Lindab Annual Report 2009

50 years of simplifying construction

Lindab
We simplify construction

AB Lidhults Plåtindustri was registered as a company in February 1959 in Grevie on the Bjäre peninsula, where Lindab's head office remains to this day. The business had already been started a few years earlier by the two partners, Lage Lindh and Valter Persson, in a small sheet metal workshop in Lidhult. The initial product range consisted of aluminium trim and windowsills. The product range was subsequently expanded and today includes complete system solutions for the construction industry. Steel as a raw material has been the common denominator throughout the years and the desire to simplify construction remains as important as ever.

Lindab was listed on the Swedish stock exchange for small businesses (OTC) in 1984 and on the Copenhagen stock exchange in 1991. In 2001, Lindab was bought out from the stock exchange by Ratos AB together with Livförsäkringsaktiebolaget Skandia and Sjätte AP-fonden via Lindab Intressenter AB. The parent company changed name to Lindab International AB in 2006. On 1 December 2006, Lindab returned to the Stockholm stock exchange and became a listed company once more.

Lindab has shown good growth over the years and in 2009, reported net sales of approximately SEK 7 billion, with subsidiaries or representative offices in 31 countries.

50 years of simplifying construction

Lindab 1959-2009

Lindab's first 50 years of simplifying construction

Lidhults Plåtindustri formed in Grevie. The product range consists of mass produced aluminium trim and windowsills.

Roof drainage systems move to the new factory in Förslöv and production capacity increases with new rolling mills.

Lindab Safe is launched, offering customers simpler installation, more air-tight systems, and lower energy consumption.

OTC listing on the Stockholm stock exchange and continuing acquisitions. Lindab now present in 40 locations throughout Europe.

Circular duct systems develop further and become the Group's single most important product.

Past the billion-kronor mark as Lindab becomes one of the leading companies in Europe within both business areas.

Established in CEE and investment commences in several new markets in both Western and Eastern Europe.

Name is changed to Lindab

1969

The VM Group is purchased

1982

Rainline simplifies assembly with its new snap-lock and IT programmes are developed to simplify project planning.

Lindab's IT-Line is launched – a toolbox filled with IT tools for design, quantifying and analysis.

The share is delisted from the Stockholm and Copenhagen stock exchanges. Company acquisitions within Comfort.

Astron is acquired strengthening Building Systems. Lindab becomes leader in pre-engineered steel buildings.

The Lindab share is floated on the Stockholm stock exchange on 1 December.

Lindab Safe Click is launched – simplifying construction with a single click, halving assembly times. Simplifying construction in practice!

Lindab's largest investment ever, the Building Systems production unit in Yaroslavl, Russia, opens its doors!

Past the billion-mark in the CEE

1998

50 years of simplifying construction

Lindab 1959-2009

Content

www.lindabgroup.com

Comprehensive information about the Group can be found on the Lindab website. Contact information and addresses for all our companies throughout the world can also be found there.

This is Lindab

Lindab's vision is to be the leader in industrialised ventilation and building solutions – Europewide.

Lindab is an international Group that develops, produces, and markets products and system solutions primarily in steel for simplifying construction and improved indoor climate.

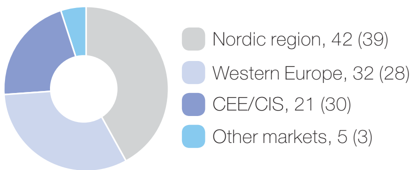
The business is carried out within two business areas, Profile and Ventilation. (From 2010, Profile's divisions Building Components and Building Systems will report as separate business areas.) The Group had net sales of SEK 7,019 m in 2009. It is established in 31 countries and has approximately 4,500 employees. The head office is located in Grevie outside Båstad in southern Sweden.

Since 1 December 2006, the Lindab share has been quoted on the Nasdaq OMX Nordic Exchange in Stockholm. The three largest shareholders are Ratos, Sjätte AP-fonden and Livförsäkringsaktiebolaget Skandia.

Focus on simplifying construction and energy efficient solutions

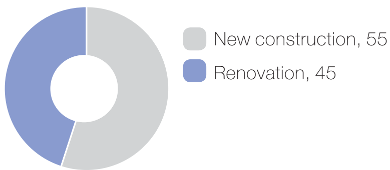
Lindab's fundamental idea is to contribute to simplifying construction for its customers during every phase of the building process. Simplifying construction combined with energy efficiency are always the key themes when Lindab develops new products, improves IT solutions, optimises distribution and strengthens the company's services.

Net sales per market, %



Distribution segment, %

Distribution of renovation and new construction, %



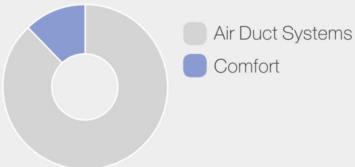
Ventilation business area

The Ventilation business area supplies the ventilation sector with components and complete indoor climate solutions.

The business area consists of two divisions:

– ***Air Duct Systems***, whose central products are circular duct systems for ventilation installations.
– ***Comfort***, ventilation, cooling and heating solutions for indoor climate.

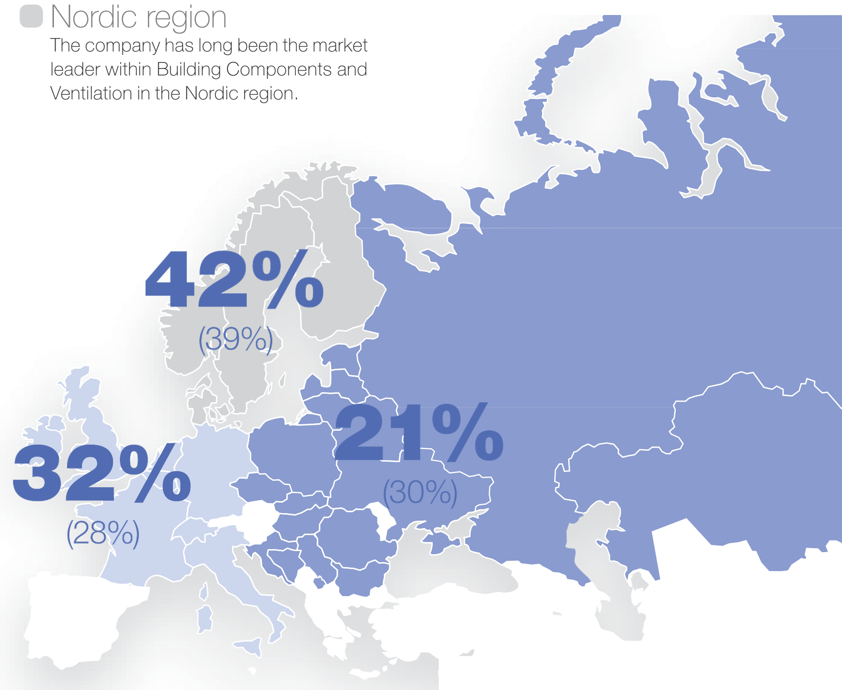
Share of net sales per division



Markets and net sales

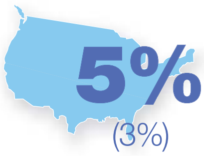
Nordic region

The company has long been the market leader within Building Components and Ventilation in the Nordic region.



Western Europe

In Western Europe, Lindab has been established in the major markets since the mid-1970s and has strengthened its position through a number of acquisitions.



Other markets

Other markets consist largely of operations in the USA, where Lindab has been present since the early 1990s.

CEE/CIS

Lindab became established in the CEE/CIS at the start of the 1990s and has experienced strong growth in these markets.

Profile business area

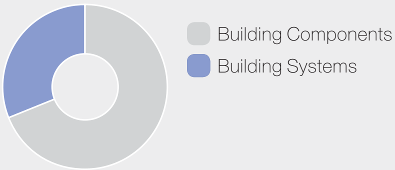
The Profile business area supplies the construction sector with an extensive range of steel building components and building systems.

The business area consists of two divisions:

– ***Building Components***, whose products include complete roof drainage systems, lightweight construction systems, as well as sheet metal roof and facade solutions.

– ***Building Systems***, which markets and manufactures pre-engineered steel building systems.

Share of net sales per division



Building Components

Building Systems

The year in brief

Operating profit (EBIT) 301

SEK m (1,279)

The operating profit excluding one-off items amounted to SEK 301 m, which is a decrease of 76 percent. Inclusive of one-off items, which include the cost reduction programme and capital gains, the profit amounted to SEK 254 m.

Net sales 7,019

SEK m (9,840)

Net sales for 2009 amounted to SEK 7,019 m, which is a decrease of 29 percent compared with 2008. The organic growth was –33 percent. Currency effects have positively contributed 3 percentage points and acquisitions contributed 1 percentage point.

Cash flow 719

SEK m (673)

The cash flow from operating activities amounted to SEK 719 m, which is SEK 46 m higher than in the previous year. This is mainly due to the capital efficiency programme, which reduced working capital by SEK 583 m.

Summary of the market in 2009

The general economic downturn and uncertainty in the financial markets have negatively affected demand for Lindab's products throughout 2009. The declining trend in demand began to level off in the second half of the year. Toward the end of the year, some of Lindab's markets began to show signs of stabilisation. In Sweden, which is Lindab's biggest market, there was a slight recovery in demand in the residential sector in the fourth quarter. During the year, demand for new construction showed the weakest performance, while activity in the renovation segment showed a more stable development partly as a result of government subsidies. Geographically, the fall in demand was most pronounced in the CEE/CIS. Two cost reduction programmes were implemented, which will reduce fixed costs by a total of SEK 550 m annually from the beginning of 2010.

Of total net sales by geographical market, the Nordic region accounted for 42 percent (39), Western Europe for 32 percent (28), the CEE/CIS for 21 percent (30) and other markets for 5 percent (3).

Q1 – Launch of new products

Net sales decreased by 17 percent and the operating profit (EBIT) decreased by 88 percent compared with the corresponding quarter the previous year. Within Building Components, the first Premium facade cassette systems were delivered to several projects and the new RdBX steel stud with its "click" assembly was launched in the Czech Republic. Within Building Systems, the new energy calculation software "Cy-nergy" was launched to the builder-dealers. The Air Duct Systems division launched additional Smart Tools.


Premium Facade Cassette Assembly


Lindab's plant in Yaroslavl, Russia

Q2 – Production begins in Russia

Net sales decreased by 29 percent and the operating profit (EBIT) decreased by 76 percent compared with the corresponding quarter the previous year. The new Building Systems unit in Yaroslavl, Russia, began production. Steps were taken to improve the production and logistical structure within the Group. These included the decision to move the Building Components unit in Edsvära, Sweden to Förslöv, Sweden. The Comfort division received an order of 2,500 chilled beams for a project with extremely stringent environmental and energy requirements.

Q3 – New cost reduction programme

Net sales decreased by 33 percent and the operating profit (EBIT) decreased by 68 percent compared with the corresponding quarter the previous year. A new cost and efficiency programme was introduced, which included the closure of the Building Systems production unit in Hungary. Within the Ventilation business area, a new version of the CADvent calculation software was launched. Signs of stabilisation in demand started to emerge.

Q4 – Signs of stabilisation

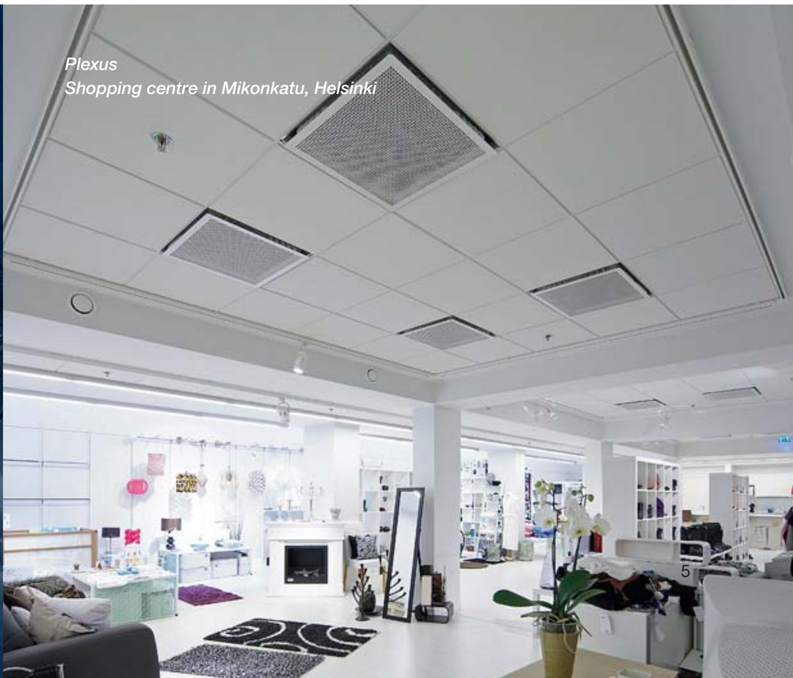
Net sales decreased by 34 percent and the operating profit (EBIT) decreased by 84 percent compared with the corresponding quarter the previous year. Earlier signs of stabilisation in demand were reinforced during the quarter. However, the early arrival and harsh winter in Europe negatively affected demand, notably within the Profile business area. The previously announced cost reduction programme was fully implemented during the quarter.

Financial key figures

SEK m unless otherwise indicated	**2009**	2008	Change, %
Net sales	7,019	9,840	–29
Distribution of growth, of which:			
Organic, %	–33	2	
Acquired/divested, %	1	3	
Currency effect, %	3	1	
Operating profit (EBITDA)	479	1,388	–65
Operating profit (EBITA)	265	1,172	–77
Operating profit (EBIT), excl. one-off items[1)]	301	1,279	–76
Result before tax (EBT)	119	990	–88
Profit for the year	34	723	–95
Cash flow from operating activities	719	673	7
Operating margin (EBITA), %	3.8	11.9	
Operating margin (EBIT), excl. one-off items, %[1)]	4.3	13.0	
Equity	3,003	3,346	
Net debt	2,422	2,774	
Return on equity, %	1.1	23.4	
Return on capital employed, %	4.3	20.0	
Net debt/equity ratio, times	0.8	0.8	
Average no. of employees	4,586	5,389	

1) One-off items for
–2009, Total SEK –47 m net, consisting of SEK 45 m expenses relating to the cost reduction programme, a SEK 10 m income from the sale of Folke Perforering's operations, plus SEK 12 m in costs relating to the closure of Lindab Plåt in Edsvära.
–2008, Total SEK –116 m net, consisting of SEK 117 m for the cost reduction programme, a SEK 18 m write-down in stock, a SEK 14 m capital gain on the sale of property plus a SEK 18 m capital gain on the divestment of company holdings and SEK 13 m in costs relating to the change of CEO.


The CADvent IT programme, calculation software for ventilation installations


Plexus
Shopping centre in Mikonkatu, Helsinki

CEO comments

2009 – one of the toughest years ever for Lindab

Last year was an extremely tough year for many businesses, particularly in the building segment, with the number of new building projects falling significantly, in part due to external financing becoming very scarce. Geographically, perhaps the most affected region in the world was CCE/CIS (CEE, Central and Eastern Europe and CIS, other former Soviet states). Lindab's high proportion of sales both in new build and CEE/CIS led to an unprecedented decline in our sales in 2009. This recession is unlike any before – far deeper decline and geographically more extensive, spanning the globe.

Despite this development, I'm very proud of the way in which the Lindab team has dealt with the challenges we faced in 2009, one of the toughest years ever for our segment.

Profits declined from the near record year in 2008 to SEK 301 m (EBIT), corresponding to 4.3 percent of sales in 2009. The cost reductions played an essential part in minimising the impact of the sales decline. We took early and decisive actions to ensure that we would emerge in good shape and be even better positioned for the future. We aligned our costs with lower volumes by reducing our fixed cost base by SEK 550 m on an annual basis, SEK 461 m of which was achieved in 2009. This corresponds to a total reduction of approximately 20 percent of non-volume related costs compared to 2008. At the same time, we reduced stocks by 44 percent and took other actions resulting in a SEK 719 m cash inflow from operations in 2009.We also renegotiated our credit agreement to reflect market conditions and with greater flexibility. The actions were implemented in the usual pragmatic and down-to-earth manner that has typified Lindab throughout our 50 year history with greater attention and consideration for people related issues.

Our cost reduction programmes have been designed to retain our ability to benefit from future growth possibilities. We decided from the outset that we would not compromise our strong local positions by exiting markets. We now have the resources in place to be sure that we will be at the forefront when business recovers.

2010 Focus

We are now "turning the page" and redirecting our focus. We protected our market positions in 2009. In 2010 we are refocusing more externally: on customers, markets, new products, smart solutions to simplify construction and save energy. Many competing businesses are facing difficulties. 2010 is a good time to take advantage of opportunities in our markets.

Whilst we expect the business climate to remain difficult in many of our markets before steady growth returns, we are moving from a "cost reduction" mode to a "cost monitoring" mode. We are prepared to take further action if necessary, but we expect these to be selective, rather than general measures.

Although the timing of the recovery is uncertain, and though it might take time before strong GDP levels return, Lindab is well positioned to grow sales and profits when the recovery starts.

- We have a leaner and more efficient structure.

- Geographically, Lindab has a very firm footing in the Nordics, Western Europe and CEE. We are putting a greater emphasis on Russia and other CIS markets. In 2009 we opened a Building Systems plant in Russia and management resources are currently being put into place in Moscow.

- Lindab's business areas are well positioned:

  Ventilation: Lindab is well placed in this segment being a European leader in air duct systems with a growing Comfort Division for indoor climate. The accelerating trends towards energy efficiency are inevitably leading to an increasing usage of efficient ventilation systems, meaning that the ventilation segment will enjoy good growth rates in the future. Lindab's circular duct solutions are more energy efficient and will therefore continue to take share from rectangular systems. With an extensive distribution network via 109 ventilation branches in many Nordic and Western markets, we enjoy a privileged position.

  Building Components: Lindab's focus is on the building segments and markets with the most attractive long-term returns. Geographically, Building Components is strong in the Nordics, where Building Components shares its branch distribution with the Ventilation business area. Our strength in the CEE stems from an early presence in many countries, strong brand recognition, as well as quality products and superior delivery performance. The markets in the CEE and further East provide particularly good growth potential in the coming years as the populations there strive to catch up with Western living standards.

  Building Systems: Lindab is Europe's leading player in pre-engineered steel building systems. Our Building Systems business has unique designs providing high quality, competitive commercial and industrial buildings with shorter delivery times than other technical solutions. Speed is one of the main drivers behind an investor's choice of supplier and, as the Eastern markets start to emerge from the recession, Lindab Building Systems is well placed to take full advantage.

