with the corresponding period the previous year when it amounted to SEK 340 m.

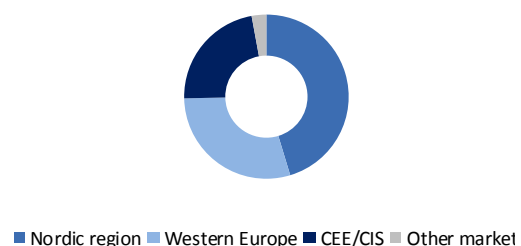
The operating margin (EBIT), excluding one-off items, for the same period increased to 7.6 percent (7.2).

The pre-tax result for the period January–September improved to SEK 323 m (203). The after-tax result increased to SEK 241 m (134). Earnings per share increased to SEK 3.16 (1.76).

The profit and net financial items for the period January–September 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 reorganisation and the cost-reduction programme are estimated at approximately SEK 180 m, of which SEK 169 m have now been expensed.

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



## Seasonal variations

Lindab's operations are affected by seasonal variations in the construction industry, and the greatest proportion of sales is normally seen during the second half of the year.

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 39 m (41). Depreciation for the period January–September amounted to SEK 118 m (117).

## Tax

Tax expenses for the quarter amounted to SEK 48 m (37). The pre-tax result amounted to SEK 193 m (138). The actual tax rate was 25 percent (27). The average effective tax rate was 20 percent (22) and is based on a weighting of Lindab's profit and tax rate in each country. The differences between the actual and the average effective tax are due, among other things, to the fact that the taxable profit differs from the pre-tax result (EBT). The actual tax has also been affected by adjustments, such as deferred tax assets on loss carry-forwards not having been recognised in certain Group companies or adjustments having been made for deferred tax assets in respect of previous years.

Tax expenses for the period January–September amounted to SEK 82 m (69). The pre-tax result amounted to SEK 323 m (203). The actual tax rate for the period January-September was 25 percent (34). The average effective tax rate was 20 percent (22).

## Cash flow

Cash flow from operating activities for the third quarter amounted to SEK 153 m compared with SEK 136 m for the same period the previous year.

This development is primarily attributable to an improved cash flow from operating activities before the change in working capital which amounted to SEK 207 m (172). Operating profit for the period improved and amounted to SEK 205 m (165). Reversed items not affecting cash flow decreased to SEK 31 m (69), where the reversal of provisions for restructuring explains the change. Interest paid and tax paid have affected the comparison of the cash flow positively by SEK –14 m (–29) and SEK –17 m (–35), respectively.

The change in the cash flow from operating activities was also affected by a reduced cash flow due to the change in working capital by SEK –54 m (–36). The change in stock amounted to SEK –53 m (–3) and the change in operating receivables amounted to SEK –89 m (–40), while the change in operating

liabilities improved cash flow and amounted to SEK 88 m (7). The changes in stock, operating receivables and operating liabilities are explained by stronger sales in Products & Solutions compared with the same period in the previous year.

For the period January–September, cash flow from operating activities amounted to SEK 15 m (165).

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 –143 m (–187). The change during the quarter, which has led to a decrease in net debt, is explained by the positive cash flow from operating activities.

Financing activities for the period January–September resulted in a cash flow of SEK 192 m (–170). The increase in borrowings compared with the same period in the previous year is explained by investment in the property in the Czech Republic, and acquisitions.

## Investments

Investments for the quarter in fixed assets amounted to SEK 30 m (18), of which SEK 6 m (3) refers to investments in intangible assets related to IT projects. Disposals amounted to SEK 2 m (0). Net cash flow from investing activities amounted to SEK –28 m (–16), excluding acquisitions.

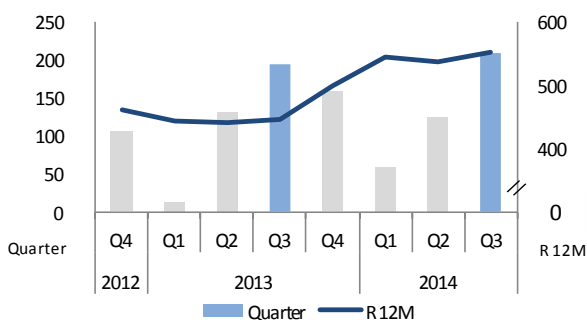
For the period January–September, investments in fixed assets amounted to SEK –228 m (–64), while disposals amounted to SEK 3 m (1). The increase was mainly due to the acquisition of a property in the Czech Republic previously operationally leased. The purchase price amounted to SEK 139 m, which corresponds to the current market value of the property. The property is used primarily for the central production of ventilation products within the Group. The estimated positive full-year effect on operating profit (EBIT) is around SEK 4 m. Net cash flow from investing activities amounted to SEK –225 m (–61), excluding acquisitions.

## Business combinations

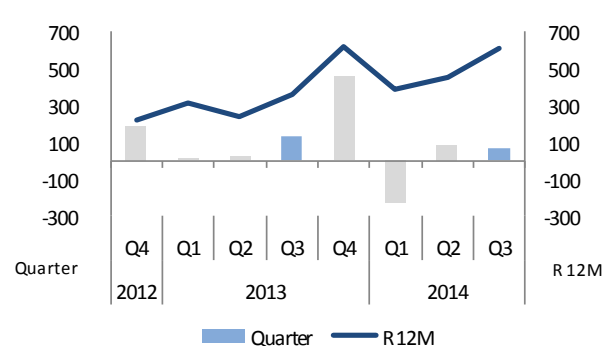
During the quarter, Klimasystem AS, a former agent for the Lindab indoor climate systems, was acquired in Norway. The company has four employees and annual sales of approximately SEK 15 m. The acquisition will contribute additional expertise to the product range for indoor climate solutions. The purchase price amounted to SEK 4 m and affected the Lindab's cash flow negatively by the corresponding amount. The cash flow for the corresponding period previous year relates to regulated payments for the acquisition of Centrum Klima S.A., which occurred in 2012.