Our approach to social responsibility has been summarised in "Lindab Life" and will form the basis for activities and actions as we continue to care for our business, our environment, our employees and our society.

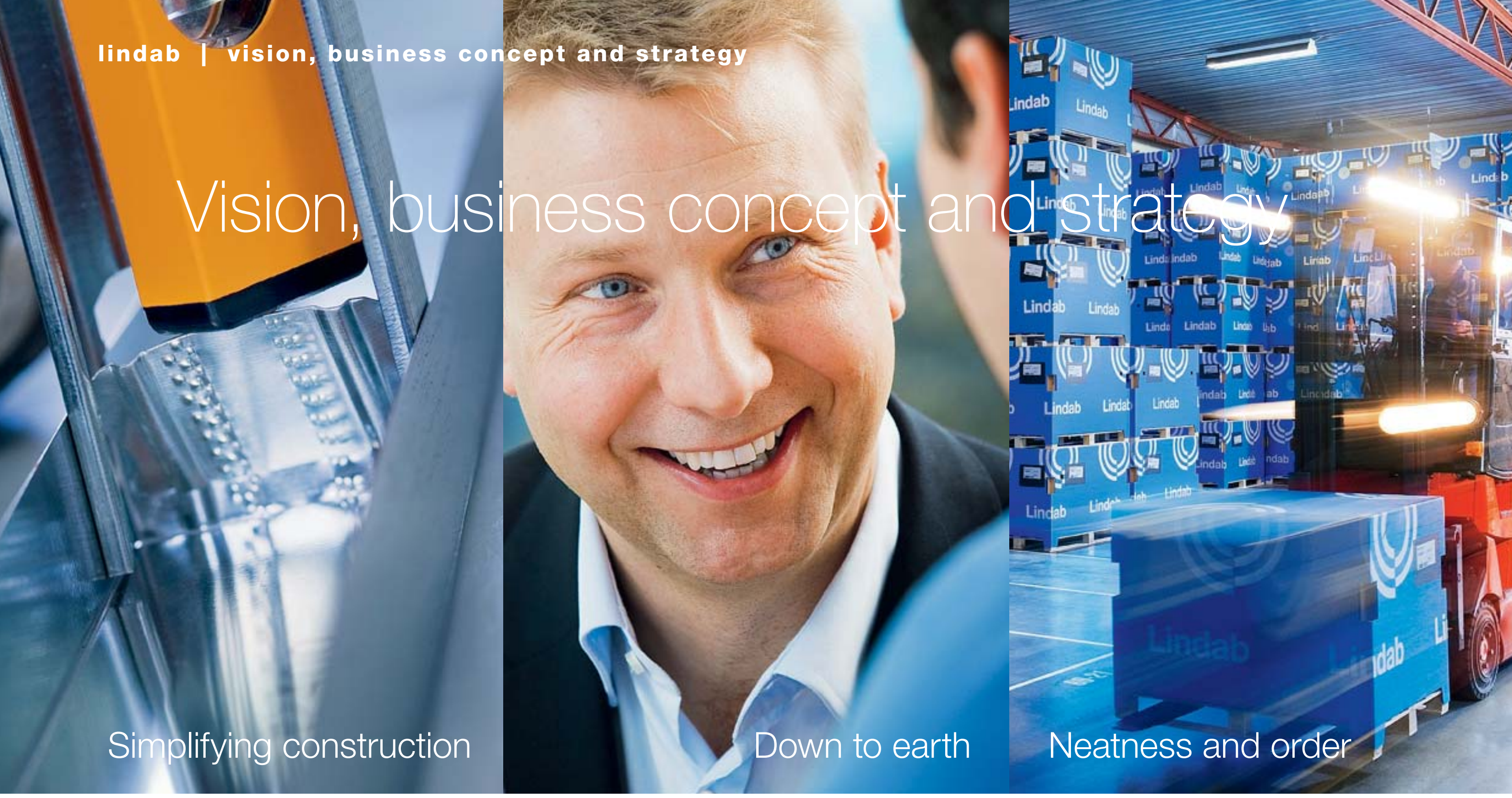
Lindab has a special company culture, referred to as the "Lindab spirit", which is characterised by entrepreneurship and drive. This unique entrepreneurial culture was brought home to me even more during 2009 as I travelled throughout the Group visiting different business units on a "50 year anniversary roadshow". In spite of the many challenges, spirits were high and the focus was clearly on taking advantage of opportunities. That spirit combined with the strong positioning of the business areas gives me great confidence in our ability to ensure growth over the coming years.

Finally, I'd like to thank the Lindab team and our business partners for their significant contribution in what was a difficult 2009.

Grevie, February 2010

David Brodetsky
President and CEO

Vision, business concept and strategy



Vision

Lindab will be “The leader in industrialised ventilation and building solutions – Europewide”.

Business concept

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

The business is carried out within two business areas, Ventilation and Profile (from 2010 three business areas: Ventilation, Building Components and Building Systems), and its 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 increases customer value.

Core values

The Lindab brand stands for three core values that form the basis for the entrepreneurial culture that permeates the entire Group:

Simplifying construction

Lindab will be fast, flexible and will always deliver high quality in every respect. We will satisfy the needs of our customers and create added value to simplify customers’ daily routines. Products and system solutions are continuously under development so that we always meet new customer demands.

Down to earth

Within Lindab we take pride in our products, operations and the company. This allows employees to feel confident when meeting customers and other stakeholders. Lindab strives for simplicity, honesty, reliability, and partnerships that are based on trust. Trust and commitment are key words.

Neatness and order

Customers and others should feel that Lindab is a well-run company and that they have chosen the right company to work with. Lindab should be and act like a company at the forefront. We must stand for credibility, knowledge and the power to act. It should feel reassuring to be a Lindab customer or employee.

Strategy

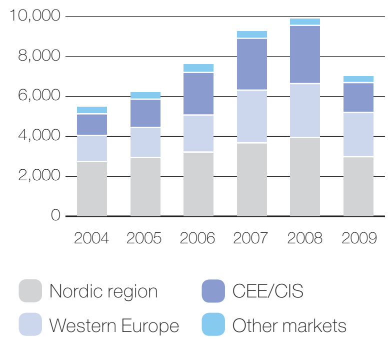
Lindab's strategy supports the vision to be the leader in industrialised ventilation and building solutions – Europewide. The strategy can be summarised as follows:

- Lindab shall focus on the areas where its strengths are, to further refine and industrialise ventilation and building solutions. This means offering efficiently manufactured products that improve customers' processes and make them more efficient, as well as increasing customer value by offering complete solutions and not just components.

- Lindab's geographical focus will be Europe and its neighbouring countries. Lindab shall continue to strengthen its activities in the Nordic countries, Western Europe and the CEE/CIS region, with a particular focus on emerging markets in the CIS region.

In 2009, the Board of Directors gained two members with comprehensive Russian expertise. Additionally, a country manager has been recruited for the CIS who is responsible for coordinating the operations and driving growth together with the existing business areas.

Sales performance 2004–2009



- Lindab will continue to grow organically and through acquisitions.

The market position has been reinforced by previous acquisitions:

- New business area and market leader – Building Systems, 2002 (Butler) and 2005 (Astron).
- Market leader – Ventilation in the UK, 2006 (CCL Veloduct).
- Market leader – Building Components in Slovakia, 2008 (SIPOG/Rova).

ASTRON

CCL

ROVA - SK

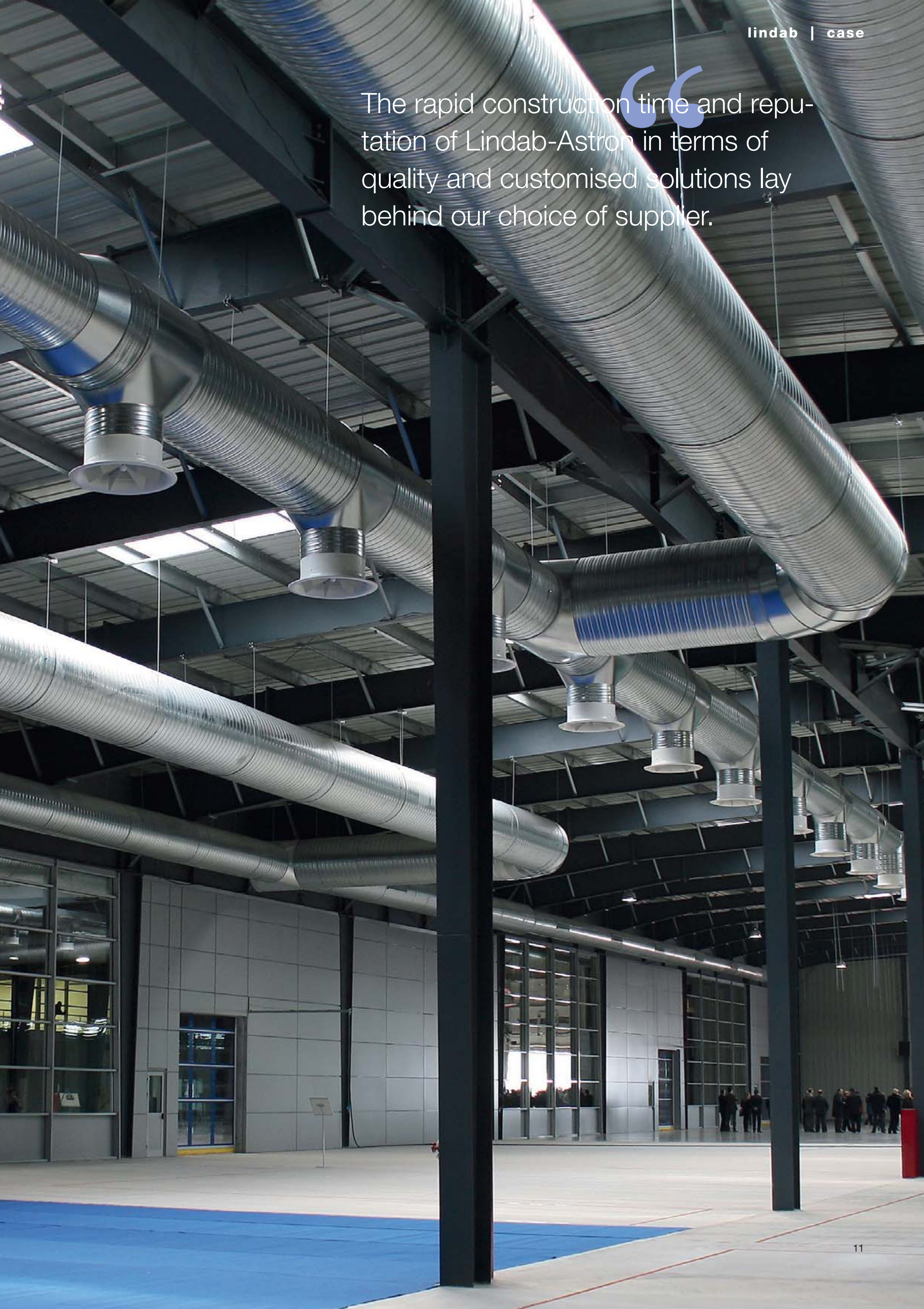
Synergies 'hot off the press' in Russia

The management at one of Russia's largest publishers, Azbuka-Atticus, saw that the printing capacity in the country was too low while the demand for quality print was increasing. The decision was therefore made to build the new Pareto-Print print works in the city of Tver outside Moscow. The 18,000 m^2 facility, which was completed in May 2009, saw deliveries from Lindab for both the building and the ventilation system. The result is that Russia has increased its printing capacity by 8 percent, equivalent to 69 million books each year.

Pareto-Print in Tver was built by the Russian construction business Alan-Invest, which has been a Lindab Astron Builder for several years and has supplied a number of large Astron buildings to the Moscow region. The new print uses buildings with a span of 84 metres, providing an interior solution that maximises the open space. Since printing requires extremely careful regulation of temperature and humidity, the building was equipped with a complete indoor climate system from Lindab Ventilation. The adjacent office building has been supplied with Astron's unique roof solution.

"For us, Lindab-Astron is a perfect partner thanks to quick and effective solutions, a close partnership and technical support that is invaluable to us. Astron buildings can be customised entirely according to customers' needs without compromising the aesthetic impression, and this offers us a significant competitive edge. Now that we can also offer solutions that include the building's indoor climate, this is a fascinating addition to our market offering," says Valery Aramovich Avalov at Alan-Invest.

The second phase of planning is now underway for Pareto-Print and Lindab-Astron is at the very top of Alan-Invest's priority list.



"The rapid construction time and reputation of Lindab-Astron in terms of quality and customised solutions lay behind our choice of supplier.

Financial targets

Lindab is governed on the basis of three long-term financial targets:

Organic net sales growth/year, **6%**

Operating margin (EBIT), **14%**

Net debt/ equity ratio, **1.0–1.4 times**

The targets have not been possible to achieve during the current recession, but they are realistic, achievable targets under good economic conditions.

Dividend policy

The Board's established dividend policy states that a dividend of 40–50 percent of the net profit may be paid out. However, Lindab's long-term financial needs will always be taken into consideration.

Organic net sales growth, %

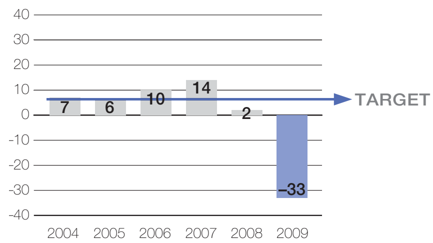
TARGET

The overall target is to create value for shareholders and other stakeholders through profitable growth. The target for Lindab's long-term organic net sales growth is 6 percent per year.

The organic growth will be achieved through existing products, own product development and through becoming established in new geographical markets.

Target fulfilment 2009

During 2009, net sales decreased by 29 percent. The organic growth was –33 percent.



Operating margin (EBIT), %

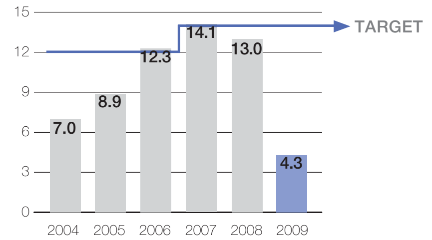
TARGET

The target for the operating margin (EBIT) is 14 percent.

The target shall be achieved through volume growth, a favourable geographical and product mix, improvements in productivity and better cost efficiency.

Target fulfilment 2009

During 2009, the operating margin amounted to 4.3 percent, which is a decrease of 8.7 percentage points compared with the previous year. During the past five years, the average operating margin has amounted to 10.5 percent.



Net debt/equity ratio, times

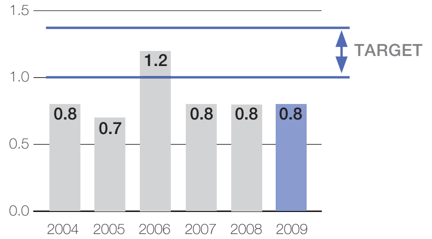
TARGET

The target is that the net debt/equity ratio shall be between 1.0 and 1.4 times, in other words, that the capital borrowed by the company corresponds to 1.0–1.4 times the Group's equity. The target is set in order to achieve an optimised balance between the return on investment and the risk.

The Group's capital will be used to retain a high degree of flexibility and to finance acquisitions. Any surplus capital will be transferred to Lindab's shareholders.

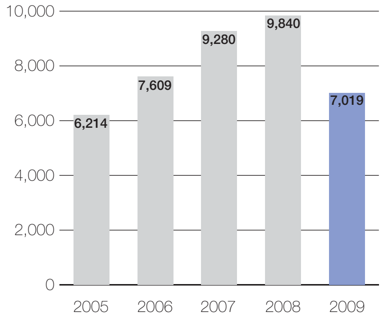
Target fulfilment 2009

At the end of 2009 the net debt/equity ratio was 0.8 times, which is the same level as for 2008. In 2009, a dividend totalling SEK 206 m was paid. The current ratio is below the target but gives Lindab greater financial flexibility under the current economic situation.



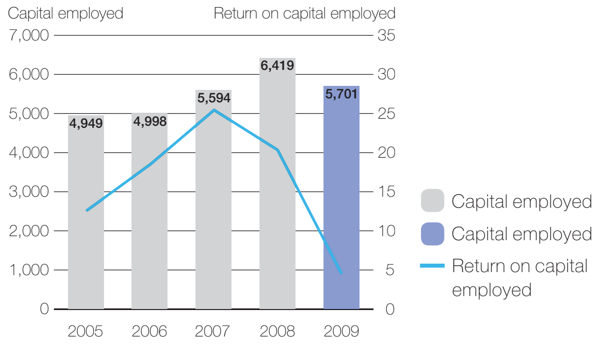
Five-year overview

Net sales, SEK m



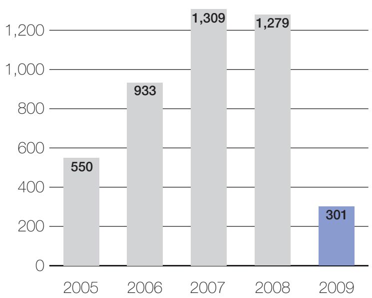
The average net sales increase during the period 2005–2008 was 17 percent. In 2009, net sales decreased by 29 percent as a result of the declining market demand.

Capital employed, SEK m/ Return on capital employed, %



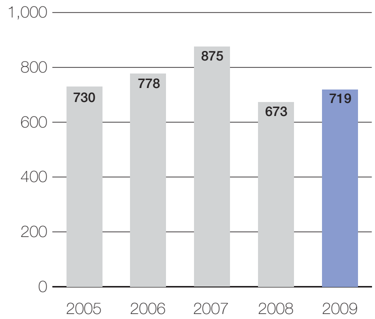
The return on capital employed fell in 2009 due to the lower profit. Capital employed fell in 2009 due to lower working capital and continued low investment.

Operating profit (EBIT), SEK m



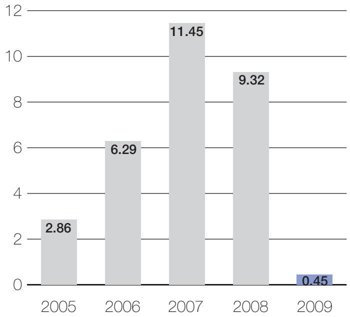
The operating profit (EBIT) was lower than it was in 2005–2008. Extensive cost reduction programmes have been implemented, which lessened the negative impact by SEK 461 m in 2009.