During the period January–September, in addition to Klimasystem AS, the business activities of NovoClima were acquired through an acquisition of assets which were placed in a newly formed company, Lindab Götene AB. The company is based in Götene

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



CASH FLOW FROM OPERATING ACTIVITIES, SEK m



and has 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. The purchase price amounted to SEK 16 m and affected Lindab's cash flow negatively by the corresponding amount.

With the acquisition of NovoClima, Lindab has assured and increased efficiency in the value chain.

No acquisitions were made during 2013. The cash flow relates to regulated payments for the acquisition of Centrum Klima S.A., which happened in 2012.

The net cash flow from acquisitions for the period January–September amounted to SEK –20 m (–15).

### Financial position

Net debt amounted to SEK 1,883 m (2,020) as of 30 September 2014. Currency fluctuations have had a marginal effect on the net debt during the quarter. The equity/assets ratio amounted to 45 percent (41) and the net debt-equity ratio was 0.6 (0.7). Net financial items for the quarter amounted to SEK –12 m (–27). 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 30 September 2014, long-term credit agreements amount 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–September, net financial items amounted to SEK –63 m (–95).

### 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 330 m at the end of the quarter and now amounts to SEK 15 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 (0). The after-tax result amounted to SEK –8 m (–18).

Sales revenue for the period January–September amounted to SEK 2 m (2). The after-tax result for the period amounted to SEK –32 m (–54).

### 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).

### Employees

The number of employees at the end of the quarter, converted to equivalent full-time employees, was 4,677 (4,387). Adjusted for acquisitions, the net increase in the number of employees was 260 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–September was SEK 83.70 on 28 February and 9 June, and the lowest was SEK 60.30 on 30 September. The closing price on 30 September was SEK 61.80. The average daily trading volume of the Lindab share was 264,695 shares per day (119,710).

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 were Creades AB with 10.3 percent (10.3), Lannebo Fonder with 8.7 percent (7.8), Skandia with 7.5 percent (7.5), Swedbank Robur fonder with 6.6 percent (5.8), and Handelsbanken Fonder with 6.3 percent (6.9). The ten largest holdings constitute 57.6 percent (56.4) 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.

### Events after the reporting period

See Strategy and Financial targets below. Otherwise, there are no events to report.

### Strategy 2015-2020

Lindab's 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.

**Market Excellence:** Through our strong distribution network and broad product offering along with our numerous and close customer relationships, we will advance our market positions even further.

**Solutions:** By utilising the strength of our ventilation and indoor climate product portfolio comprising strong R&D and customised manufacture, complete solutions will be offered to new customer segments.

**Efficient Availability:** The supply chain that comprises purchasing, production, logistics and distribution will generate higher value based on an overall customer-focused approach through simplification, rationalisation and innovation.

**Innovation:** A long-term, innovative culture in order to generate ideas, both ground-breaking and incremental improvements, in all areas will assure future growth and profitability.

**People:** Strong leadership, employer brand, culture and investment in staff development will create the right conditions to ensure that Lindab has the best team for its business.

As part of the strategy, the focus will increase on acquisition opportunities. Acquisitions are to complement and support other initiatives within the strategy's focus areas, primarily Market Excellence and Solutions.

### Financial targets

New long-term financial targets have also been 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:** Our operating margin (EBIT) shall 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.

The previous financial targets are specified in the Directors' report in Lindab's Annual Report submitted for 2013, page 57.

### Accounting principles

See note 1, page 15. From 1 January 2014, a new segment structure has been introduced. For more information, see note 4, page 15. One-off items are specified in note 7, page 17.

## Segments

### Products & Solutions

- Sales revenue during the third quarter improved to SEK 1,627 m (1,472), an increase of 11 percent. Adjusted for currency and structure, sales increased by 6 percent.
- The operating margin (EBIT) for the third quarter, excluding one-off items, increased to 10.7 percent (9.7).

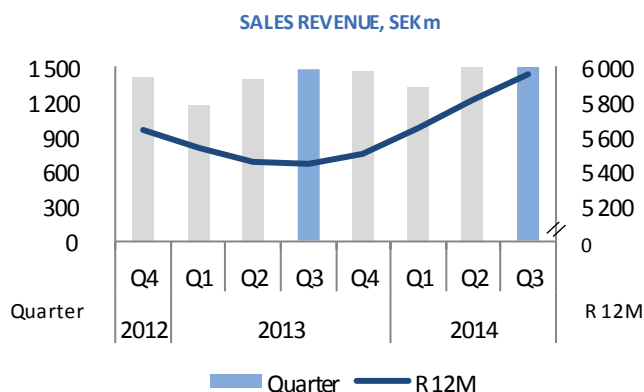
### Sales and markets

Sales revenue for Products & Solutions during the third quarter increased by 11 percent compared with the corresponding period of the previous year, and improved to SEK 1,627 m (1,472). Adjusted for currency and structure, sales revenue increased by 6 percent.

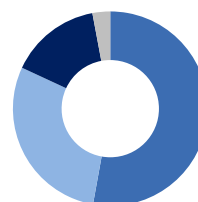
All regions and product areas showed growth in the quarter. Sales of indoor climate solutions and building solutions are continuing to grow very strongly for the segment in general. In the Nordic region, Sweden and Norway showed growth, while Denmark and Finland have shown a negative sales trend. In Finland, however, the product areas ventilation products and indoor climate solutions showed growth, while sales of building products have dampened the sales trend. In the Western Europe region, Germany is showing continued good growth as a result of a successfully implemented reorganisation and structural measures. The UK and France are also showing continued good growth. In the CEE/CIS region, which accounted for 17 percent of the segment's sales during the quarter, growth is continuing, in part driven by higher project sales, mainly to Azerbaijan.

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–September increased by 12 percent to SEK 4,497 m (4,032), an increase of 8 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 third quarter, excluding one-off items, improved to SEK 174 m (143). The operating margin (EBIT) increased to 10.7 percent (9.7). The improvement in the quarter is explained by a higher volume, while a lower gross margin 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 higher sales volume in the quarter and establishments in the previous quarter.

The quarter has been affected by one-off items of SEK –5 m (–10), all attributable to structural measures as part of the reorganization, see Note 7. Operating profit (EBIT) for the period January–September, excluding one-off items, improved to SEK 365 m (268).

## Activities – Products & Solutions

During the quarter, a new distribution centre for Lindab in Switzerland was opened on the outskirts of Zurich. The newly constructed centre, a 5,000 square metre Astron building that accommodates warehouse, production, showroom and offices, replaces the previous locations in two older buildings that lay 80 kilometres distant from each other. The building is designed for efficient logistics with Lindab's industrial doors in the warehouse section, as well as Lindab's demand-controlled indoor climate system in the office sections.

The recently opened competence and distribution centre outside Moscow is developing well and has started small-scale production of ventilation products during the quarter.

## Building Systems

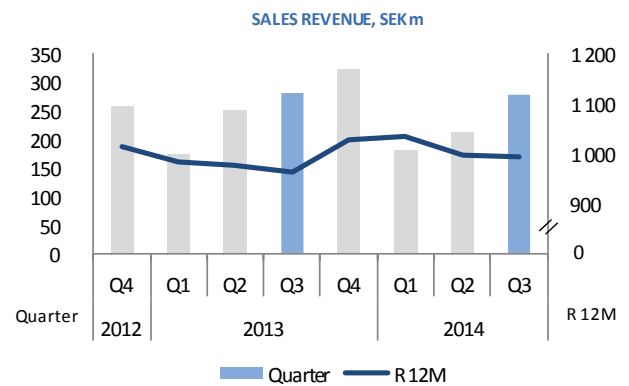
- Sales revenue during the third quarter amounted to SEK 277 m (281), a decrease of 1 percent. Adjusted for currency and structure, sales decreased by 3 percent.
- The operating margin (EBIT) for the third quarter, excluding one-off items, amounted to 12.6 percent (19.6).

## Sales and markets

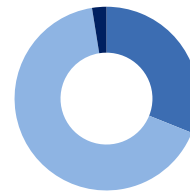
Sales revenue for Building Systems decreased by 1 percent to SEK 277 m (281) during the third quarter. Adjusted for currency and structure, sales decreased by 3 percent.

Sales for the segment were lower than in the corresponding period of the previous year, explained by weak sales to the important market of Belarus which were strong for the comparable period of last year. On the other hand, sales growth to the segment's biggest market Russia was positive for the quarter, while unrest in the CIS region, as well as a weaker underlying demand in recent quarters, has affected the order intake negatively. Other important markets for the segment such as Germany and Poland also showed very good growth, which is a result of the strategic activities implemented to increase market diversification.

Sales revenue for the period January–September decreased by 5 percent to SEK 670 m (705), a decrease of 5 percent when adjusted for currency and structure.



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



■ Western Europe ■ CEE/CIS ■ Other Markets

## Profit

The operating profit (EBIT) for Building Systems for the quarter, excluding one-off items, amounted to SEK 35 m (55). The operating margin (EBIT) amounted to 12.6 percent (19.6) during the quarter.

The lower result can be explained in part by a lower volume, but above all by a lower gross margin. The lower gross margin is due in part to the market mix and project mix, since a number of particularly successful projects, by comparison, were delivered during the corresponding period of the previous year.

The quarter has been affected by one-off items of SEK –2 m (–1), all attributable to structural measures as part of the reorganisation, see Note 7.

Operating profit (EBIT) for the period January–September, excluding one-off items, amounted to SEK 48 m (88).

## Activities – Building Systems

In spite of the lower order intake in total, five large orders were received during the quarter, each of a value exceeding SEK 10 m. All of these are for markets in the CIS region (Belarus, Russia, Kazakhstan and Uzbekistan).

During the quarter, marketing activities under the brand name Astron included participation at trade fairs and conferences, as well as targeted campaigns for new market segments such as data centres and agricultural buildings. A recruitment campaign to expand our distribution network to include more builder dealers, Astron Partners, was also launched during the quarter.

## SALES REVENUE AND GROWTH

	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013
Sales revenue, SEK m	1,904	1,753	5,167	4,737	6,523
Change, SEK m	151	-20	430	-252	-133
Change, %	9	-1	9	-5	-2
Of which					
Volumes and prices, %	5	0	6	-4	-1
Acquisitions/divestments, %	0	0	0	1	1
Currency effects, %	4	-1	3	-2	-2

## SALES REVENUE PER MARKET

SEK m	Jul-Sep 2014	%	Jul-Sep 2013	%	Jan-Sep 2014	%	Jan-Sep 2013	%	Jan-Dec 2013	%
Nordic region	821	43	765	44	2,351	45	2,168	46	2,968	46
Western Europe	590	31	479	27	1,589	31	1,309	28	1,761	27
CEE/CIS	432	23	450	26	1,076	21	1,106	23	1,590	24
Other markets	61	3	59	3	151	3	154	3	204	3
<b>Total</b>	<b>1,904</b>	<b>100</b>	<b>1,753</b>	<b>100</b>	<b>5,167</b>	<b>100</b>	<b>4,737</b>	<b>100</b>	<b>6,523</b>	<b>100</b>