Cash flow from operating activities, SEK m



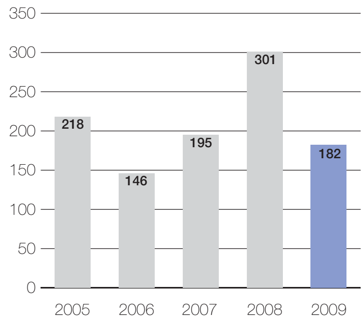
The average cash flow from operating activities in recent years is SEK 755 m per year. Despite a lower operating profit in 2009, the cash flow generated was in line with the average over recent years.

Diluted earnings per share, SEK



Diluted earnings per share is not adjusted for one-off items.

Gross capital expenditure in facilities, excl. acquisitions and divestments, SEK m



Gross capital expenditure has been kept at a lower level in 2009 despite the ongoing investment in a Russian production unit. This investment affected 2007 by SEK 30 m, 2008 by SEK 110 m and 2009 by SEK 60 m. Gross capital expenditure in relation to sales during the last five years has been 2.3 percent on average.

The Lindab share

Lindab's share price increased by 51.5 percent in 2009 while the Stockholm Stock Exchange (OMXSPI) rose by 43.7 percent. The number of shareholders increased and there was considerable disclosure to the financial market's stakeholders with a particular focus on Lindab's handling of the financial crisis.

At the close of 2009, Lindab's share was listed at SEK 73.50. The market capitalisation was SEK 5,496 m (3,626) making Lindab the 69th (64th) largest company in terms of value on the OMX Nordic Exchange in Stockholm. During the year, shares were traded with a total value of SEK 2,164 m (4,544). The turnover rate was 44 percent (56), compared with the average for the entire Stockholm Stock Exchange of 119 percent (152).

Share capital and voting rights

The share capital is SEK 78,707,820 divided between 78,707,820 solely class A shares, including repurchased shares. Lindab International holds 3,935,391 of its own shares following the buy-back in the second half of 2008. Consequently the number of outstanding shares has decreased to 74,772,429. All shares have a face value of SEK 1.00 and thereby an equal share in the Company's assets and profits. Each share also entitles the holder to one vote at Lindab's Annual General Meeting. A trading lot is made up of 100 shares.

More shareholders

Since 1 December 2006, Lindab's share has been quoted on the Nasdaq OMX Nordic Exchange, and is included in the Building Products sector.

The number of shareholders continued to increase in 2009, totalling 7,908 at the year end (7,314). Foreign ownership decreased slightly, amounting to 9.4 percent (10.0) at the year end. The three largest shareholders, Ratos, Livförsäkringsaktiebolaget Skandia and Sjätte AP-fonden, accounted for 46.9 percent of the share capital and voting rights and have been the principal shareholders in Lindab since 2001.

Incentive programme

The second stage of the Group's three-year incentive programme was launched in November 2009. 784,000 warrants were acquired by 68 senior executives and key employees. The new programme, which has the same structure as last year's programme, runs between November 2009 and May 2012 with each warrant entitling the holder to subscribe for one share at SEK 89.10 between 1 June 2011 and 31 May 2012. The price of the warrants was set at SEK 6.00. The dilutive effect for the first two stages of the incentive programme may amount to a maximum of 2 percent of the share capital.

Dividends and dividend policy

Lindab's dividend policy is that the dividend should correspond to 40–50 percent of the net profit. However, Lindab's long-term financial needs will always be taken into consideration.

For the financial year 2009, the Board proposes that no dividend shall be paid. The proposal has been made in light of the Company's reduced profitability and the assessment that demand will remain weak in the coming quarters.

Lindabs biggest shareholders

	Shares	Capital, %	Votes, %
Ratos AB	17,699,157	23.7	23.7
Livförsäkringsaktiebolaget Skandia	9,063,171	12.1	12.1
Sjätte AP-fonden	8,278,874	11.1	11.1
Swedbank Robur fonder	5,407,789	7.2	7.2
Andra AP-fonden	3,692,400	4.9	4.9
Lannebo fonder	3,595,462	4.8	4.8
CBLDN-IF Skadeförsäkring AB	3,086,818	4.1	4.1
Other shareholders	23,948,758	32.1	32.1
Total number	**74,772,429**	**100.0**	**100.0**

Shareholder structure

Holding	Number of shareholders	Number of shares	Holding, %
1–500	5,899	1,279,850	1.7
501–1,000	1,070	920,024	1.2
1,001–5,000	621	1,406,226	1.9
5,001–10,000	107	816,845	1.1
10,001–15,000	43	537,634	0.7
15,001–20,000	16	281,315	0.4
20,001–	152	69,530,535	93.0
Total number	**7,908**	**74,772,429**	**100.0**

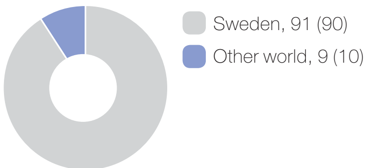
Share price movement 1 December 2006 – 31 December 2009, SEK

Reliable disclosure

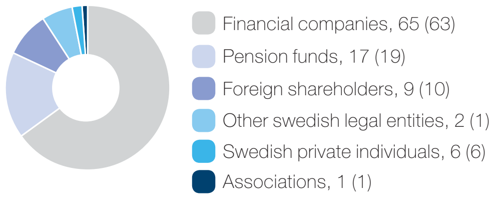
Lindab has a clear strategy for communicating with the financial market's various stakeholders. Contact is made by means of presentations of each of the four interim reports and through meetings with analysts, investors and journalists at the capital market days, conferences and seminars. At the IR Nordic Market Awards 2009, Lindab came in fourth place among the Large Cap companies. The contest is based on a survey in which about 600 analysts and fund managers from the Nordic countries and the UK rated the IR activities of the Swedish listed companies.

In 2009, the need for disclosure was particularly extensive owing to the confusion and questions being raised by the financial crisis and economic recession. Around nine analysts monitor Lindab continuously. For the most recent update of analysts who follow Lindab visit www.lindabgroup.com.

Geographical breakdown of ownership, %



Shareholder categories, %



Share capital

Year	Action	Number of shares Class A	Class B[1]	Change in share capital (SEK 000's)	Total share capital (SEK 000's)
2001	New formation	1,000	-	100	100
	Issue of new shares	9,000	-	900	1,000
2002	Share split (100:1)	1,000,000	-	-	1,000
2006	Share split (8:1)	8,000,000	-	-	1,000
	Issue of new shares	-	2,988,810	374	1,374
	Redemption of shares and reduction of share capital	–2,988,810	-	–374	1,000
	Redemption of shares and reduction of share capital	-	–2,988,810	–374	626
	Bonus issue	-	-	74,542	75,168
	Share split (15:1)	75,167,850	-	-	75,168
	Exercised options	3,539,970	-	3,540	78,708
Closing balance		**78,707,820**	**-**	**-**	**78,708**
Number of treasury shares		–3,935,391	-	-	-
Total number of shares outstanding at year end		**74,772,429**	**-**	**-**	**-**

1) All class B shares were redeemed in May 2006 and this type of share has been removed by a change to the Articles of Association.

Data per share

SEK/share unless otherwise stated	**2009**	2008	2007	2006	2005	2004	2003[1]
Diluted earnings per share (EPS)	0.45	9.32	11.45	6.29	2.86	1.65	0.21
Earnings per share[2]	0.45	9.67	11.45	7.43	-	-	-
Dividend	-[3]	2.75	5.25	3.25	-	-	-
Dividend yield, %[4]	N/A	5.7	3.6	2.5	-	-	-
Dividend in %[2]	N/A	28.4	45.9	43.7	-	-	-
Quoted price at end of period	73.50	48.50	147.25	130.25	-	-	-
Highest quoted price	91.00	163.00	205.00	132.00	-	-	-
Lowest quoted price	40.00	36.50	125.00	111.00	-	-	-
Shareholders' equity, after dilution	40.16	44.75	37.72	27.82	23.21	19.30	18.00
Diluted number of outstanding shares	74,772,429	74,772,429	78,707,820	78,707,820	122,940,000	122,736,000	122,736,000

1) Not restated on an IFRS basis.
2) Based on the current number of outstanding shares at the end of the year.
3) Proposed dividend.
4) Dividend as a percentage of the quoted price at the end of the period.

Risks and risk management

Exposure to risk is, to a certain extent, part of the business activity. Lindab's risk management aims to minimise risks and to ensure that opportunities are properly safeguarded. The turbulence in the financial markets and the global recession has meant that Lindab's efforts to reduce and control risk-taking was particularly in focus during 2009. It is considered important to be able to balance operations by showing profitability based on the current lower volume levels while maintaining the capacity and personnel to effectively manage a return to growth.

Lindab's risks can largely be divided into risks related to business operations and risks related to financing activities. Business risks are normally handled by the Group's operating units while financial risks are centralised within Corporate Finance. A selection of the most significant operational and financial risks that Lindab is exposed to are outlined below. For more detailed information about risks and risk management see note 3 on page 93.

Operational risks

Market risks

Demand for Lindab's products is affected by changes in customers' investment plans and production levels, which in turn may change following any changes to the economic situation in a country or industry. Lindab's customers are dependent on functioning financial systems for the financing of projects and are more seriously affected than companies manufacturing consumer products, for example, if bank financing is not available.

The Group's operations are currently distributed throughout 31 countries and approximately 45 percent of sales are to the renovation segment, which is usually less sensitive to the economic cycle. Lindab's products have historically gained market shares from traditional products and materials. Lindab has countered the sharp decline in demand in late 2008 and 2009 and took action to reduce the cost structure and to improve cash flow. The goal of the cost reduction programmes has been to adapt to the current level of demand without hampering future growth opportunities.

Competition

In various markets, Lindab faces a large number of local players and a small number of regional, national and multinational companies.

Lindab works with highly automated central production units for volume products, and in order to lower its costs, the company has also chosen to become established in countries with favourable production costs to increase the company's competitiveness. In parallel with this, the distribution has been adapted to suit each market situation with proximity to the customer being the common denominator.

Bad debt losses

Lindab has more than 20,000 customers from approximately 60 countries. The Group's largest customer accounts for 1.3 percent of the Group's total net sales, which means that Lindab has limited dependence on individual customers. To minimise bad debt losses, a number of companies within the Group have insured themselves against bad debt losses. Credit information is sought for new customers and existing customers are monitored continuously. The total reserve for bad debt losses amounted to SEK 99 m (77) at the end of 2009. During the year, SEK 57 m (20) has been recorded relating to the provision for bad debts, corresponding to 0.8 percent (0.2) of the Group's net sales.

Raw material prices

Lindab purchases large quantities of steel, mainly in the form of sheet metal, and is affected by changes in the price. In 2009, approximately 180,000 tonnes of steel products and other raw materials were consumed at a value of SEK 3,282 m (4,592), representing 48.5 percent (52.0) of Lindab's total costs. Centralised steel purchasing strengthens Lindab's ability to negotiate competitive prices and terms. In addition, through long-standing relationships, the company has established a purchasing strategy which allows purchases to be made directly from the steel mills, without intermediaries. Lindab's close relationship with the steel mills has enabled the development of special grades of steel and finishes adapted to the company's systems and products. Purchasing is carried out both in Asia and in Europe.

In 2009, the bulk of steel purchases were made in Europe. Price differences were marginal compared to Asia and the shorter European lead-times were given priority as a result of the strong focus on stock and cash flow.

Sensitivity analysis

Variations in volume

A 5 percent variation in volume affects the operating profit by +/– SEK 95 m.

Variations in the steel price

Lindab's sales prices are normally adjusted in line with fluctuations in the steel price. Theoretically a 10 percent change in steel prices affects Lindab's profits by SEK 180 m provided that the sales prices do not change.

The calculations are based on 2009 volumes.

Financial risks	Exposure	Comments
Financing risk Financing risk is the risk that financing the Group's capital requirements and refinancing of outstanding credit is impeded or becomes more expensive.	In December 2007, Lindab entered a new credit agreement with a term of five years with Nordea and Handelsbanken. The agreement includes two covenants in the form of net debt in relation to EBITDA and the interest coverage ratio, which are followed up quarterly. Two adjustments were made during the third quarter of 2009. The total credit limit was reduced from SEK 4,500 m to SEK 3,500 m and the credit terms were adapted to current market conditions.	Lindab considers that the covenants will be met.
Liquidity risk Liquidity risk is defined as the risk that the Group's operations would be impaired due to a lack of liquidity.	The Group's unutilised credit at the year end amounted to SEK 1,432 m (2,207).	All centrally managed loan maturities are planned in relation to the consolidated cash flow. The aforementioned credit agreement safeguards liquidity needs.
Interest rate risk Interest rate risk is the risk that changes in current interest rates will have a negative effect on the Group.	Lindab is a net borrower. The net debt at the year-end amounted to SEK 2,422 m (2,774), which means that rising interest rates would have an adverse effect on the Group.	According to the finance policy, any surplus liquidity must be used to amortise existing loans. Fixed-interest terms are also governed by the financial policy. During 2009 two three-year interest swaps were entered into aimed at minimising the interest rate risk.
Currency Risk Currency risks are risks that the Group's profit and equity is negatively affected by exchange rate fluctuations. The risk can be divided into transaction risk and translation exposure.		
Transaction risk Transaction risk arises when trading between Group companies, suppliers and customers if payment is made in a currency other than the Group company's local currency. Exchange rate fluctuations attributable to the transaction exposure are reported in the statement of comprehensive income.	81 percent (82) of the Group's sales are made using foreign currency. Altogether, sales are made in 17 (18) different currencies, the most important of which are EUR, DKK and GBP. In the previous year these were EUR, DKK and HUF. Lindab's net exposure translated into SEK amounts to approximately SEK 500 m (500) annually. SEK 29 m (48) of the transaction exposure entered in the statement of financial position was hedged at the end of the year.	To reduce currency exposure, the Group attempts to match inflows and outflows of different currencies by, for example, using the same currency for invoicing as purchasing. Each individual Group company decides whether there should be any hedging of the transaction exposure, which is subsequently handled by Lindab AB.
Translation exposure This arises when foreign Group companies' equity is translated into SEK. The effect is recorded in the translation differences, foreign operations, in the statement of comprehensive income, p.72.	The Group's equity in foreign currency amounts to SEK 739 m (1,287).	In accordance with Lindab's Finance policy, this exposure has not been hedged either in 2009 or 2008.

Fluctuations in interest rates

Changes in interest rates affect Lindab's profitability and cash flow. A change of 1 percentage point in interest rates affects Lindab's profit by SEK 12 m. This includes "sale and lease back" contracts on properties, as well as existing interest-swap agreements.

Fluctuations in currency

Currency fluctuations affect Lindab's operations both in terms of transactions and consolidation of activities. A 10 percent change in the value of the Swedish krona compared to an aggregate of the principal currencies affects net sales by SEK 560 m and the operating profit by SEK 9 m given the same volumes.

A word from the CFO

Cash flow
At the end of 2008, our focus on costs and cash flow intensified. Regarding cash flow, a tough target was established to reduce working capital by SEK 400 m. This project was pursued very successfully during 2009 resulting in a SEK 583 m decrease in working capital. The largest single item is the SEK 722 m decrease in stock, corresponding to a stock reduction of 44 percent over the year. The decrease largely relates to volume, and currency effects and price reductions to a lesser extent.

Together with the renegotiated credit agreement, the strong cash flow means that the Lindab Group enters 2010 with a strengthened financial position.

Renegotiated credit agreement
During the third quarter we renegotiated our credit agreement, with two significant changes made regarding the credit limit and covenants. The credit limit was reduced from SEK 4,500 m to SEK 3,500 m, reflecting a strong cash flow and the ensuing lower net debt. At the end of 2009, net debt amounted to SEK 2,400 m, meaning there is considerable room for investments and acquisitions in spite of the reduced credit limit. The dramatic deterioration in market conditions at the end of 2008 and throughout 2009 resulted in a dialogue being initiated with the banks to adjust the terms of the agreement in order to maintain flexibility. Overall, the changes mean a slightly higher financing cost, however this remains satisfactory given the current market conditions.

Adjusting the organisation
At the end of 2008, the first cost and efficiency programme was introduced. Since demand continued to fall during the first half of 2009, a second programme was launched following the summer of 2009. The two programmes focused on reducing costs while maintaining the marketing organisations and production resources to take advantage of future growth opportunities. Two production units were closed, one belonging to Building Systems in Hungary and the to other Building Components in Sweden. Meanwhile, the new Buildings Systems plant was opened in Russia. Altogether, fixed costs have been reduced by SEK 550 m, and the headcount decreased by more than 1,100 individuals – equivalent to over 20 percent of the total workforce compared with the situation at the end of the third quarter in 2008. Costs are now considered to have been adjusted to the current market situation but developments are being followed very closely. If the market continues to deteriorate, further measures will be taken.

Priorities for 2010
Cash flow will remain in focus. Our objective is to maintain the level we achieved at the end of 2009 when working capital amounted to approximately 20 percent of net sales. Cost reduction has moved on to cost control, and although we cannot exclude further cutbacks, any such measures would affect individual markets and facilities.

Grevie February 2010

Nils-Johan Andersson
CFO

Lindab's circular duct system and ceiling diffusers in the Lindab Arena, Ängelholm

Lindab's solutions suit passive housing

Lindab's solutions within lightweight construction technology and ventilation are being utilised by NCC in its construction of five passive houses, each containing eleven apartments, in Beckomberga outside Stockholm. Passive houses are low-energy buildings, where heating occurs mainly through body heat, electrical equipment and solar energy. The heat is retained by recycling the ventilated air.

NCC's low-energy building concept meets the criteria for passive housing and forms an important part of their development of technical platforms for both small houses and apartment buildings. The potential to produce new housing at the same cost as more traditional construction will prepare NCC for the anticipated strong growth within environmentally friendly construction. NCC has chosen to base its exterior wall platform in Beckomberga on Lindab's products, logistics and software solutions within lightweight construction technology.

Heat recovery ventilation is being used in the Beckomberga passive houses in order to achieve an indoor climate at just the right temperature with silent and draught-free clean, fresh air. In airtight and energy efficient buildings, the air needs to be replaced via the ventilation system. A heat exchanger returns the heat from the old air to the new fresh air, thereby retaining the building's energy. If insufficiently airtight ducts are used, energy leaks out in the wrong place resulting in much reduced efficiency. It is therefore important to use circular duct systems that meet the most stringent requirements for airtightness, class D, such as Lindab Safe.