## SALES REVENUE PER SEGMENT

SEK m	Jul-Sep 2014	%	Jul-Sep 2013	%	Jan-Sep 2014	%	Jan-Sep 2013	%	Jan-Dec 2013	%
Products & Solutions	1,627	85	1,472	84	4,497	87	4,032	85	5,496	84
Building Systems	277	15	281	16	670	13	705	15	1,027	16
Other operations	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,904</b>	<b>100</b>	<b>1,753</b>	<b>100</b>	<b>5,167</b>	<b>100</b>	<b>4,737</b>	<b>100</b>	<b>6,523</b>	<b>100</b>
<b>Gross internal sales all segments</b>	<b>6</b>		<b>0</b>		<b>2</b>		<b>2</b>		<b>5</b>	

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

SEK m	Jul-Sep 2014	%	Jul-Sep 2013	%	Jan-Sep 2014	%	Jan-Sep 2013	%	Jan-Dec 2013	%
Products & Solutions	174	10.7	143	9.7	365	8.1	268	6.6	360	6.6
Building Systems	35	12.6	55	19.6	48	7.2	88	12.5	159	15.5
Other operations	1	-	-3	-	-18	-	-16	-	-21	-
<b>Total (EBIT), excluding one-off items</b>	<b>210</b>	<b>11.0</b>	<b>195</b>	<b>11.1</b>	<b>395</b>	<b>7.6</b>	<b>340</b>	<b>7.2</b>	<b>498</b>	<b>7.6</b>
One-off items*	-5	-	-30	-	-9	-	-42	-	-46	-
<b>Total (EBIT), including one-off items*</b>	<b>205</b>	<b>10.8</b>	<b>165</b>	<b>9.4</b>	<b>386</b>	<b>7.5</b>	<b>298</b>	<b>6.3</b>	<b>452</b>	<b>6.9</b>
Net financial income	-12	-	-27	-	-63	-	-95	-	-123	-
<b>Result before tax (EBT)</b>	<b>193</b>	<b>-</b>	<b>138</b>	<b>-</b>	<b>323</b>	<b>-</b>	<b>203</b>	<b>-</b>	<b>329</b>	<b>-</b>

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

## NUMBER OF EMPLOYEES AT CLOSE OF PERIOD

	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013
Products & Solutions	3,921	3,586	3,921	3,586	3,605
Building Systems	709	713	709	713	720
Other operations	47	51	47	51	46
<b>Total</b>	<b>4,677</b>	<b>4,387</b>	<b>4,677</b>	<b>4,387</b>	<b>4,371</b>

# Statement of comprehensive income

(Income statement)

<i>Amounts in SEK m</i>	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Rolling 12 M	Rolling 12 M	Jan-Dec
	2014	2013	2014	2013	Oct 2013 - Sep 2014	Oct 2012 - Sep 2013	2013
Sales revenue	1,904	1,753	5,167	4,737	6,954	6,404	6,523
Cost of goods sold	-1,343	-1,220	-3,693	-3,376	-4,961	-4,595	-4,643
<b>Gross profit</b>	<b>561</b>	<b>533</b>	<b>1,474</b>	<b>1,361</b>	<b>1,993</b>	<b>1,809</b>	<b>1,880</b>
Other operating income	18	12	45	66	100	86	120
Selling expenses	-237	-217	-706	-650	-962	-880	-905
Administrative expenses	-105	-106	-336	-333	-449	-450	-446
R & D expenses	-11	-10	-37	-33	-49	-45	-45
Other operating expenses	-21	-47	-54	-113	-93	-182	-152
<b>Total operating expenses</b>	<b>-356</b>	<b>-368</b>	<b>-1,088</b>	<b>-1,063</b>	<b>-1,453</b>	<b>-1,471</b>	<b>-1,428</b>
<b>Operating profit (EBIT)*</b>	<b>205</b>	<b>165</b>	<b>386</b>	<b>298</b>	<b>540</b>	<b>338</b>	<b>452</b>
Interest income	2	2	5	4	10	11	9
Interest expenses	-14	-30	-66	-98	-95	-138	-127
Other financial income and expenses	0	1	-2	-1	-6	-2	-5
<b>Net financial items</b>	<b>-12</b>	<b>-27</b>	<b>-63</b>	<b>-95</b>	<b>-91</b>	<b>-129</b>	<b>-123</b>
<b>Result before tax (EBT)</b>	<b>193</b>	<b>138</b>	<b>323</b>	<b>203</b>	<b>449</b>	<b>209</b>	<b>329</b>
Tax on profit for the period	-48	-37	-82	-69	-109	-73	-96
<b>Profit for the period</b>	<b>145</b>	<b>101</b>	<b>241</b>	<b>134</b>	<b>340</b>	<b>136</b>	<b>233</b>
<i>–attributable to the parent company's shareholders</i>	<i>145</i>	<i>101</i>	<i>241</i>	<i>134</i>	<i>340</i>	<i>136</i>	<i>233</i>
<b>Other comprehensive income</b>							
<b>Items that will not be reclassified to the income statement</b>							
Actuarial gains/losses, defined benefit plans	0	0	-7	-7	11	-2	11
Deferred tax attributable to defined benefit plans	0	0	1	1	-2	0	-2
	<b>0</b>	<b>0</b>	<b>-6</b>	<b>-6</b>	<b>9</b>	<b>-2</b>	<b>9</b>
<b>Items that can later be reclassified to the income statement</b>							
Translation differences, foreign operations	-4	-28	122	-36	213	32	55
Hedging of net investments	1	-	-30	-	-48	-	-18
Deferred tax attributable to hedging of net investments	0	-	6	-	10	-	4
Cash flow hedges	-	0	-	0	-	3	-
Deferred tax attributable to cash flow hedges	-	0	-	0	-	-1	-
	<b>-3</b>	<b>-28</b>	<b>98</b>	<b>-36</b>	<b>175</b>	<b>34</b>	<b>41</b>
<b>Other comprehensive income, net of tax</b>	<b>-3</b>	<b>-28</b>	<b>92</b>	<b>-42</b>	<b>184</b>	<b>32</b>	<b>50</b>
<b>Total comprehensive income</b>	<b>142</b>	<b>73</b>	<b>333</b>	<b>92</b>	<b>524</b>	<b>168</b>	<b>283</b>
<i>–attributable to the parent company's shareholders</i>	<i>142</i>	<i>73</i>	<i>333</i>	<i>92</i>	<i>524</i>	<i>168</i>	<i>283</i>
<b>Earnings per share, SEK</b>							
Undiluted	1.90	1.32	3.16	1.76	4.45	1.78	3.05
Diluted	1.90	1.32	3.16	1.76	4.45	1.78	3.05