"Lindab's complete package of design support, ventilation systems and factory produced construction kits for steel studs offers clear benefits. This puts Lindab way ahead when it comes to choosing solutions in future, such as for curtain walls, and since this method of construction is new to many of us, it is important that we continue to have strong support and good cooperation with Lindab," says Mats Öberg who is responsible for NCC's Technical Platforms for Housing.

Passive housing is based on five key components: To be able to reduce energy losses, to make energy consumption more efficient, to harness solar energy, to be able to measure and display energy consumption individually, and finally to choose environmentally friendly energy sources. With regard to the first two steps – reducing heat loss and improving energy efficiency – Lindab's exterior wall studs and ventilation solutions play a decisive role.

Lindab's lightweight construction technology and ventilation concepts solve several problems at once.

Market and environment

During 2009, the total value of the European construction market including Russia and CIS was approximately SEK 17,000 billion. The construction market, which includes both new construction and renovation, is normally divided into three segments – non-residential, residential and facilities/infrastructure. In Western Europe and the Nordic region, residential accounts for 50 percent, non-residential 30 percent and facilities/infrastructure 20 percent. In the CEE/CIS however, 25 percent is residential, 40 percent non-residential and 35 percent facilities/infrastructure. Lindab is active within the non-residential (80 percent) and residential segments (20 percent) with approximately 55 percent of sales to new construction and 45 percent to renovation.

Demand during the recession

The recession and uncertainty concerning economic developments have led to a sharp decline in investment in construction and consequently in the demand for Lindab products. This has been exacerbated by the loan restrictions and higher risk premiums being demanded by banks and financial institutions. Many players are consequently having difficulty obtaining financing for construction projects and have been forced to postpone or cancel planned projects.

Besides the construction of residential buildings; industrial buildings, offices and business premises have been most affected by the recession. By contrast, a more stable and even an increasing demand was noted in some markets regarding publicly funded new construction such as schools, hospitals and sports halls. Moreover, infrastructure investment is expected in some countries leading to an increased demand in the future, notably for warehouses.

Demand within Lindab's business areas have seen different developments during the recession. During 2009 the Building Systems division within the Profile business area was particularly affected. The division is active in the construction of non-residential buildings, with industrial premises including warehouses accounting for 80 percent.

The Ventilation business area's offering is also largely aimed at non-residential while Building Components has a relatively high proportion, approximately 50 percent, of sales to the residential segment in its activities.

The residential segment was the first part of the construction market to be affected by the downturn in demand and a recovery is expected to occur here ahead of non-residential construction. The recovery is expected to begin in the more mature markets in the Nordic region and Western Europe, followed by the markets in the CEE/CIS.

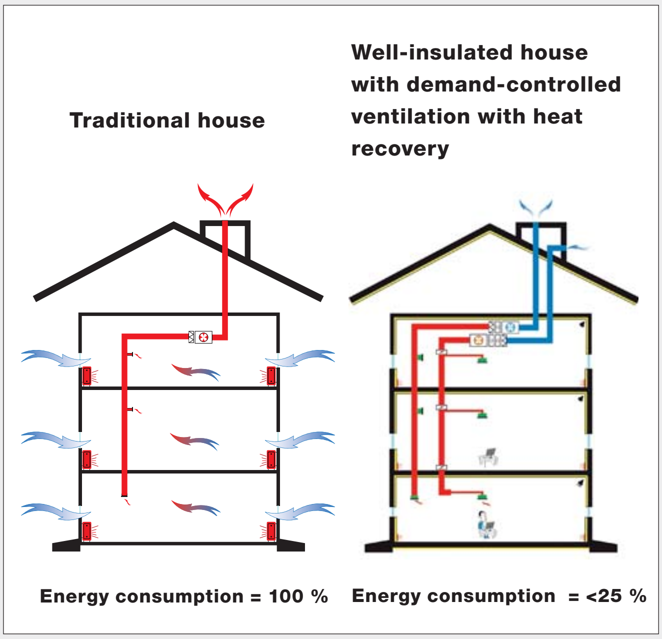
The renovation market is more stable than new construction, and the proportion of renovation traditionally increases during a recession. This was the clear pattern in 2009. The market for renovation has also been positively affected by various government subsidies, such as those intended for the improvement of energy efficiency in buildings. Renovation accounts for around half of the sales for both Building Components and the Ventilation business area.

CEE/CIS – long-term potential

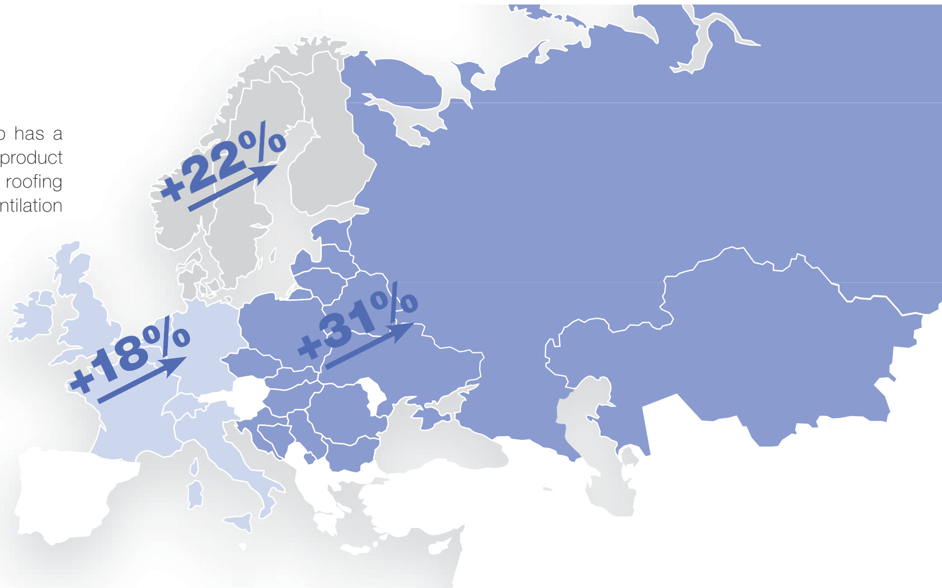
The CEE and CIS have been more severely affected by the global recession than the more mature markets in Western Europe and the Nordic region. Investors are exercising caution and the banking systems are not working properly, which has resulted in many customers not receiving loans. Additionally, several countries such as Ukraine, Hungary and the Baltic countries are facing serious internal economic problems that are having a negative effect on activity within the construction industry.

More stringent demands on energy efficiency provides opportunities

With the more stringent demands for energy efficiency and reduced emissions from buildings being launched within the EU, Lindab is seeing a growing market with significant business opportunities. According to the EU commission, buildings today account for about 40 percent of energy consumption in Europe, therefore representing the largest source of carbon dioxide emissions in the region. Reducing the energy consumption of a building over its life cycle is therefore an effective way to tackle climate change. In December 2009, a new directive was adopted by the EU Council of Ministers aimed at introducing minimum requirements on energy performance for buildings, both for new constructions and those undergoing renovation. Member states must implement the directive by 2012, and the target is for all new buildings to be "near-zero-energy buildings" from 2020. Lindab can contribute to this goal with energy efficient solutions, building components as well as ventilation systems, but also with complete steel buildings that are designed to minimise the consumption of energy during their use.



Exposure in the market, GDP growth 2009–2014



Nordic region

In the Nordic region, Lindab has a strong market position within product areas such as roof drainage, roofing and profiled sheeting and ventilation systems.

Western Europe

In Western Europe, Lindab is primarily active within non-residential construction in Germany, UK and France. Lindab is a leading supplier of circular duct systems throughout the region.

CEE/CIS

Lindab has a strong market position within roof drainage, roofing and profiled sheeting and complete steel building systems in the CEE/CIS.

Expected GDP growth in 2009–2014, GDP expressed as purchasing power parity. Source: IMF, World Economic Outlook, October 2009.

In the long term, the markets in the CEE/CIS will return as a growth region and with growth rates exceeding those in the West. These countries have a long way to go before they reach the same standard of living as the West and the need for the construction of new infrastructure and buildings is considerable.

Construction investment in the CEE/CIS region today corresponds to just under 20 percent of Europe's overall construction investment.

The emphasis is on the new construction of non-residential buildings since entrepreneurship is expanding and there is a great need for new, functional properties. In many instances, substandard maintenance during the past 50 years has made many buildings impossible to return to a usable state. Residential construction is also expected to see strong growth as a result of increased prosperity.

Competitors

Lindab faces diverse competition. The various divisions compete with small, local operators and large multinational corporations. The multinational players include suppliers of ventilation systems, steelmakers with construction component manufacturing and the producers of specialised construction materials.

	Profile business area		Ventilation business area	
Division	**Building Components**	**Building Systems**	**Air Duct Systems**	**Comfort**
Geographical main markets	Nordic region, CEE/CIS	Western Europe, CEE/CIS	Nordic region, Western Europe	Nordic region
Lindabs products	Roof drainage Roof and wall cladding Lightweight construction	Pre-engineered constructions in steel	Duct systems	Indoor climate products
Main competitors	Corus Ruukki Arcelor Mittal Hoesch Thyssen Marley Plannja Local suppliers	Goldbeck Llentab Ruukki Atlas Ward Zamil Local suppliers	Fläkt Woods Local suppliers	Swegon Fläkt Woods Trox Halton

Profile business area

Delivery of Lindab's exterior wall studs to Maria Park, Helsingborg

Divisions

- Building Components
- Building Systems

Product mix

Building Components: Rainline (roof drainage), Coverline (roof and wall cladding), Construline (lightweight steel construction products for walls, roofs and beams), Doorline (garage and industrial doors).

Building Systems: Pre-engineered steel systems for industrial buildings, commercial properties, leisure facilities and office buildings.








Profile business area key figures

	2009	2008	Change, %
Net sales, SEK m	3,122	4,993	–37
Operating profit (EBIT), SEK m[1)]	142	860	–83
Operating margin (EBIT), %[1)]	4.5	17.2	
Gross investments in fixed assets	128	195	
Number of employees	1,759	2,171	

1) Excluding one-off items of SEK 38 m (59).

Distribution of net sales per division

- Building Components
- Building Systems


Peter Andsberg
Business area manager Building Components


Venant Krier
Business area manager Building Systems

Important events during the year

Building Components

- Adjustment of costs to lower volumes.
- Continued integration of SIPOG a.s. in Slovakia.
- Continued launch of the RdBX partition wall stud with "click-assembly" in the Nordic region and CEE.
- Launch of the exclusive Premium facade cassette system in the Nordic region.

Building Systems

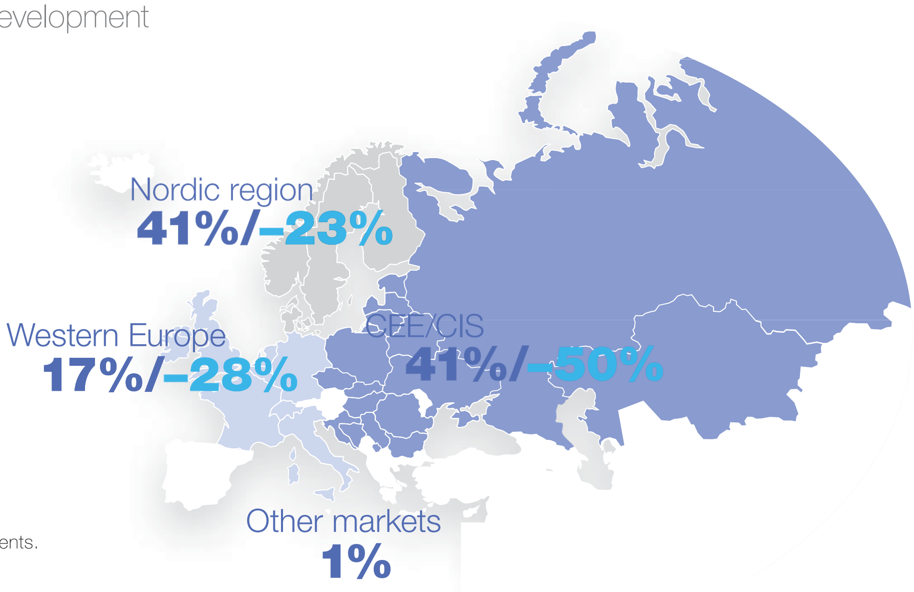
- Adjustment of costs to lower volumes
- Start of production at the plant in Yaroslavl in Russia.
- Closure of production unit in Hungary.
- Introduction of the Cy-nergy software.

From 1 January 2010, the Building Components and Building Systems divisions will report as separate business areas.

Net sales by geographical market/development

Markets

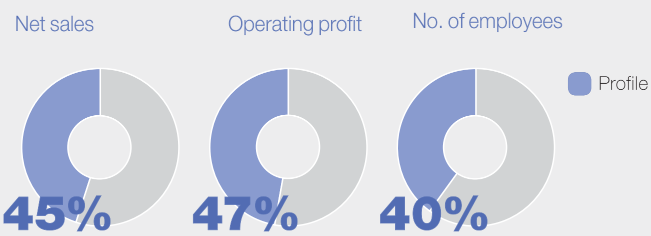
- 24 countries.
- Five largest: Sweden, Poland, Romania, Denmark, Germany.



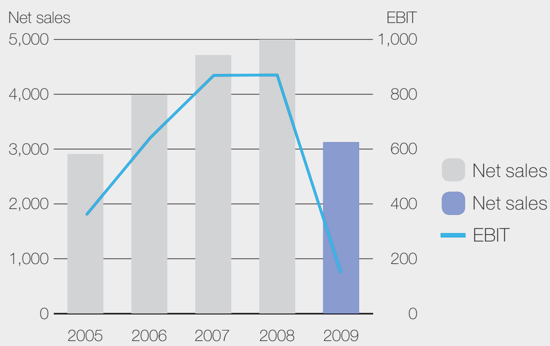
Presence in the market

- 13 production units.
- 1,300 distributors of building components.
- 360 builder-dealers.
- 37 branches in Sweden and Norway (together with the Ventilation business area).

Share of the Group



Net sales/EBIT, SEK m



Profile business area

The Profile business area, comprising the Building Systems and Building Components divisions, has a large proportion of sales to the CEE/CIS. Since the CEE/CIS was the most affected market in the economic downturn, work in the business area during 2009 has focused mainly on adjusting costs to the lower demand. The Building Systems production unit in Nyiregyháza, Hungary has been closed as was the Building Components production unit in Edsvära, Sweden. In addition, agreements on shorter working hours were signed with employees in several countries. Despite the cutbacks, the sales effort has continued and sufficient skills and resources remain in the organisation to take full advantage of the demand that will accompany the next upturn in the economic cycle. During the year production started at Building Systems' new production unit in Yaroslavl, Russia.

Building Components

Building Components has a good balance between renovation and new construction, and about 40 percent of its customers are within the residential sector. Residential demand was first to see a decline in the recession and started to show some signs of recovery in the second half of 2009, particularly in the Swedish market. Products for roof drainage (Rainline) as well as roof and wall cladding (Coverline) account for 63 percent of the Group's net sales in total. In the construction market, steel studs and lightweight construction technology are gaining share as increasing numbers of Nordic construction companies are choosing steel studs for both exterior and partition wall solutions. This development favours the strong offering from Building Components within lightweight construction technology, with its ADT Tools design software and products that are moisture resistant, fire-proof, sound insulating and with low thermal conductivity. The Nordic countries currently account for around 60 percent of total net sales within Building Components. The division is also the market leader in several countries within CEE, such as Romania, the Czech Republic and Hungary. By contrast, sales in Western Europe are small.

New products and sales initiatives

The new Premium facade cassette system has started to be delivered to several projects in Sweden and Denmark and is being positively received. The launch is in line with Lindab's strategy to develop a complete range of building components and related project planning software. The Premium facade cassette is a high quality product that is mainly being aimed at the Nordic market by Building Components, although Building Systems is also offering this product to its customers. The new RdBX partition wall stud was launched in the Czech Republic during the year. It is now being produced and sold in three countries: Sweden and Denmark along with the Czech Republic. The patented RdBX partition wall stud, with good sound insulating properties, can be fitted with a "click" without tools or fasteners, offering strong customer value. In Western Europe, investment continues in the British roof drainage market. At present, Lindab is a small player in this market where the majority of all systems currently sold are plastic. Lindab has a great deal of experience of winning market share from plastic, however.

Acquisitions strengthening positions

The integration of the Slovakian company SIPOG a.s., which was acquired in 2008, continues to make good progress. The acquisition has resulted in Lindab now becoming the market leader in Slovakia and with strong positions in the Czech Republic and Romania. Economies of scale and synergies have been achieved within purchasing, manufacturing and marketing. By the end of 2010, it is expected that the integration of SIPOG will have been fully completed. The acquisition in 2008 of the Finnish company Koto-Pelti Oy, with its manufacturing in Kyyjärvi, has resulted in Building Components being able to strengthen its position in Finland. The Finnish market within the Building Components product area is estimated to be as large as the Swedish market.

Building Systems

The main customer base for Building Systems is Western Europe and the CEE/CIS, within the segment for new construction of non-

Volkswagen-Audi car showroom in Luxembourg

Powder coating of Rainline guttering brackets in Förslöv, Sweden residential buildings. The market climate during 2009, with customers exercising greater caution and experiencing greater difficulty in obtaining credit, has particularly affected Building Systems. Several of the division's largest markets, such as Germany, France, Poland and Romania, noted sharp declines in sales during the year. The demand in Russia, the division's second largest market, fared better. The markets in the CEE/CIS accounted for 55 percent of net sales in 2009. During the year, the division has expanded sales into new markets in the CIS.

Successful steel construction concept

Building Systems' steel solutions and in-house developed IT software simplify construction for both designers and contractors. The key offering is an efficient concept for single-story buildings for industrial and storage purposes. This includes steel frames, wall and roofing systems plus the design and project planning support. The buildings are sold to about 360 builder-dealers throughout Europe as well as direct sales to key corporate accounts.

Offering for improved energy consumption

During the year, the new energy calculation software, Cy-nergy, was launched to builder-dealers. Building Systems is implementing seminars with the builder-dealers in order to develop their knowledge of Cy-nergy as well as the EU's new Energy Performance of Buildings Directive (EPBD). Cy-nergy also demonstrates the benefits of Lindab's ventilation system.

Renewable energy sources such as solar energy are increasingly in demand, especially in Germany and France. Building Systems is cooperating with several solar energy companies and during 2009, deliveries to 15 projects included solar roof panels.