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



# Statement of cash flows

(Indirect method)

<i>Amounts in SEK m</i>					Rolling 12 M	Rolling 12 M	
	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Oct 2013 - Sep 2014	Oct 2012 - Sep 2013	Jan-Dec 2013
<b>Operating activities</b>							
Operating profit	205	165	386	298	540	338	452
Reversal of depreciation/amortisation	39	41	118	117	158	161	157
Reversal of capital gains (-) / losses (+) reported in operating profit	0	-	0	-	2	1	2
Provisions, not affecting cash flow	-13	25	-45	28	-83	62	-10
Adjustment for other items not affecting cash flow	5	3	1	-19	14	-22	-6
<b>Total</b>	<b>236</b>	<b>234</b>	<b>460</b>	<b>424</b>	<b>631</b>	<b>540</b>	<b>595</b>
Interest received	2	2	5	5	10	0	10
Interest paid	-14	-29	-50	-91	-74	-129	-115
Tax paid	-17	-35	-68	-42	-88	-83	-62
<b>Cash flow from operating activities before change in working capital</b>	<b>207</b>	<b>172</b>	<b>347</b>	<b>296</b>	<b>479</b>	<b>328</b>	<b>428</b>
<b>Change in working capital</b>							
Stock (increase - /decrease +)	-53	-3	-208	-133	-67	36	8
Operating receivables (increase - /decrease +)	-89	-40	-318	-173	-69	102	76
Operating liabilities (increase + /decrease -)	88	7	194	175	127	-109	108
<b>Total change in working capital</b>	<b>-54</b>	<b>-36</b>	<b>-332</b>	<b>-131</b>	<b>-9</b>	<b>29</b>	<b>192</b>
<b>Cash flow from operating activities</b>	<b>153</b>	<b>136</b>	<b>15</b>	<b>165</b>	<b>470</b>	<b>357</b>	<b>620</b>
<b>Investing activities</b>							
Acquisition of Group companies	-4	-	-20	-15	-26	-22	-21
Investments in intangible fixed assets	-6	-3	-19	-10	-26	-20	-17
Investments in tangible fixed assets	-24	-15	-209	-54	-231	-80	-76
Change in financial fixed assets	0	2	0	2	-2	2	0
Sale/disposal of intangible fixed assets	0	-	0	0	0	0	0
Sale/disposal of tangible fixed assets	2	0	3	1	5	3	3
<b>Cash flow from investing activities</b>	<b>-32</b>	<b>-16</b>	<b>-245</b>	<b>-76</b>	<b>-280</b>	<b>-117</b>	<b>-111</b>
<b>Financing activities</b>							
Proceeds from borrowings	1,764	-	2,101	-	2,101	-	-
Repayment of borrowings	-1,907	-187	-1,907	-170	-2,219	-286	-482
Sale of treasury shares	0	-	-2	-	-2	-	-
<b>Cash flow from financing activities</b>	<b>-143</b>	<b>-187</b>	<b>192</b>	<b>-170</b>	<b>-120</b>	<b>-286</b>	<b>-482</b>
<b>Cash flow for the period</b>	<b>-22</b>	<b>-67</b>	<b>-38</b>	<b>-81</b>	<b>70</b>	<b>-46</b>	<b>27</b>
Cash and cash equivalents at start of the period	325	287	331	301	215	260	301
Effect of exchange rate changes on cash and cash equivalents	-2	-5	8	-5	16	1	3
<b>Cash and cash equivalents at end of the period</b>	<b>301</b>	<b>215</b>	<b>301</b>	<b>215</b>	<b>301</b>	<b>215</b>	<b>331</b>

# Statement of financial position

(Condensed Balance sheet)