Russia – a key growth market

With a substantial need for industrialisation, Russia is a major long-term growth market and is an important part of Lindab's growth strategy. The Group's investment in a large new production unit in Yaroslavl, about 300 km northeast of Moscow, was completed in 2009 and has started to make deliveries. Local production is necessary in order to take full advantage of the great potential in the country. It also means an advantage in the short term, since a sharp fall in the Russian rouble made the profitable export of buildings to Russia impossible.

Building Systems today has a good production footprint with three production units – in Luxembourg, the Czech Republic and Russia – covering the division's major markets and with sufficient capacity for growth.

Better balance between various customer segments

Building Systems is working in the long-term to increase its share of non-industrial projects in order to achieve a better balance and reduce sales volatility during an economic cycle. The segment being targeted includes sports halls, hotels and offices. During the year, Building Systems has completed three hotels and has been involved in about 30 construction projects related to sport and leisure.

Focus 2010

Within Building Components, work will primarily be focused on increasing marketing activities. Among other things, an initiative is to be undertaken to increase market penetration within the residential sector. Opportunities will also arise in markets where competitors have exited.

For Building Systems, 2010 will continue to be challenging due to its market exposure. There are few new major projects in the market and the banking systems in many countries are not yet working satisfactorily. Meanwhile, in the long-term there remains a great need to modernise buildings in both East and West. The focus will therefore continue to be on product development and development of emerging markets in the CEE/CIS, where the greatest long term potential exists. In Russia, focus will be on extending the network of builder-dealers.

Premium Facade Cassettes at Apoteket Bikupan in Kristianstad

Lindab Rainline's covers with snap-on assembly. Can be fitted once the gutters have been fixed into place.

Lindab – a simple choice for our stakeholders

Satisfied end customer

Innovative, stylish and easily placed products with multiple functions and high performance. Software support that simplifies project planning!

Architect
Designer
Consultant

Marked, pre-cut and just-in-time deliveries!

Building contractor

Low operating costs and low life cycle cost for the entire building!

Property owner

Unique project planning software so I can quickly visualise the building in 3D and calculate the cost.Complete, pre-engineered steel building, which I complete and deliver as a turnkey solution to my customer!

Builder Dealer

Idea	Consultation	Planning phase	Buying systems & products

Installer

Tinsmith

Person occupying the building

Construction phase | In use

Ventilation business area

Lindab delivered 9,300 m of circular ducts and more than 150 chilled beams to the hospital in Varberg

Divisions

- Air Duct Systems
- Comfort

Product mix

- Air Duct Systems: Duct systems (mainly circular) and accessories.
- Comfort: Ventilation, heating and cooling solutions for indoor climate.





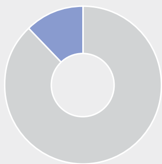



Ventilation business area key figures

	2009	2008	Change, %
Net sales, SEK m	3,878	4,783	–19
Operating profit (EBIT), SEK m[1)]	190	454	–58
Operating margin (EBIT), %[1)]	4.9	9.5	
Gross investments in fixed assets	48	85	
Number of employees	2,555	2,960	

1) Excluding one-off items of SEK 19 m (38).

Distribution of net sales per division



- Air Duct Systems
- Comfort

Important events during the year

- Adjustment of costs to lower volumes.
- International distribution agreements with ventilation installers.
- Launch of the second generation of Plexus chilled beams.
- Launch of new products within Smart Tools.
- Launch of a new version of CADvent.

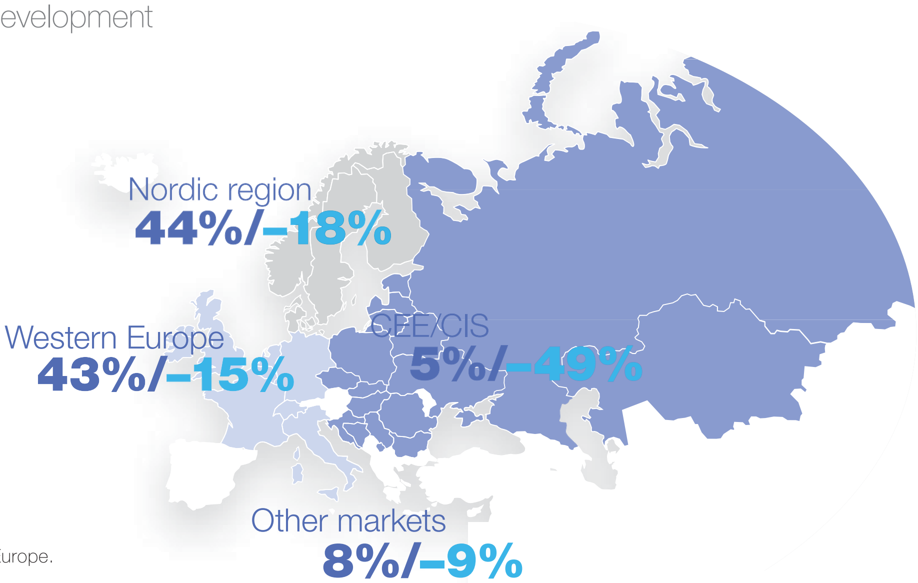
Net sales by geographical market/development

Markets

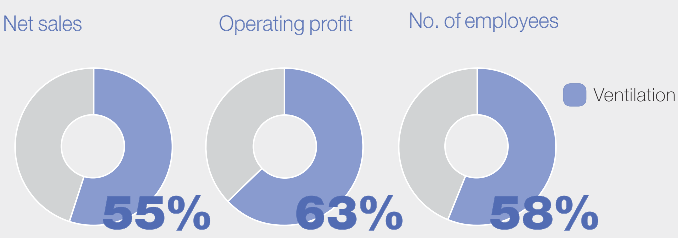
- 20 countries.
- Five largest: UK, Sweden, Denmark, Germany, USA.

Presence in the market

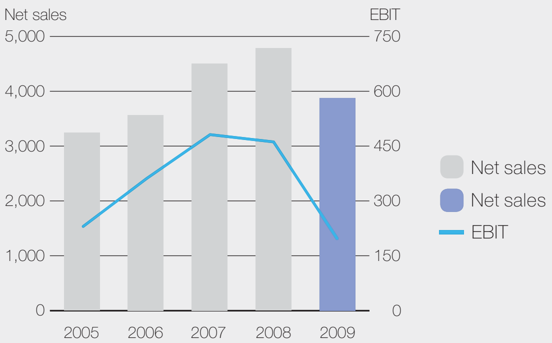
- 23 production units.
- 109 own stock-holding branches in Europe.



Share of the Group



Net sales/EBIT, SEK m



Ventilation business area

The Ventilation business area, which consists of the Air Duct Systems and Comfort divisions, offers a complete product range and a high level of service for ventilation installers throughout Europe. Approximately 90 percent of sales are to non-residential construction and 10 percent is to residential construction. In 2009 the market for non-residential construction was weak, particularly within new construction. Activity in the renovation segment was more stable, partly as a result of government subsidies for lower energy consumption in buildings.

The implemented cost reduction programmes have reduced fixed costs and contributed positively to the results. The cost savings were mainly streamlining and the production and marketing structure has been maintained in order to safeguard future growth opportunities.

Increased consolidation favours Lindab

Some consolidation is taking place among ventilation installers who are the business area's main customers. The increasing standardisation of building codes in Europe is making it easier for all the major players to extend their geographic spread. This trend favours Lindab since there is a tendency for customers to prefer supply contracts with suppliers offering standardised processes and international distribution networks. Through an attractive product offering and efficient logistics with highly accurate deliveries, including via its 109 branches, Lindab today has a strong position in the European market. During 2009, several contracts have been signed with international ventilation installers. Lindab's offering to these customers includes the Lindab Partnership and its assortment of Smart Tools.

Continued success for the Lindab Partnership

The Lindab Partnership offering for installers continues to strengthen customer relationships. The in-house developed CADvent software and the Partnership services including Lindab's wide product range simplify the entire process for the installer, resulting in both time and cost savings. At the end of the year, there were 15 Partners following the addition of six new Partners during 2009.

Continued simplification for customers

The Air Duct Systems division is a market leader in the Nordic region and Western Europe and provides innovative system solutions within ventilation to simplify the work of its customers. During the year, several Smart Tools have been launched. Smart Tools is a package of products that helps installers to work more effectively by simplifying the handling, cutting and fitting of ducts.

A new version of the CADvent design and calculation software, which includes products from both the Air Duct Systems and Comfort divisions, was launched in the autumn of 2009 with more products and an improved user interface.

Advantage Lindab Safe Click

The launch of the Lindab Safe Click product range has continued during the year and has been followed up with complements to the product range. Lindab Safe Click has now been introduced to most of Lindab's markets and new tools that simplify construction are constantly being presented.

During the past year, independent tests on the duct system have also been conducted. The conclusion from the reports made by Germany's TÜV (Technischer Uberwachungs Verein) and Finland's Arbetshälsoinstitutet (FIOH) show that the Lindab Safe Click, SR Cutter and Smart Tools package of solutions is superior to the screw, rivet and tape installation of air ducts. The system offers improved ergonomics for cutting, assembly and other operations, as well as faster, simpler and more airtight installations.

Comfort indoor climate products in a Helsinki shopping centre

Delivery from a Lindab Partner for the new PGA National Sweden golf course outside Malmö

Increased demands on energy efficiency has potential

In the long-term, Lindab's sales are expected to grow as a result of the stricter environmental requirements and environmental legislation related to energy efficiency. For example, many buildings in Europe continue to be built with rectangular ventilation ducts. This results in greater energy losses and offers inferior operating economy compared with circular ducts. Circular duct systems will therefore become an increasingly important factor as the EU's new energy standards for buildings are introduced. In the Nordic region, where strict efficiency requirements are already in force, circular systems dominate.

High degree of innovation within Comfort

The Comfort division's systems expertise, its products and IT solutions, make it easier for designers and installers to create a comfortable, healthy and productive indoor climate. Attractive designs of visible diffusers and components also form an important aspect of the product programme. The products that were newly launched in 2008, the Plexus chilled beam and the Aerodim silencer, have continued to generate increased sales. This includes an order for 2,500 chilled beams, which was received for a project in Australia with extremely stringent environmental and energy requirements. Intensive product development work has continued during 2009 which will result in several product launches in 2010. During the winter of 2009, the second generation Plexus chilled beam was finalised, which will help to lower the energy consumed in ventilation.

Comfort's focus on function, energy efficiency and design offers an important competitive advantage for those who are in the early stages of a construction process and the divison often works with designers in order to develop the right products and solutions.

Focus 2010

Lindab Ventilation will increase its focus on sales initiatives that are based on the business area's unique customer solutions. Among other things, the European branch structure shall be used to an even greater extent in order to be able to sign further international agreements. Products and systems will continue to evolve based on simplifying the customer's work by focusing on energy, environment and indoor climate. Cost monitoring will remain in focus and actions taken in case of markets with a further deteriorating trend.

420 Architect Moon chilled beams provide air conditioning, heating and fresh air to a new home furnishing centre in Stockholm

Lindab's circular duct system, Lindab Safe Click

Steel – a strong and sustainable material

Lindab is one of Sweden's biggest purchasers of steel, the common denominator in the majority of Lindab's products.

Reduced environmental impact from production

Steel mills account for about 6–7 percent of global carbon dioxide emissions*) and they are constantly working to minimise their environmental impact, optimise their processes and develop the beneficial properties of steel. The steel industry worldwide is spending billions on improved treatment and other measures to reduce the environmental impact. The goal is sustainable development while simultaneously copying with the increasing global demand for steel.

Steel can be recycled

Iron is the fourth most abundant element in the Earth's crust. Elements cannot be created nor do they disappear. Instead they recirculate in an eternal cycle in human society and in the ecosystem. As a construction material, steel is therefore unique in creating a closed-loop system. Virtually all steel can be recycled and today steel is one of the most recycled materials in the world.

Steel in buildings

Steel's tremendous strength and its constant development allows for lighter constructions that use less material.

Being such a strong material, it is possible for a smaller amount of steel to perform the same function as wood or concrete. The properties of steel do not change during the building's life span. The useful life of a building with a steel frame is therefore limited only by its architecture and the possibility for adaptation to future needs.

Steel does not require pesticides or other chemicals to protect against pests, mould or rot since steel is an inorganic material that does not absorb liquids. For that reason, a building incorporating a steel frame does not offer a breeding ground for mould or other allergens. Steel gives off no emissions that can give rise to hypersensitivity or allergies.

The long service life reduces the need for maintenance and repair, which reduces energy consumption during the building's lifecycle.

**) IPCC Working Group III, Climate Change 2007.*

“Steel’s most important properties which help to conserve natural resources are its light weight, strength and recyclability.

Steel’s benefits

- Long service life
- High specific strength
- Low life-cycle cost
- Mouldable to high precision
- Ideal for pre-fabrication
- Ideal for system solutions
- Easy to transport
- Recyclable

Lindab's processing further

Ventilation

Steel is used as a raw material in the production of duct systems, silencers, diffusers and chilled beams as part of a demand controlled indoor climate system with heat recovery. A good indoor climate increases human wellbeing and performance, and reduces absence through sickness. Indoor climate includes air quality, air velocity, sound, temperature and light.

- Airtight duct systems reduce energy consumption.
- Low pressure loss in silencers reduces energy consumption.
- The diffusers and the chilled beams regulate ventilation, cooling, heating and lighting when required, and when someone is present.
- The chilled beam can use nature's own sources for cooling such as lake/groundwater instead of conventional electric cooling machines.

Lindab Safe Click (duct system)

Aerodim (silencer)

MBB (diffuser)

ECOhybrid (chilled beam)

enhances customer value

Rainline

A complete roof drainage system in ten colours, with highly developed features that simplify installation. Rainline offers an attractive, durable and functional frame to buildings.

- Long service life, minimal environmental impact
- Highly weather resistant, little or no need to paint or renovate.
- Environmentally-friendly paint coatings.
- Easily mounted system, ergonomic with low risk for work-related injuries.
- Products contain substantial quantities of recycled steel.
- Colour and quality matched with other roofing and facade products.

Construline

A lightweight construction system that includes steel studs, beams and battens, plus a number of IT tools for the design, calculation and quantifying. By planning projects from the very start reduces the need for cutting and materials in the workplace, which results in improved ergonomics. The properties of steel studs, with low heat loss, good soundproofing qualities and being an inorganic material, makes them ideally suited for passive housing.

- Lindab ADT Tools software for project planning provides a model of the building at the early design stage and reduces the amount of waste.
- The slotted steel studs have unique properties in order to prevent heat loss while increasing the amount of insulating material. This can be simulated in the Lindab WallAnalyzer software.
- Slots in the exterior wall studs provide better soundproofing properties than solid steel studs, resulting in a better acoustic environment.
- Lindab's steel studs are easy to transport. They have low weight and small packaging volume.
- The RdBX partition wall stud is the market's simplest in terms of installation and is fixed into place with a click-lock system – completely without tools. Ergonomically, this is a superior installation method.
- All Lindab's steel studs are inorganic and can therefore even be used for construction in the harshest of climates.

Astron Buildings

A complete pre-engineered steel construction system that is tailored to each customer's need.

- Resistant, long-life materials.
- Well thought-out, tested and computer modelled designs result in reduced material consumption and waste.
- Lightweight structures, leading to lower energy consumption in the construction phase.
- Flexible design that can easily be reworked in order to adapt the building for other uses.
- Pre-fabricated components offer reduced construction times.
- Dry assembly saves time and energy plus water consumption, while the construction site is kept clean and free from debris and waste.
- The unique design software, Cyprion, with various additional modules, enables the optimisation, calculation and visualisation of the design in order to take advantage of daylight, select different materials that save energy, provide better sound insulation, etc.

Lindab Life – focusing on responsible actions

It is natural for modern businesses and people to behave responsibly. This is an approach that Lindab fully supports and has applied for a long time. Social responsibility towards our stakeholders and the environment is becoming increasingly important. It is simply about how we as a company take responsibility for the impact of our actions on society and the environment.

The world we inhabit is attaching ever greater importance to company procedures and regulations within Social Responsibility. Lindab's continued success depends upon addressing these issues correctly and wisely, which is why we have brought together our guidelines, policies and standards regarding this under the name Lindab Life.

Lindab Life is about how we should behave in our daily work. It is about how we shall behave towards customers, suppliers and other partners. It concerns our behaviour towards our employees and the communities where we are present. Moreover, it covers every significant environmental issue, from both a process and a product perspective.

Lindab Life consists of four areas – Business, Environment, Employees and Society – and it describes the policies and regulations that govern our actions. These principles are not new for Lindab, we have known and understood them for a long time. With Lindab Life, our message is being strengthened, making this approach clear to every one of us. By following these guidelines, we are further strengthening both the company and the Lindab brand.

Our business practices, Lindab's famous entrepreneurial spirit, consideration for our employees and particularly our energy efficient, sustainable and steel-based solutions are things we can all be proud of. By being clear and transparent, and by intensifying our efforts, we are convinced that Lindab Life will benefit both our stakeholders and Lindab, both in the short and long-term.

Grevie, February 2010

David Brodetsky
President and CEO

GRI REPORT
SELF DECLARED

Guidelines

- Lindab's responsibility and Lindab Life are based on the guidelines and principles in accordance with ISO 26000.
- Global Compact and Global Reporting Initiative GRI level C.
- Lindab's internal policy is its Code of Ethics, founded upon the UN's declaration of human rights. Lindab's Code of Ethics is the overall policy document that sets out our approach to the outside world regarding issues relating to Social Responsibility within each relevant area.

THE GLOBAL COMPACT
WE SUPPORT

Lindab Life is based on the following guidelines and control instruments:

- **ISO 26000**
  guidelines for social responsibility
- **Global Compact**
  guidelines on human rights, environment etc.
- **Global Reporting Initiative**
  sustainability reporting guidelines
- **Greenhouse Gas Protocol**
  guidelines for calculating greenhouse gas emissions

Sustainable development with

Lindab Life

Corporate responsibility is part of Lindab's vision of becoming Europe's leader in industrialised ventilation and building solutions. In 2009, Lindab decided to combine its values, policies and guidelines that govern and affect the organisation under the term Lindab Life. With Lindab Life important new steps are being taken, but above all the culture that already exists at Lindab is being developed further and strengthened.

Lindab Life summarises Lindab's conduct in its daily business routines regarding employees and the communities Lindab operates in, and particularly from an environmental perspective. Lindab Life's four areas also serve as a framework for reporting Lindab's sustainability efforts.

Lindab works with continuous improvement and always has enhanced customer value in mind, most notably through constant initiatives within energy efficient and environmentally friendly products and solutions.

The purpose of Lindab Life has not been just about setting out rules and declaring Lindab's position on these issues. It has also been about making Lindab Life into a natural part of Lindab's daily work and to highlight this when presenting Lindab, such as in printed matter, on its website and in financial information.

It is important to act when deviations from the principles of Lindab Life occur. A key point in Lindab's Code of Ethics therefore describes the "whistleblower" function. In other words, every employee has the opportunity to anonymously report abuses that are contrary to Lindab Life.

Lindab's vision is to be the leader in industrialised ventilation and building solutions - Europewide. Being a good and credible business partner, offering solutions demanded by the market, as well being a responsible and motivational employer have always been vital aspects of Lindab's behaviour.

Prioritisation and responsibility

The Group's efforts within Social Responsibility (SR) are based partly on an internal aspect and stakeholder analysis and partly on discussions with some of the stakeholders that have been identified. The aspects deemed to be most important include business ethics issues such as anti-corruption and free competition, and environmental aspects such as the use of chemicals, the Group's energy consumption and its impact on the climate.

Responsibility for Lindab's SR work lies with the CEO and the Group Management and is implemented by the corporate Legal function. The SR work is run by a group of employees from the Legal, Finance and HR corporate functions.

The report's scope

The data presented refers to the calendar year 2009 and, unless otherwise specified, includes the Lindab Group's operating subsidiaries that were included from the beginning of the year, numbering 39 in total. Data is also reported for those companies that were divested or discontinued for the periods that they were operational. The previous year's figures are not reported in the environmental section of the report since they did not include an equal sized proportion of the business. Key figures are only reported in absolute terms. The previous sustainability report was published in April 2009.

Business
Environment
Employees
+ Society

Lindab Life


Genie GS-4390
4x4

Business

Lindab's Code of Ethics and core values play a central role in the governance of Lindab's organisation and operations. Together with the support of the UN's Global Compact and sustainability reporting in accordance with GRI, these form the basic cornerstones for generating confidence and lay the foundations for a strong brand.

Ethical principals

Lindab's Code of Ethics is implemented throughout the Group and is monitored continuously. The code describes the principles regarding how all employees within the Group should behave in their relations with other employees, shareholders, business contacts and other stakeholders. The principles are based on the UN Convention for Human Rights. Work has begun to ensure that Lindab's suppliers observe the principles adopted by Lindab in its Code of Ethics. During 2009 Lindab suspended cooperation with one supplier in the Czech Republic when discrepancies in relation to Lindab's ethical principles were detected.

Anti-corruption and free competition

Some of those involved within the construction industry resort to methods and actions that are not acceptable. Lindab has long had a competition policy that is continuously reviewed and updated.

Lindab's position is that conduct in breach of competition rules is unacceptable. Lindab employees who come into contact with issues that are relevant to competition law are constantly updated and trained in the content of Lindab's policy and Lindab's opposition to violations of these rules. During the financial year no procedures in violation of the rules have been observed or reported.

In its anti-corruption policy Lindab indicates that corruption in Lindab's business is unacceptable. In addition to the policy, there are various instructions to be followed in all situations aimed at preventing any act that could be considered as corruption. During the financial year no procedures in violation of the rules have been observed or reported.

Communication

Lindab has an information policy that meets the requirements of a listed company and which states that information must be understandable, honest and relevant to the target group. Rapid, simultaneous and consistent information will prevent the spread of rumours and misunderstandings and ensures that the entire market has access to the same information. Financial statements are prepared in accordance with existing regulations and are constantly evolving in order to further enhance transparency. Information relating to the business, especially financial and price-sensitive information, is handled by the IR function and made public in accordance with the EU's Transparency Directive in both Swedish and English via a news distributor. The Group's website www.lindabgroup.com is available in Swedish and English and is a central source of information for all stakeholders.

Product development and quality

Lindab's commitment regarding responsibility for products is governed by the Group's Code of Ethics (Environmental Protection and Workplace Safety) and the Environmental policy. Since the requirements vary widely among the different product segments, the responsibility for product development and related product liability issues reside within each business area.

Lindab's fundamental idea is to contribute to simplifying construction in all phases of the construction process: in the design phase, of the product itself, its installation and delivery. Lindab also conducts material research and development projects together with suppliers, notably within surface treatment, corrosion problems, strength plus health and environmental aspects.

Many people spend 80–90 percent of their time indoors. It is therefore important that the indoor environment is healthy and that the building's components do not pose any health risks. Lindab has long been actively working to identify and replace anything that can be considered to be a hazard to the environment or to health. One relevant example of this substitution is the transition to metal that is free from hexavalent chromium.

Resources are also being dedicated to the development of products in order to optimise the manufacturing process, and to reduce costs and the environmental impact. Lindab tests and documents the products that are developed to ensure quality and functionality. Quality management systems are applied throughout the business. Almost all of Lindab's production units have quality systems certified to ISO 9001. The products are supplied with the documentation requested by the various markets such as user manuals, certificates and environmental product declarations.

Through extensive experience, Lindab has built up the knowledge required to meet all customer needs and wishes. Listening to customers' comments and requests increases understanding and Lindab is therefore able to work more closely with the customer. One example is the development of a series of tools, launched under the concept "Smart Tools", aimed at improving ergonomics for installers and simplifying the process at the construction site.

During the year no breaches of the rules have been identified regarding the Group's marketing, product information, availability of products, or health and safety effects of the products. No fines concerning such violations have therefore been adjudged or paid.

The Group's environmental policy focuses on four core areas: Environmental consideration, Products, Manufacturing and Communication. This means:

- Lindab develops products that simplify construction based on a life cycle perspective, aimed at minimising the consumption of resources and energy, and any negative effects on the environment
- Lindab evaluates the company's environmental impact, setting goals for continuous improvements
- The environmental work is communicated both internally and externally with the aim of creating understanding and commitment.

Environment

Lindab is actively working to minimise the environmental impact created by the Group's operations and its products. By focusing on product development and continuous improvement, products have been developed that are good from both a quality and environmental perspective, and that also improve customers' environmental performance.

Lindab's environmental policy is a key document that forms the basis for the Group's environmental work. It governs Lindab's environmental work within manufacturing, energy consumption and reduced carbon dioxide emissions. Today, 40 percent of Europe's energy consumption is associated with buildings. Lindab is actively working to help reduce this high figure, for instance through concerted efforts within energy-efficient solutions for healthy indoor climate and construction.

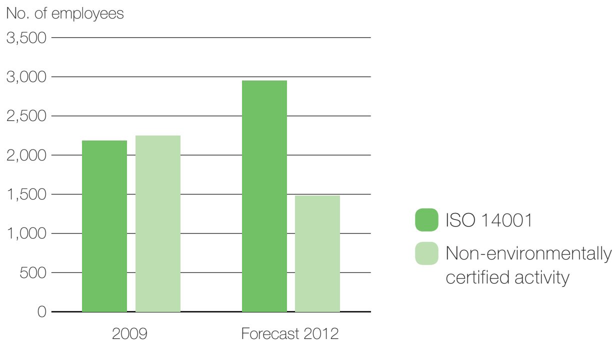
Governance of the environmental work

The direct responsibility for environmental issues within Lindab lies with the local companies, each of which has a person responsible for local environmental work. The Group has a central environmental function with responsibility for the development, coordination and monitoring of the environmental work. A Group-wide environmental council has been appointed with a representative from each business area. Each business unit is continuously monitored and compared with other units within the Group. Successful business units are highlighted as good examples in order to get others to follow.

Environmental management system

The environmental management standard ISO 14001 provides the structure behind the environmental work. At the end of the year, most of Lindab's larger production units were environmentally certified and more will be certified in future. Among other things, work has begun to prepare the certification of production units within the Building Systems division. The aim is for all major production units to be certified to this standard. Non-certified companies are mainly sales companies.

Share of the business certified according to ISO 14001



Life-cycle analyses of Lindab products

Lindab is working to develop life cycle analyses for a large proportion of the Group's products. These analyses, which include the carbon footprint of products from manufacturing to recycling, will be presented in environmental product declarations and other product information. Information about lifetime carbon emissions, the so-called carbon footprint, is increasingly being demanded by customers. The analyses provide, for example, the possibility to calculate the carbon footprint for an entire building or a complete system solution. Eventually, these analyses can be supplemented with information regarding the effect concerning eutrophication, acidification, land use, air pollution and water consumption.

Resource use

In 2009, the Lindab Group consumed approximately 180,000 tonnes of steel, about 20 percent of which is estimated to have come from recycled steel. Lindab's products themselves are completely recyclable since they are easy to separate during reconstruction or demolition.

Lindab's main raw material is steel, together with additives such as polyester paint, rubber seals, as well as lubricants and oils for metal processing. Furthermore, the production requires certain chemicals and fuels for the operation of furnaces, vehicles, trucks and heating.

Paint is only applied to a small number of products and components. Lindab's painting process is only carried out at small number of units in closed systems that do not have a significant external environmental or health impact. Solvent-based paints are not normally used. The majority of painted products are produced using pre-lacquered steel. The coating is performed at the steel mills and causes no additional environmental impact from Lindab processes. The surface treatments and paints only have a minimal environmental impact and present no health concerns in normal use.

Consumption of raw materials

Steel	180,000	tonnes
Oils	100	m^3
Powder coating	140	tonnes
Other coatings	610	tonnes
Rubber	1,400	tonnes

The packaging materials used are mainly plastic, corrugated cardboard, wood and steel.

Consumption of packaging material

Cardboard	2,000	tonnes
Plastic	1,700	tonnes
Wood	6,900	tonnes

Licences

Lindab's production units are not normally covered by any specific environmental regulations or permits. The permits that are required vary in scope and type, but normally these relate to ordinary business licenses for the industry, and in certain places permits regarding the size of the factory site and the handling of oils. Reports are submitted to regulatory bodies in each country. No violations of permit conditions or local environmental laws have occurred either in 2009 or previously. Lindab has not been found liable for any fines or penalties.

Transport

Environmental demands are made in the central procurement of transportation. Consolidation and logistical planning also reduce the environmental impact of transport. The majority of packaging consists of renewable materials, which are recycled.

Localisation

Lindab's production units are generally situated within areas designated for industrial activities, where operations have no direct impact on biodiversity, however local regulations regarding noise may exist.

There are a few exceptions however. One example is Lindab's production unit on the outskirts of Prague (Czech Republic), which is adjacent to a protected reservoir. Several oil-water separators have been built around the factory to protect the reservoir against accidental spillages. Water samples are taken regularly, which are reported to authorities. Another example is Lindab's production unit in Portsmouth (USA), which is situated within a protected area adjacent to Chesapeake Bay, meaning that part of the property is subject to restrictions with regard to new construction.

Emissions and waste

Lindab's operations, with the manufacture of products from steel, results in minimal environmental impact. This can be small emissions of dust, solvents from paint and metals into waste water. The processes that can result in emissions into water use closed systems, and air containing dust is filtered continually prior to being emitted. No unintended emissions have occurred during the year.

At Lindab companies in Sweden, periodic leak checks are carried out on cooling/heating pump equipment. No emissions of ozone-depleting substances have been recorded.

Independent measurements have been made showing that Lindab's activities do not give rise to pollution that may require the decontamination of soil or water.

The waste products generated during production comprise mainly scrap metal, but other types of waste are also generated. The recovery rate is high. Scrap metal is recycled completely along with about 70 percent of other waste. Some incoming and surplus packaging materials are reused on site. Anything not used is sorted and dealt with according to existing laws. Statistics about waste management are submitted by the waste management company.

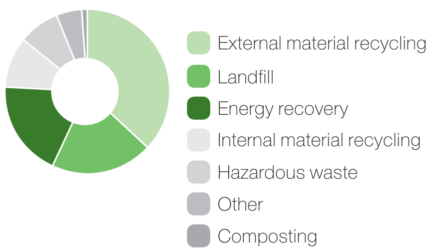
Hazardous waste that is produced includes paint and solvent waste, absorbent materials and other oily waste. The waste is collected by local waste management companies, there is no information as to whether any has been exported.

Waste

Scrap metal*	36,000	tonnes
Total waste (not scrap)	9,300	tonnes
Hazardous waste	700	tonnes
Recovery rate (incl. scrap)	93	%

* *Approx. 9,800 tonnes of scrap can be attributed to the closure of a major production unit.*

Waste management



Energy

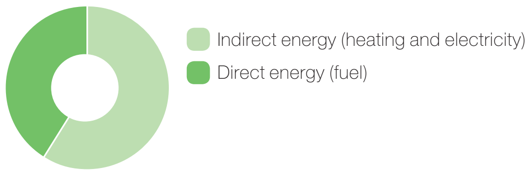
Energy conservation is an important area for Lindab. Several projects are underway to reduce overall energy consumption. One such example is Lindab's investment in Green IT , which resulted in an estimated energy saving of approximately 506 MWh per year (approx. 1.8 TJ). Green IT incorporates the investment within several energy-saving IT solutions, such as virtual IT servers, thin clients, and video-conferencing equipment. A virtual server replaces a large number of physical servers, thus saving both energy and space.

15 percent of the Group's energy consumption is provided by renewable energy sources.

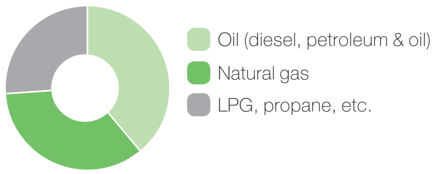
Energy

Total energy consumption	113 GWh	(= 407 TJ)
Direct energy consumption	46 GWh	(= 166 TJ)
Indirect energy consumption	67 GWh	(= 241 TJ)

Energy consumption



Direct energy by energy type



Lindab's energy and climate objectives

Lindab has set three long-term goals aimed at reducing the Group's impact on the environment and climate. The objectives are based on the EU's objectives for 2020 and mean that taking 2008 values as a starting point:

- energy consumption will decrease by 20 percent
- 20 percent of energy will come from renewable sources
- greenhouse gas emissions will decrease by 20 percent.

Greenhouse gas emissions are reported in carbon dioxide equivalents (CO_2e) and are split into two categories, direct and indirect. Direct emissions refer to emissions from Lindab's facilities and vehicles. Indirect emissions refer to emissions from the operations of other companies whose products and services are used by Lindab, such as electricity and heating.

In 2009, each business area established short-term (annual) objectives. These objectives will be achieved through a series of projects implemented in the business areas, leading to better processes and reducing energy consumption. The list is continuously updated with new projects along with lessons learned and results from projects that have been completed.

Greenhouse gas emissions

Total emissions of greenhouse gases	29,200	tonnes
Direct emissions	10,400	tonnes
Indirect emissions	18,800	tonnes

Risk analysis – climate change

Climate change has affected Lindab's operations and will do so to an ever greater extent. These changes are treated as risks, and risk assessments are continuously being made so that newly identified risks can be avoided.

Legislation is being tightened more and more regarding processes and products that are energy intensive and/or contribute to climate change in other ways. Lindab monitors the changes being made and adjusts its operations and products accordingly. The demands regarding energy conservation are also expressed in the Group's environmental objectives and the results are reported.

The system of emissions trading involves a price placed on carbon dioxide emissions. This means that the cost of producing electricity from fossil fuels is increasing, resulting in a higher price to the customer. This means Lindab's energy costs will increase over time.

Water

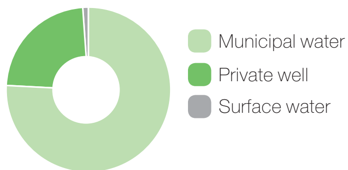
Water is mainly used in production for cooling and cleaning. Measures to reduce water consumption include the installation of water saving taps, as well as recycling process water.

Most of the Group's production facilities are connected to municipal drainage. Water that is discharged over land surfaces is runoff and coolant water. This is usually clean but small traces of metal deposits may be present. To protect against accidental discharges there are degreasers and sediment traps.

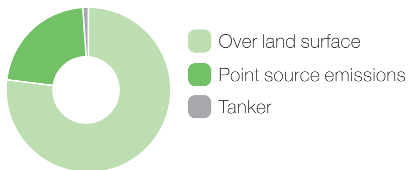
Water

Total water consumption	187,000	m^3
Total water emissions (incl. runoff water)	169,000	m^3

Water consumption by source



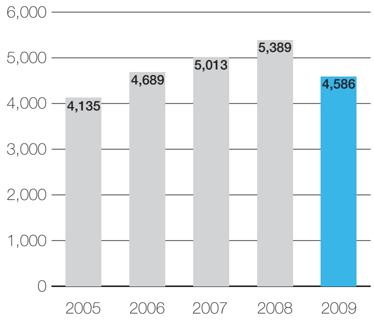
Discharge of water



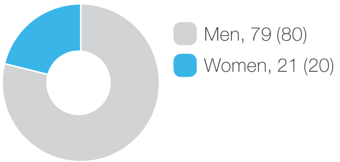
REACH

As a user of chemicals, Lindab is affected by the EU's chemical legislation, REACH. Since Lindab neither produces nor imports chemical products to the European market, Lindab is classed as a downstream user. Lindab's work has therefore mainly focused on communication with suppliers and customers about REACH related issues.

Average no. of emlpoyees



Gender distribution, %



Employees

Dedicated employees and an entrepreneurial mindset have always been central to Lindab. In order to safeguard future development, Lindab is therefore concentrating on broad skills development and the implementation of the Company's corporate culture.

In recent years, Lindab has worked with the tool 'Lindab Lifestyle', which is a programme aimed at driving and implementing the corporate culture and Lindab's view of leadership through simple and clear messages. For instance, it clarifies the meaning and importance of entrepreneurship. There must also be transparency in order to adapt the entrepreneurial culture to local conditions, since the structure and values among customers may vary.

In 2009, when Lindab celebrated its 50th anniversary, Lindab's CEO David Brodetsky visited 16 business units comprising around 70 percent of Lindab's employees to spread awareness about the company's history, its core values and strategies. A book about the company's history '50 years of simplifying construction' has been published in nine languages and distributed to employees.

Management development

Besides Lindab Lifestyle, training courses are continuously held for managers within the organisation. Much of the development within an organisation occurs through daily contacts between different units and the problem solving that is constantly taking place in the process.