<i>Amounts SEK m</i>	<b>30 Sep 2014</b>	<b>30 Sep 2013</b>	<b>31 Dec 2013</b>
<b>Assets</b>			
Fixed assets			
Goodwill	2,804	2,675	2,734
Other intangible fixed assets	62	61	60
Tangible fixed assets	1,264	1,139	1,144
Financial fixed assets, interest bearing	41	39	42
Other financial fixed assets	148	155	152
<b>Total fixed assets</b>	<b>4,319</b>	<b>4,069</b>	<b>4,132</b>
Current assets			
Stock	1,196	1,085	958
Accounts receivable	1,276	1,162	942
Other current assets	207	188	153
Other receivables, interest bearing	2	7	1
Cash and bank	301	215	331
<b>Total current assets</b>	<b>2,982</b>	<b>2,657</b>	<b>2,385</b>
<b>TOTAL ASSETS</b>	<b>7,301</b>	<b>6,726</b>	<b>6,517</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>3,311</b>	<b>2,776</b>	<b>2,967</b>
Long-term liabilities			
Provisions, interest-bearing	178	183	169
Liabilities, interest-bearing	1,948	1,912	1,645
Provisions	150	186	176
Other long-term liabilities	5	9	10
<b>Total long-term liabilities</b>	<b>2,281</b>	<b>2,290</b>	<b>2,000</b>
Current liabilities			
Other Liabilities, interest-bearing	101	186	171
Provisions	36	75	62
Accounts payable	771	660	681
Other short-term liabilities	801	739	636
<b>Total current liabilities</b>	<b>1,709</b>	<b>1,660</b>	<b>1,550</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>7,301</b>	<b>6,726</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				134	134
Other comprehensive income, net of tax					
Actuarial gains/losses, defined benefit plans				-6	-6
Translation differences, foreign operations			-36		-36
Hedging of net investments			-		-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-36</b>	<b>128</b>	<b>92</b>
Incentive programme <sup>1)</sup>		1			1
<b>Closing balance, 30 September 2013</b>	<b>79</b>	<b>2,228</b>	<b>-132</b>	<b>601</b>	<b>2,776</b>
Profit for the period				99	99
Other comprehensive income, net of tax					
Actuarial gains/losses, defined benefit plans				15	15
Translation differences, foreign operations			91		91
Hedging of net investments			-14		-14
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>77</b>	<b>114</b>	<b>191</b>
Incentive programme <sup>1)</sup>		0			0
<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				241	241
Other comprehensive income, net of tax					
Actuarial gains/losses, defined benefit plans				-6	-6
Translation differences, foreign operations			122		122
Hedging of net investments			-24		-24
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>98</b>	<b>235</b>	<b>333</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, 30 September 2014</b>	<b>79</b>	<b>2,239</b>	<b>43</b>	<b>950</b>	<b>3,311</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, which means that no dilution occurs. Provisions for the Incentive programme initiated in 2012 are continuing during 2014. The incentive programme initiated during 2011 fell due in 2013 and was paid out during the second quarter 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.

### Proposed distribution of earnings

In accordance with the proposal of the Lindab Board of Directors, the Annual General Meeting on 29 April 2014 resolved that no dividends would be paid for the financial year 2013. The retained earnings at the disposal of the Board will be carried forward.

## Parent company

### Income statement

<i>Amounts SEK m</i>	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013
Sales revenue*	1	0	2	2	3
Administrative expenses	-1	0	-3	-2	-4
Other operating income/costs	0	0	0	0	0
<b>Operating profit</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>-1</b>
Profit from subsidiaries	-	-	-	-	94
Interest expenses, internal	-10	-23	-40	-69	-93
<b>Result before tax</b>	<b>-10</b>	<b>-23</b>	<b>-41</b>	<b>-69</b>	<b>0</b>
Tax on profit for the period	2	5	9	15	0
<b>Profit for the period**</b>	<b>-8</b>	<b>-18</b>	<b>-32</b>	<b>-54</b>	<b>0</b>

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

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

### Condensed Balance sheet

<i>Amounts SEK m</i>	30 Sep 2014	30 Sep 2013	31 Dec 2013
<b>Assets</b>			
Fixed assets			
Shares in Group companies	3,467	3,467	3,467
Financial fixed assets, interest bearing	7	7	7
Other long-term receivables	2	2	2
<b>Total fixed assets</b>	<b>3,476</b>	<b>3,476</b>	<b>3,476</b>
Current assets			
Other receivables	10	16	1
Cash and bank	1	2	2
<b>Total current assets</b>	<b>11</b>	<b>18</b>	<b>3</b>
<b>TOTAL ASSETS</b>	<b>3,487</b>	<b>3,494</b>	<b>3,479</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>1,353</b>	<b>1,329</b>	<b>1,383</b>
Provisions			
Provisions, interest-bearing	7	7	8
Long-term liabilities			
Liabilities to Group companies, interest-bearing	2,125	2,156	2,086
<b>Total provisions and long-term liabilities</b>	<b>2,132</b>	<b>2,163</b>	<b>2,094</b>
Current liabilities			
Other liabilities	2	2	2
<b>Total current liabilities</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,487</b>	<b>3,494</b>	<b>3,479</b>

# Key figures

	Quarterly periods											
	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	1,904	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>	244	164	97	194	206	164	45	84	219	158	29	
Operating profit, (EBITA) <sup>2)</sup>	205	124	57	154	165	126	7	40	183	119	-8	
Depreciation/amortisation and write-downs	39	40	39	40	41	38	38	44	36	39	37	
Operating profit, (EBIT) <sup>3)</sup>	205	124	57	154	165	126	7	40	183	119	-8	
Operating profit, (EBIT), excluding one-off items	210	125	60	158	195	132	13	105	190	135	30	
After tax result	145	82	14	99	101	61	-28	2	110	56	-46	
Total comprehensive income	142	204	-12	191	73	204	-185	62	-10	32	-48	
Operating margin, (EBITA), % <sup>4)</sup>	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>	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, %	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	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	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	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	75,332	
Undiluted earnings per share, SEK <sup>7)</sup>	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>	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	153	88	-226	455	136	26	3	192	23	97	-90	
Cash flow from operating activities per share, SEK <sup>9)</sup>	2.00	1.15	-2.96	5.96	1.78	0.34	0.04	2.52	0.30	1.28	-1.19	
Total assets	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>	1,883	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>	0.6	0.6	0.7	0.5	0.7	0.8	0.9	0.8	0.9	0.8	0.7	
Equity	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>	43.38	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>	43.38	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>	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>	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>	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>	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, %	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>	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>	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>	4,677	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 19.