Managers develop by taking on new tasks in new settings. Thanks to the company's rapid development in new markets, many managers have learned from these experiences, which is very important for the company's expansion. The Manager Profile tool is used to identify various employees leadership and performance characteristics, which forms the basis for training and recruiting future managers within the Group.

Active health promotion

Through active health promotion, Lindab supports the various business units' work with various activities that can raise health awareness within the Group. Fitness work is also integrated with various activities for effective rehabilitation and a good working environment. This will contribute to good health among employees, sustainable operations and increased competitiveness. It also creates an attractive place to work, with healthy employees building a healthy business. Through long-term efforts with clear procedures, Lindab strives to get employees on sick-leave back to work as quickly as possible. Lindab is also working to minimise poor health and workplace injuries. Each business unit is responsible for ensuring that laws and regulations are followed and that all staff complete the training needed for the tasks they will undertake. All employees must also be informed about and trained in the laws and requirements that apply to the workplace.

Discrimination

Lindab encourages diversity and treats employees without discrimination with regard to gender, race, religion, age, disability, sexual orientation, nationality, political opinions, trade union membership, social or ethnic origin. No cases of discrimination were reported in 2009.

Human rights

All activities within the Group must respect human rights. Every employee has the right to form, join or refrain from participation in trade unions or other organisations that engage in collective bargaining. Lindab makes risk assessments of its geographic markets concerning factors such as oppression, child labour and forced labour. The risk of such violations is considered to be low within the Lindab Group and during the year no violations were recorded.

Society

Lindab is often the leading industrial company in the areas where the Group's main units are located. Strong and close relations with local authorities and organisations, plus local efforts to support and contribute to a good local community are important for Lindab.

Lindab has operations in 31 countries. In several of these regions, Lindab is one of the leading companies, especially in the locations in Sweden, Denmark, the Czech Republic and Luxembourg, where the Group's largest production units are situated. It is important to Lindab to assume the social responsibility expected of a large company and the aim is to contribute to local development.

Spreading Lindab's values

The Lindab Group encourages its suppliers and other business partners to strengthen their own work regarding issues of Social Responsibility. All major suppliers must adopt Lindab's Code of Ethics and thereby commit to meeting the associated requirements. Local suppliers are chosen whenever possible.

In most places where the Group is present, cooperation also takes place with various organisations and authorities in order to strengthen the business climate and the local community development. By co-operating and working with these, Lindab endeavours to contribute to a generally positive development and to the long-term strengthening of the region's attractiveness and competitiveness, something that benefits both the society and Lindab.

An important factor for Lindab's commitment is that the majority of the recruitment of new employees, both managers and other employees, occurs largely in the communities where the Group's units are located and where Lindab is, in many cases, a large and important employer.

Community involvement

Through its companies, Lindab is involved in a number of activities aimed at supporting the local community and its citizens. In 2009, the Lindab Group has contributed about SEK 5 m in the form of sponsorship and donations. Support for schools, universities and other educational institutions and students frequently occurs within Lindab. For instance, employees from Lindab participate as guest lecturers at various university conferences and research is sponsored relating to developments within building systems and ventilation. Lindab also participates in programmes that provide students with work experience, by offering internships and help with thesis work. One such example is the support of Opportunity Inc.'s youth programme in Portsmouth, in the United States.

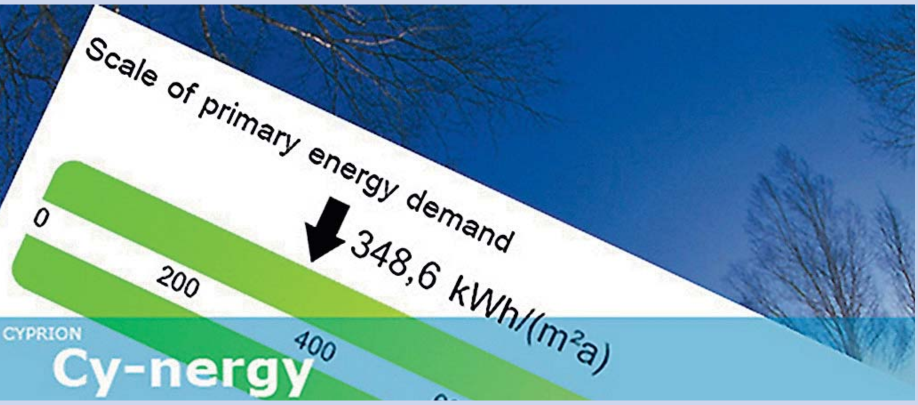
Many of Lindab's companies also support senior and youth activities within sports clubs. Via the Hello Sweden organisation, the Lindab Group supports promising Swedish athletes and others on their way to the top. In other instances, involvement within sport takes the form of sponsorship as Lindab aims to reach a wider audience and thereby strengthen the brand. An example of this is the Lindab Arena, which provides Lindab with natural exposure through the efforts of the Eliteserien Ice-hockey club Rögle. Another example is the annual contribution to the ATP tennis tournament, the Swedish Open in Båstad. There are other similar forms of sponsorship in other places, but on a lesser scale.

Lindab has been a long-time supporter of Cancerfonden, which leads the way in the funding of cancer research in Sweden. Many Lindab companies have also chosen to offer support to local charities. The support is given, for example, through donations to international and local organisations such as Chance 4 Children in their work with young people with various types of difficulties and the Jedlička's Institute, which helps disabled people integrate into society. Sports activities are sponsored locally for both juniors and adults.

Government Assistance

Received contributions amounted to approximately SEK 26 m in 2009. The majority, 85 percent, was national support for reduced working hours, primarily in Luxembourg. The remainder consisted mainly of training and freight support.

Cy-nergy secures leadership for Building Systems



Lindab's calculation software for Building Systems, Cyprion, has been enhanced with a new module for energy efficiency. The new user-friendly energy calculation module, called Cy-nergy, allows builder-dealers to adapt buildings to Germany's existing energy-saving regulation (EnEV) and the reference standard DIN V 18599.

"This tool is very important in the calculation process, especially as a support to property owners and architects when deciding on the type of insulation to use," says Horst Stöhr, Managing Director of the successful building dealer KPS Hallen+Bausysteme GmbH from Thüringen. "Furthermore, this programme is central to making decisions about the type of accessories and heating systems to use." A major advantage for Horst Stöhr is the built-in flexibility with regard to optimising the building. "With just a few clicks you can try several different solutions. That makes my job much easier."

Crucially, Stöhr thinks that Cy-nergy gives his company a strong competitive edge. "Cy-nergy's results demonstrate our skills and show how much better prepared we are than others. This is recognised by both property owners and architects since this complex subject is often pushed to one side by many of our competitors. Sometimes they will even go back after receiving the order and ask for supplements in order to make adjustments to meet the standards. Thanks to Cy-nergy, we can handle the optimisation and calculations professionally and reliably."

"Right now we are preparing a tender for a manufacturing unit in eastern Germany. With Cy-nergy, we can show the customer what the outcome will be depending on different choices of insulation, heating systems and construction techniques in order to arrive at the best solution. Thanks to Cy-nergy, the customer receives professional support and the right decisions can be made early in the planning phase."

With Cy-nergy, we can handle calculations professionally and reliably.

The 'Port du Sud' business park outside Strasbourg, France

A word from the Chairman

Corporate governance of the Lindab Group
Good corporate governance is a prerequisite for long-term sustainable development with good returns. One of Lindab's core values is "neatness and order". This is also firmly rooted within the organisation and supports good corporate governance.

The procedures regarding control, decision-making and various policies are constantly being evaluated and examined in order to strengthen Lindab's corporate governance. These procedures and policies are based on the Swedish Companies Act, and have also been adapted to Lindab's operations and the conditions in the markets where Lindab is active. In 2009, the department for Internal Control has strengthened our work in this aspect.

Lindab strives for transparency in its reporting so that shareholders and other stakeholders can continuously monitor the Group's development.

It is important to have good practices and good corporate governance, especially in difficult external conditions such as the financial crisis which has characterised our world throughout 2009.

Lindab adheres to the Swedish Code of Corporate Governance in every respect.

Grevie, February 2010

Svend Holst-Nielsen
Chairman of the Board

Corporate governance report

Lindab International AB is a Swedish public limited company, which according to the Articles of Association develops, produces and sells products to both the ventilation industry and the construction industry. Lindab is quoted on the Nasdaq OMX Nordic Exchange, Stockholm.

Lindab abides by the Swedish Code of Corporate Governance. The corporate governance report, including the remuneration of senior executives and the report on internal control, is reviewed by the company's auditor.

Lindab attaches great importance to corporate governance and this is supported by Lindab's core value, Neatness and Order. The corporate governance of Lindab is based formally on the Articles of Association, the Companies Act, the adopted rules of procedure, the regulations of the Stockholm Stock Exchange, the Swedish Code of Corporate Governance and other applicable Swedish and foreign laws and regulations. Lindab's corporate governance is clarified on page 56.

Deviations

There are no deviations from the company code.

Share capital and shareholders

Lindab's share capital amounted to SEK 78,707,820 at the end of the year. All shares have a face value of SEK 1, which means that there is only one class of share, numbering 78,707,820. Each share entitles the holder to one vote and an equal right to a share in the company's assets and results. Following the buy-back in 2008, Lindab holds 3,935,391 treasury shares. The number of outstanding shares therefore amounts to 74,772,429. Lindab has no voting rights for the repurchased shares. There were 7,908 shareholders (7,314) at 31 December 2009. The three largest shareholders, in relation to the number of outstanding shares were Ratos with 23.7 percent (23.7), Livförsäkringsaktiebolaget Skandia with 12.1 percent (12.3) and the Sjätte AP-fonden with 11.1 percent (11.8). More information about Lindab's shareholders and the share development in 2009 can be found on pages 14–15.

Annual General Meeting

The Annual General Meeting for the financial year 2008 was held on 6 May 2009 in Boarp, in the municipality of Båstad. 129 shareholders participated. The minutes from the 2008 Annual General Meeting are available on the company's website. In addition to ordinary matters, the meeting adopted decisions regarding:

- principles for the appointment of the Nomination Committee, see below
- principles for the remuneration of senior executives
- introduction of the second part of a three-year incentive programme consisting of a maximum of 784,000 share warrants.

The Annual General Meeting for the financial year 2009 will take place on 11 May 2010 at 13.00 (CET) in Boarp, Båstad. In accordance with the Articles of Association, notice to attend the Annual General Meeting will be published in Post och Inrikes Tidningar and Dagens Industri. Shareholders wishing to attend the meeting must be entered into the company's share register five days before the meeting, i.e. 5 May 2010, and must notify the company as specified in the notice to attend the 2009 Annual General Meeting. Shareholders who wish to have a matter discussed at the Annual General Meeting must, as specified on the company's website, submit these to the Chairman no later than 26 March 2010.

Nomination Committee

At the Annual General Meeting in May 2009, it was decided that the company shall have a Nomination Committee consisting of at least four members, one of whom will be the Chairman of the Board. The Chairman is instructed to appoint a Nomination Committee, in consultation with the largest shareholders, prior to the 2010 Annual General Meeting. The mandate period for the Nomination Committee runs until a new Nomination Committee has been appointed. Unless otherwise agreed upon by the members, the Chairman of the Nomination Committee must be the member representing the shareholder controlling the largest number of votes. Accordingly, the company's major shareholders appointed a Nomination Committee. On 23 October 2009, the company announced the Nomination Committee's appointments. These are:

- Arne Karlsson, representative for Ratos AB (publ), Chairman
- Caroline af Ugglas, representative for Livförsäkringsaktiebolaget Skandia
- Urmas Kruusval, representative for Sjätte AP-fonden
- Svend Holst-Nielsen, Chairman of Lindab International AB.

In accordance with the decision of the Annual General Meeting, the Nomination Committee shall evaluate the work and structure of the Board of Directors and produce proposals for the 2010 Annual General Meeting with regards to:

- election of Chairman for the meeting
- the election of the Board and Chairman of the Board
- election of auditors in consultation with the Audit Committee
- fees for the Board of Directors and auditors.

The Nomination Committee has held three minuted meetings, at which all members have been present.

The company's website states that shareholders wishing to make contact with the Nomination Committee can send:

- an email to carlgustav.nilsson@lindab.com (subject "To the Nomination Committee") or,
- a letter addressed to "Lindab's Nomination Committee", Carl-Gustav Nilsson, Lindab International AB, SE-269 82 Båstad, Sweden.

The Board of Directors

At the Annual General Meeting on 6 May 2009, it was decided that the Board of Directors would consist of eight members without deputies. The company's President is the spokesperson for the Board of Directors. Its composition and the members' different appointments are detailed below and on pages 60–61 of the Annual Report.

The work of the Board of Directors

The work of the Board of Directors is governed by rules of procedure approved annually. The rules of procedure include the instructions to the Company's President, the duties of the Chairman, the Board's meeting procedures as well as the decision-making procedures together with instructions and policies. All documents have been adapted to Lindab's business and organisation. The company's President, David Brodetsky, as well as the CFO, Nils-Johan Andersson, have been present at Board meetings, as well as the secretary of the Board, Chief Legal Counsel Carl-Gustav Nilsson, who has taken the minutes.

During 2009, the Board of Directors met 14 times including 7 additional meetings. At each meeting, the financial performance was reported and followed up. The Board had one meeting with the auditors without the President and CFO present, at which the financial statements were reviewed. Key issues raised specifically at Board meetings are shown separately.

An evaluation of the work of the Board took place during 2009. The evaluation was conducted externally and was based on the same principles as for the evaluation conducted the previous year, with the addition of the views expressed by the company management in the evaluation. The assessment was that the composition of the Board of Directors is good, it performs its duties very well, and that the dialogue between the Board and the Company's management is good.

Remuneration of the Board of Directors

At the Annual General Meeting on 6 May 2009, the total fees of SEK 2,960,000 were established, comprising Board fees of SEK 2,800,000, fees to the Audit Committee of SEK 90,000 and fees to the Remuneration Committee of SEK 70,000, see below.

Key issues at each Board meeting:

- *10 February* – Year end and Annual Reports, proposals for the AGM, budget matters, acquisition issues.
- *11 February* – Year end and Annual Reports, auditors present.
- *23 March* – Performance monitoring, cost-reduction programme and financing issues.
- *22 April* – AGM matters.
- *6 May* – Interim report, cost-reduction programme.
- *6 May* – Post-electoral Board meeting.
- *3 June* – Cost-reduction programme, financing matters.
- *25 June* – Sales and performance development, cost-reduction programme, financing matters.
- *16 July* – Interim report, projection.
- *3 September* – Visit to subsidiaries, performance monitoring, financing matters, acquisitions.
- *24 September* – Sales and performance development, financing matters, strategic matters.
- *13 October* – Financing matters.
- *27 October* – Performance monitoring, projection, acquisitions.
- *17 December* – Performance monitoring, budget, strategic matters, acquisitions.

The Board's fees

Name	Function	Board fees	Committee fees	Total
Svend Holst-Nielsen	Chairman	650,000	50,000	700,000
Pontus Andersson	Member	25,000	-	25,000
Erik Eberhardson	Member	300,000	-	300,000
Per Frankling	Member	300,000	50,000	350,000
Ulf Gundemark	Member	300,000	20,000	320,000
Anders C. Karlsson	Member	300,000	20,000	320,000
Stig Karlsson	Member	300,000	20,000	320,000
Hans-Olov Olsson	Member	300,000	-	300,000
Markku Rantala	Member	25,000	-	25,000
Annette Sadolin	Member	300,000	-	300,000
Total		**2,800,000**	**160,000**	**2,960,000**

The Board of Directors

	Number of meetings present			Elected		
Name	The Board 14 meetings	Remuneration Committee 5 meetings	Audit Committee 4 meetings	Year	Company	Ownership
Svend Holst-Nielsen, Chair.	14	5	4	1995	Independent	Independent
Pontus Andersson[3]	14			1995		
Erik Eberhardson[1]	9			2009	Independent	Independent
Per Frankling[1]	9	5	4	2009	Independent	Dependent
Ulf Gundemark[1]	8	5		2009	Independent	Independent
Anders C. Karlsson	12		3	2001	Independent	Dependent
Stig Karlsson	14		4	2004	Independent	Dependent
Hans-Olov Olsson	12			2001	Independent	Independent
Markku Rantala[3]	14			1998		
Annette Sadolin	14			2006	Independent	Dependent
Kjell Åkesson[2]	4			2003	Dependent	

1) Elected on 6 May 2009, mandate period extending over nine meetings.
2) Resigned on 6 May 2009, mandate period extending over five meetings.
3) Employee representative.

Remuneration Committee

The Remuneration Committee consists of the Chairman of the Board, Svend Holst-Nielsen, as Chairman, and the Board members Per Frankling and Ulf Gundemark. The Committee shall assist the Board of Directors to prepare proposals for principles of remuneration of the executive management, to be approved by the Annual General Meeting. The Committee is also responsible for preparing questions regarding remuneration of the executive management, to be decided by the Board of Directors. The Remuneration Committee was appointed at the Board meeting held on 6 May 2009 and has held five minuted meetings. During 2009, the Remuneration Committee has dealt with issues relating to the remuneration of senior executives regarding the results for 2008, targets for variable remuneration in 2009, and the incentive programme.

Audit Committee

The Audit Committee consists of Per Frankling (Chairman), Svend Holst-Nielsen, Stig Karlsson and Anders C. Karlsson. The Audit Committee will ensure the quality of the financial statements, maintain ongoing contact with the auditors, evaluate the auditing work, assisting the Nomination Committee in its preparations for the election of auditors, ensure that the company has a proper system for internal control, and manage other related issues. The Audit Committee has held four minuted meetings. At three meetings, the auditors have been present as well as the CFO, the manager for internal control, and the Chief Legal Counsel. The President participated on one occasion. The audit was planned and carried out at these meetings and the quality of financial statements was guaranteed. Furthermore, the Audit Committee has undertaken the procurement of audit services for 2010–2013 to be proposed to the 2010 Annual General Meeting.

Auditors

At the 2008 Annual General Meeting, Ernst & Young were elected, together with the authorised public accountant Ingvar Ganestam, to be the company's auditors for a term that will expire at the Annual General Meeting in 2010. Ingvar Ganestam is also commissioned by other listed companies, but this does not encroach on the time necessary to carry out his work for Lindab. The auditor is not performing any services that could bring his independence into question. Nor have the services performed by the auditor for Lindab over and above the auditing services altered this opinion.