## Key figures

	Quarterly periods, cont.			Year-to-date Jan-Sep						Full-year periods					
	2011	2010	2009	2014		2013		2012		2011			2010		2009
	*Jul-Sep	*Jul-Sep	*Jul-Sep	2014	2013	2012	*2011	*2010	*2009	2013	2012	*2011	*2010	*2009	
<i>SEK m unless otherwise specified</i>															
Sales revenue	1,891	1,881	1,825	5,167	4,737	4,989	5,023	4,830	5,417	6,523	6,656	6,878	6,527	7,019	
Operating profit, (EBITDA) <sup>1)</sup>	211	247	165	504	415	406	400	453	387	609	490	511	565	479	
Operating profit, (EBITA) <sup>2)</sup>	172	206	113	386	298	294	283	325	228	452	334	348	401	265	
Depreciation/amortisation and write-downs	40	42	56	118	117	112	118	134	168	157	156	163	280	225	
Operating profit, (EBIT) <sup>3)</sup>	172	205	110	386	298	294	283	319	220	452	334	348	284	254	
Operating profit, (EBIT), excluding one-off items	172	212	145	395	340	355	300	272	267	498	460	407	347	301	
After tax result	88	114	37	241	134	120	96	113	29	233	122	91	27	34	
Total comprehensive income	86	13	-150	333	92	-26	164	-170	-171	283	36	36	-298	-142	
Operating margin, (EBITA), % <sup>4)</sup>	9.1	11.0	6.2	7.5	6.3	5.9	5.6	6.7	4.2	6.9	5.0	5.1	6.1	3.8	
Operating margin, (EBITA), % <sup>5)</sup>	9.1	10.9	6.0	7.5	6.3	5.9	5.6	6.6	4.1	6.9	5.0	5.1	4.4	3.6	
Operating margin (EBIT), excluding one-off items, %	9.1	11.3	7.9	7.6	7.2	7.1	6.0	5.6	4.9	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	75,885	75,332	75,160	74,772	76,332	75,998	75,332	75,203	74,772	
Diluted average number of shares, (000's) <sup>6)</sup>	75,332	75,332	74,772	76,332	76,332	75,885	75,332	75,160	74,772	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	76,332	76,332	75,332	75,332	74,772	
Diluted number of shares, (000's) <sup>6)</sup>	75,332	75,332	74,772	76,332	76,332	76,332	75,332	75,332	74,772	76,332	76,332	75,332	75,332	74,772	
Undiluted earnings per share, SEK <sup>7)</sup>	1.17	1.51	0.49	3.16	1.76	1.58	1.28	1.50	0.39	3.1	1.61	1.21	0.36	0.45	
Diluted earnings per share, SEK <sup>8)</sup>	1.17	1.51	0.49	3.16	1.76	1.58	1.28	1.50	0.39	3.05	1.61	1.21	0.36	0.45	
Cash flow from operating activities	115	172	329	15	165	30	93	67	474	620	222	345	391	719	
Cash flow from operating activities per share, SEK <sup>9)</sup>	1.54	2.28	4.40	0.20	2.16	0.40	1.24	0.89	6.34	8.12	2.92	4.58	5.20	9.62	
Total assets	7,207	7,275	7,781	7,301	6,726	7,031	7,207	7,275	7,781	6,517	6,623	6,479	6,570	7,442	
Net debt <sup>10)</sup>	1,945	2,104	2,600	1,883	2,020	2,252	1,945	2,104	2,600	1,612	2,106	1,747	1,856	2,422	
Net debt/equity ratio, times <sup>11)</sup>	0.7	0.7	0.9	0.6	0.7	0.9	0.7	0.7	0.9	0.5	0.8	0.6	0.7	0.8	
Equity	2,827	2,882	2,969	3,311	2,776	2,621	2,827	2,882	2,969	2,967	2,683	2,699	2,755	3,003	
Undiluted equity per share, SEK <sup>12)</sup>	37.53	38.26	39.71	43.38	36	34	38	38	40	38.87	35.15	35.83	36.57	40.16	
Diluted equity per share, SEK <sup>13)</sup>	37.53	38.26	39.71	43.38	36	34	38	38	40	38.87	35.15	35.83	36.57	40.16	
Equity/asset ratio, % <sup>14)</sup>	39.2	39.6	38.2	45.3	41.3	37.3	39.2	39.6	38.2	45.5	40.5	41.7	41.9	40.4	
Return on equity, % <sup>15)</sup>	0.4	4.0	2.4	11.2	5.1	4.3	0.4	4.0	2.4	8.5	4.6	3.3	0.9	1.1	
Return on capital employed, % <sup>16)</sup>	5.0	6.6	5.4	10.4	6.7	7.4	5.0	6.6	5.4	9.1	6.8	7.1	5.5	4.3	
Return on operating capital, % <sup>17)</sup>	5.2	6.7	5.6	10.9	7.1	7.6	5.2	6.7	5.6	9.6	7.1	7.4	5.6	4.3	
Return on operating capital, excluding one-off items, %	7.8	5.8	8.1	11.2	9.3	9.8	7.8	5.8	8.1	10.5	9.8	8.7	6.9	5.1	
Return on total assets, % <sup>18)</sup>	3.6	4.9	4.0	8.0	5.1	5.4	3.6	4.9	4.0	6.9	5.0	5.2	4.1	3.3	
Interest coverage ratio, times <sup>19)</sup>	4.1	4.4	3.1	5.8	3.0	2.4	2.4	2.4	2.1	3.5	2.1	2.1	1.6	1.8	
No. of employees at close of period <sup>20)</sup>	4,446	4,485	4,714	4,677	4,387	4,438	4,446	4,485	4,714	4,371	4,363	4,347	4,381	4,435	

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

For Definitions, see page 19.

## Notes

### NOTE 1 ACCOUNTING POLICIES

The consolidated accounts for the third 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

	Acquisitions	
	2014	2013
<b>Purchase price</b>	<b>20</b>	-
<b>Identifiable net assets</b>		
Tangible fixed assets	6	-
Stock	12	-
Current assets	4	-
Current liabilities	-4	-
Goodwill	2	-
<b>Acquired net assets</b>	<b>20</b>	-

During the quarter, Klimasystem AS, a former agent for the Lindab indoor climate systems, was acquired in Norway. The company has four employees and annual sales of approximately SEK 15 m. The acquisition will contribute to additional expertise to the product range for indoor climate solutions. The purchase price amounted to SEK 4 m and affected the Lindab's cash flow negatively by the corresponding amount. The direct costs related to the acquisition amounted to SEK 0 m. The fair value of the acquired assets and liabilities correspond with their carrying amount. The purchase price analysis is preliminary pending the final valuation.

During the period January–September, in addition to Klimasystem AS, the business activities of NovoClima were acquired through an acquisition of assets, which were placed in a newly formed company, Lindab Götene AB. The purchase price amounted to SEK 16 m and affected Lindab's cash flow negatively by the corresponding amount. The direct costs related to the acquisition amounted to SEK 0 m. The fair value of the acquired assets and liabilities correspond with their carrying amount. The purchase price analysis is preliminary pending the final valuation.

The total cash flow effect of the acquisitions amounts to SEK –20 m (–15). 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 on 30 September indicate no impairment need.

Information about revenues from external customers and operating profit by operating segment, excluding one-off items, is shown in the tables on page 7.

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 28 percent, and Other assets have increased by 36 percent.
- Building Systems: No assets and liabilities have changed by more than 10 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 in 2013 with 12 percent, sold its entire holding on 3 March 2014. Other transactions described in the Annual Report 2013 have continued to the same extent during 2014. These have not had a significant impact on the company's position and profit.

**NOTE 6 FINANCIAL INSTRUMENTS****Disclosures regarding the fair value by class**

	30 Sep 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	2	-*	2	-*
Derivative receivables	2	2	-	-
Accounts receivable	1,276	-*	942	-*
Other receivables	5	-*	14	-*
Accrued income	4	-*	5	-*
Cash and cash equivalents	301	-*	331	-*
<b>Total financial assets</b>	<b>1,591</b>	<b>2</b>	<b>1,297</b>	<b>0</b>
<b>Financial liabilities</b>				
Overdraft facilities	89	89	160	160
Liabilities to credit institutions	1,955	2,000	1,607	1,607
Derivative liabilities	5	5	2	2
Accounts payable	771	-*	682	-*
Other liabilities	3	-*	102	-*
Accrued expenses	180	-*	329	-*
<b>Total financial liabilities</b>	<b>3,003</b>	<b>2,094</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	Total	Operating profit (EBIT) excl. one-off items
1/2014		-3	-	-	-3	57	60
2/2013		-	-1	-	-1	124	125
3/2013		-5	-2	2	-5	205	210
<b>Total</b>		<b>-8</b>	<b>-3</b>	<b>2</b>	<b>-9</b>	<b>386</b>	<b>395</b>
Operating profit (EBIT) incl. one-off items, acc. 2014		365	48	-18	386		
<b>Operating profit (EBIT) excl. one-off items</b>		<b>373</b>	<b>51</b>	<b>-20</b>	<b>395</b>		
<b>The previous year, acc. reporting period</b>							
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.						
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, 27 October 2014

Anders Berg  
President and CEO

## Auditor's review report

### Introduction

We have reviewed the condensed interim financial information (interim report) for Lindab International AB (publ), CIN 556606-5446, as per 30 September 2014 and the nine-month period that ended on this date. 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 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 scope 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, 27 October 2014

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 month value, 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

Year-end report 2014	10 February 2015
Annual Report 2014	April 2015
Interim Report January-March	27 April 2015
Annual General Meeting	27 April 2015

## For further information, please contact:

Anders Berg, President and CEO	E-mail: anders.berg@lindab.com
Per Nilsson, CFO	E-mail: per.nilsson@lindab.com
Telephone +46 (0) 431 850 00	

For more information, please also visit [www.lindab.com](http://www.lindab.com)

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

## Lindab in brief

The Group had sales revenue of SEK 6,523 m in 2013 and is established in 32 countries with approximately 4,400 employees.

The main market is non-residential construction, which accounts for 80 percent of sales, while residential accounts for 20 percent of sales. During 2013, the Nordic market accounted for 46 percent, the CEE/CIS (Central and Eastern Europe plus other former Soviet states) for 24 percent, Western Europe for 27 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.

Lindab's products are characterised by high quality, ease of assembly, energy efficiency and environmentally friendly design and are delivered with high levels of service. Altogether, this provides greater customer value.

Lindab's value chain is characterised by a good balance between centralised and decentralised functions. Steel is purchased and processed centrally. Parts of the production are highly automated (pressed ventilation and roof drainage fittings), while others are located in low cost countries (mainly the Czech Republic) and some are local (e.g. bulky products). The distribution has been developed in order to be close to the customer. Sales are made through more than 120 Lindab branches and more than 2,000 stock-keeping retailers, with the exception of Building Systems, which conducts sales through a network of more than 280 building contractors.

## Lindab International AB

SE-269 82 Båstad

Visiting address: Järnvägsgatan 41, Grevie

Corporate identification number: 556606-5446

Tel +46 (0) 431 850 00

Fax +46 (0) 431 850 10

E-post [lindab@lindab.com](mailto:lindab@lindab.com) • [www.lindabgroup.com](http://www.lindabgroup.com) • <https://www.facebook.com/LindabGroup>

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 28 October 2014 at 07.40 (CET).