Auditors' fees

For 2009, the auditors' fees for the parent Company amounted to SEK 1.0 m and SEK 8.6 m for the Group. In addition to that, their fees for other assignments in the Group amounted to SEK 4.3 m. Assignments have included advice on tax matters, investigation and analysis in connection with acquisitions, divestments and investigations into certain accounting matters.

Rules of procedure

At the Annual General Meeting on 6 May 2009, the Board of Directors adopted rules of procedure for determining the distribution of duties between the Board of Directors and its committees, the Chairman's role, decision-making procedures and issues regarding financial reporting and internal control. The rules of procedure include the President's instructions for the clarification of the President's duties and responsibilities.

The Board of Directors has also established guidelines for the company's and Group's governance. These guidelines are explained below:

Code of Ethics

For Lindab and all its employees, it is important that laws, regulations and general ethical values are respected and followed. Lindab has insured itself of this through Lindab's Code of Ethics, implemented at the start of 2007, which is continuously followed up.

Finance Policy

This governs how the Lindab Group manages financing issues, fixed interest periods, liquidity and currency exposure, see note 3.

Information Policy

The policy ensures that coherent and correct information about Lindab and its business, including financial targets, is received externally, and that Lindab fulfils the requirements of the Stock Exchange regarding information to the stock market.

Insider Policy

This contains rules in order to prevent improper trading in shares or other financial instruments in Lindab by individuals who possess information that is not known by the market.

IT Policy

Lindab's IT Policy contains comprehensive rules for the Group's IT use and management. The goal is to ensure access to the IT structure that has been built to enable the business to be run effectively. It contains rules about how the data centres will be organised, including the management of critical IT equipment, access to support, backup procedures, and system administration.

Competition Law Policy

It is important that the Group and its employees observe competition legislation. The adopted Competition Law Policy, which was implemented partly through the training of approximately 450 senior executives and Group employees, protects against breaches of competition law.

Environmental Policy

An international Environmental Policy was adopted in 2007. Lindab's work with environmental matters is reported on pages 42–45.

Executive management

Lindab's operations are divided into Business Areas. During 2009, the business consisted of two business areas and from 1 January 2010 the business is divided into three business areas. The Group management consists of the President, the Group's business area managers, the CFO and the directors for HR, Legal & IPR. This group structure ensures that the decision-making paths are short.

Overview of Governance in the Group

Shareholders
Shareholders' right to decide about Lindab matters is exercised at the Annual General Meeting or, where appropriate, at the Extraordinary General Meeting, which is Lindab's highest decision-making body. The Annual General Meeting is usually held in May in Båstad. The meeting decides upon matters referred to in the Companies Act or the Company Code.

Nomination Committee
The Nomination Committee submits proposals regarding various issues to the Annual General Meeting. See page 53.

Audit Committee
The main task of the Audit Committee is to ensure compliance with the established principles for the financial statements and internal control. See page 55.

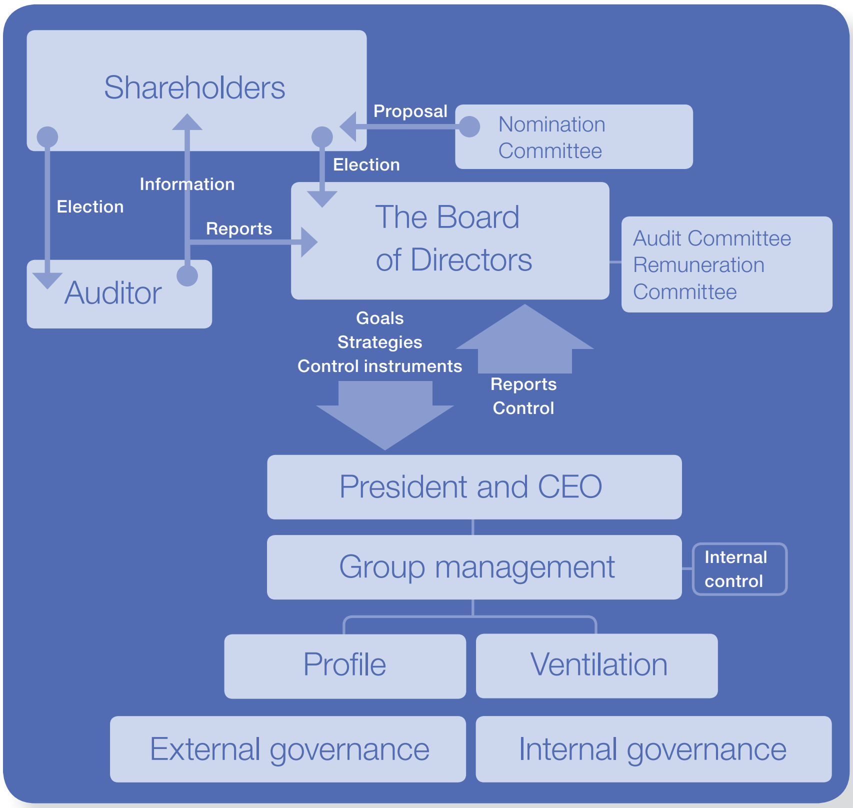
Remun. Committee
Remuneration Committee assists the Board of Directors on remuneration issues. See page 55.

The Board of Directors
Composition of the Board of Directors
The Board of Directors consists of eight members. The employees have appointed two members and two deputies to the Board of Directors. The President is the spokesperson for the Board of Directors. The Group's CFO participates in Board meetings, as does the Group's Chief Legal Counsel who is secretary to the Board of Directors. The Board of Directors has established two committees, the Audit Committee and the Remuneration Committee.

The Chairman's responsibilities
The Chairman leads the Board's work and follows its activities in dialogue with the President and is responsible for other Board members receiving the information and documentation necessary for high quality discussions and decisions. The Chairman represents the company in matters regarding ownership.

The work and responsibilities of the Board of Directors
The Board of Directors ensures that the Group's organisation, management and guidelines for the management of the Group's concerns are appropriate and that the internal control is satisfactory. In addition, the Board of Directors' responsibilities include the establishment of policies and objectives, establishing internal control instruments, deciding upon key well-defined matters, issuing the financial statements, as well as evaluating the operational management and ensuring succession planning. The Board of Directors' responsibilities include supervision of the President through continuous monitoring of operations.

The Board of Directors' responsibility for the financial statements
The Board of Directors ensures the quality of the internal financial statements through directing the President, and by directing the financial statements to the Board of Directors. Furthermore, the Board of Directors ensures the quality of the external financial statements through the detailed discussion of interim reports, Annual Reports and year-end report at Board meetings and during reviews with the auditor.



Auditor
Lindab's elected auditor reviews the company's Annual Report and accounts, as well as the management of the Board of Directors and the President. The auditor works according to an audit plan and reports his findings to the Executive Management and the Audit Committee throughout the year and once annually to the Board of Directors. The auditor also participates at the Annual General Meeting to deliver the auditor's report describing the review process and the observations made.

External governance
The external corporate governance consists of Swedish and foreign company law, Stock Exchange rules, the company code and other legislation which compellingly of dispositively governs Lindab's activities and corporate governance.

Internal governance
The internal corporate governance comprises the adopted rules of procedure together with instructions and policies based on Lindab's core values. See page 55.

The President and Group management
The President leads the operations according to the framework established by the Board of Directors, including the instruction of the President. In consultation with the Chairman of the Board, the President provides the information and documentation necessary for the Board of Directors in order to be able to make informed decisions. The President presents issues and justifies proposal for decisions, and reports to the Board of Directors regarding Lindab's performance. The President leads the Group management work and makes decisions in consultation with the other members of the management team.

Internal control and risk management
The internal control function for Lindab is reported directly to the CFO and Lindab's Audit Committee. The basis for the internal control of the financial statements comprises the overall control environment that has been established by the Board of Directors and the management. See page 58.

Remuneration to senior executives

Remuneration principles

At the 2009 Annual General Meeting, guidelines for the remuneration of senior executives were established. The guidelines are based on remuneration that is based on the market and the environment in which the executives operate. The remuneration should be competitive, facilitating recruitment and motivating employees to remain with the company.

The remuneration will consist of fixed salaries, variable salaries, benefits and pensions. The fixed salaries and benefits will be established individually, based on the above and on the specific skills of the post holder. The variable salary will be based on clear goals, be awarded as a percentage of the fixed salary and will thus have a fixed ceiling. The pension will be a defined-contribution plan and shall be based on the same principles as for the fixed and variable remuneration. At the Annual general Meetings in 2008 and 2009, an incentive programme was also introduced.

In special cases, the Board of Directors has the right to waive the guidelines. During 2009, the Board of Directors has not exercised this mandate.

Remuneration and other benefits for the Group management are shown in the table below. In addition, SEK 5.5 m has been recorded relating to payroll overheads including special employer's contributions on pensions.

Remuneration of the President

David Brodetsky's fixed salary for 2009 totalled SEK 4,700,000 for the full year with a variable salary of up to 75 percent of the fixed salary. The right to pension contributions amounts to 40 percent of the fixed and variable salary, but at least 55 percent of the fixed salary. In addition, David Brodetsky has the right to free accommodation for the duration of his employment, and during a transition period of two years (2009–2010) this right also includes current costs and compensation for the tax effect of the benefit. David Brodetsky's right to pension contributions is hedged in EUR and, as from 1 January 2010, his fixed and variable salary will also be hedged in EUR. In addition, David Brodetsky has the right to a free car and certain other benefits. What David Brodetsky received in 2009 is detailed below. The employment runs with a notice period of one year from the company and six months from David Brodetsky. David Brodetsky is bound by a non-competition clause that is valid for one year from the termination of employment, during which he is entitled to remuneration equivalent to fixed and variable parts, plus the right to pension contributions as described above.

Variable salary

Variable remuneration is based on the principles described in the section Remuneration principles. For 2009 an additional agreement was made that a certain level of profitability must be achieved. This level has not been achieved however and therefore no variable remuneration has been paid.

Remuneration to Group management in general

In 2009, the Group management included Nils-Johan Andersson, Peter Andsberg, Venant Krier, Carl-Gustav Nilsson and Anders Persson. Hannu Paitula was part of the Group management up to and including 30 June 2009. The remuneration to Group management follows the guidelines adopted by the Annual General Meeting. The employment contracts contain notice periods of up to 24 months and are bound by non-competition clauses.

Remuneration and other benefits for the Group management 2009

SEK	David Brodetsky	Remuneration of other Group management	Total
Fixed salary incl. holiday pay	4,743,866	12,897,857	17,641,723
Variable salary	-	-	-
Incentive programme	521,715	1,566,104	2,087,819
Pension expenses	2,133,771	4,796,344	6,930,115
Benefits	242,110	840,345	1,082,455
Total	**7,641,462**	**20,100,650**	**27,742,112**

Incentive programme

At the 2009 Annual General Meeting, the second part of a three-year incentive programme consisting of warrants was adopted. 68 employees were invited to subscribe for a total of 784,000 warrants. The price per warrant was fixed at SEK 6.00 in early November, entitling the holder to subscribe for one share in Lindab International for SEK 89.10 between 1 June 2011 and 31 May 2012. The warrants have been externally valued according to the Black-Scholes option pricing model. The participants' purchase of warrants is subsidised by a cash contribution, which after tax, amounts to half the acquisition cost spread over a period of three years, provided that the participant remains employed within the Group and continues to hold the warrants. The expenses for 2009 amounted to SEK 8.2 m. At full utilisation, these shares represent approximately one percent of the shares in the company. It is the intention of the Board of Directors to propose that a similar programme be adopted at the Annual General Meeting in 2010. Since there are no older incentive programmes and the outcome of the current programmes cannot be identified, an evaluation of the current programmes cannot yet be made.

The Board of Directors' report on internal control

The Board of Directors' Report on Internal Control for the Financial Year 2009

Lindab's Board of Directors is responsible for internal control in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance. Lindab's financial statements comply with the laws and regulations applicable to companies listed on the Nasdaq OMX Nordic Exchange in Stockholm and the local rules in each country where business is conducted. The Board of Directors will issue a report on how the internal control over financial reporting is organised. There is no mandatory need for the report to be reviewed by the auditors, but it shall form part of the corporate governance report. Lindab internal control meets its objectives for the financial statements.

The objectives of Lindab's financial statements are:

- To be correct and complete and comply with applicable laws, rules and recommendations.
- To provide an accurate description of the company's operations.
- To support a rational and informed assessment of the business.

In addition to these objectives, the internal financial statements will provide support to correct business decisions at all levels within the Group.

The Board of Directors' description of the internal control uses the structure found in COSO's (Committee of Sponsoring Organizations of the Treadway Commission) framework as its starting point for internal control. This report has been established against this background.

Control environment

In order to create and maintain a working control environment, the Board has established a number of fundamental documents that are important for financial statements. These specifically include the Board of Directors rules of procedure, instructions for the President and the committees. The primary responsibility for enforcing the Board of Directors' instructions regarding the control environment in the daily routines resides with the President. He reports regularly to the Board of Directors as part of established routines. Furthermore, there will be reports from the company's auditors.

The internal control structure also builds on a management system that is based on the company's organisation and methods of running the business, with clearly defined roles, areas of responsibility and delegated authorities. The controlling documents also play an important role in the control structure e.g. policies and guidelines including the Code of Ethics, which also includes business ethics. The controlling documents concerning accounting and financial statements comprise the most important parts of the control environment with regards to the financial statements.

These documents are continuously updated when, for example, there are changes to accounting standards, legislation and listing requirements.

Risk Assessment

The Group carries out an ongoing risk assessment for identifying material risks regarding the financial statements. With regards to the financial statements, the main risk is considered to comprise material misstatements in the accounts e.g. regarding book keeping and the valuation of assets, liabilities, income and expenses or other discrepancies. Fraud and losses through embezzlement are a further risk. Risk management is built into each process and different methods are used for evaluating and limiting risks and for ensuring that the risks that Lindab is exposed to are managed in accordance with determined policies, instructions and established follow-up routines. The purpose of this is to minimise possible risks and promote correct accounting, reporting and the release of information.

Control Activities

These are intended for managing the risks that the Board of Directors and management consider to be significant for the business, the internal control and the financial statements.

The control structure partially consists of clear roles within the organisation which facilitate effective distribution of responsibilities for specific control activities, with the aim of discovering and preventing the risk of errors in the reports in time. Such control activities can be clear decision making and decision procedures processes for major decisions such as acquisitions, other types of larger investments, divestments, agreements, analytical follow-ups etc.

An important task for Lindab's staff is also to implement, further develop and enforce the Group's control routines and to implement the internal control for dealing with critical business matters. Those responsible for the process at different levels are responsible for implementing the necessary controls regarding the financial statements. In the annual accounts and reporting processes, there are controls pertaining to valuation, accounting principles and estimates. All units have their own controllers/financial managers who undertake an evaluation of their own reporting. The continual analyses made of the financial statements, together with the analyses made at Group level, are very important for ensuring that the financial statements do not contain any material misstatements. The Group's controller organisation plays an important role in the internal control process and is responsible for ensuring that the financial statements from each unit are correct, complete and on time.

Information and communication

Lindab has internal information and communication channels that aim to promote completeness and correctness in financial statements, e.g. through steering documents in the form of internal recommendations, guidelines and policies relating to the financial statements. Through regular updates and messages, the employees concerned are made aware of, and have access to, information about changes to accounting principles and reporting requirements or other released information. The organisation has access to policies and guidelines through the Group's intranet (Lindnet).

The Board of Directors receives monthly financial statements. The external information and communication is notably governed by the Information Policy, which describes Lindab's general principles for the release of information.

Follow up

The Group's adherence to the adopted policies and guidelines is followed-up by the Board and the Executive management. The Company's financial situation is discussed at each Board meeting. The Board of Directors' Remuneration and Audit Committees play important roles with regards to, for example, remuneration, financial reporting and internal control.

Before the publication of Interim Reports and Annual Reports, the Board of Directors reviews the financial statements. Lindab's management conducts monthly follow-ups of results with analyses of deviation from budget, projection and previous years. All monthly accounts are discussed with each of the business areas' management. The external auditors' tasks include an annual review of the internal control in Group companies. The Board of Directors meets with the auditors three times each year, partly to go through the internal controls and partly, in specific cases, to give the auditors additional assignments to undertake specific internal controls. The auditors' assessment is that the internal controls are good.

Internal control

Since 2008, Lindab has had an established function for risk-assessment that reports directly to the CFO as well as periodically to Lindab's Audit Committee. In 2009, this function has continued to develop internal controls through audits according to an annual plan and through the development of Group policies and guidelines. This work has included offering advice to corporate functions in connection with the update of Group-wide policies and various internal control issues within the organisation. To the extent that control measures consist of visits to subsidiaries, the activity is carried out according to a developed and advanced control process, which has been continuously developed during the year in order to optimise the approach and provision of worthwhile reports. 11 subsidiaries have been visited altogether. Internal control has also continued work to develop a uniform risk management process that further strengthens the governance of the Group's operations.

Internal control is a dynamic process, evolving in line with the changes to a business's internal and external conditions. This aims to ensure that the Group's objectives are met in terms of appropriate and effective processes, that the financial statements are prepared in accordance with applicable laws and regulations to provide a reasonable assurance of reliability.

The internal control function is a support and complement for the business and works on behalf of the executive management to improve internal governance and control.

Lindab has no specific audit function (internal audit). The Board of Directors has assessed that there are no special circumstances in the business to justify establishing such a function.

Grevie 4 March 2010

The Board of Directors of Lindab International AB

As an extension of our audit, which is reported in our Auditors' Report dated 4 March 2010, we have on behalf of the Board, reviewed the Corporate Governance Report (pages 53-59) for Lindab International AB in 2009. Based on our review, nothing has come to our attention that causes us to believe that the Corporate Governance Report does not comply with the guidelines contained in the Swedish Code of Corporate Governance.

Båstad 4 March 2010

Ernst & Young AB

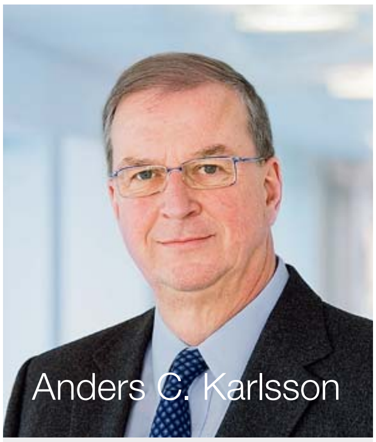
Ingvar Ganestam
Authorised Public Accountant

The Board of Directors

Born 1940.
Elected to the Board in 1995, independent.
Chairman of the Board since 1998.
Chairman of the Boards of Sreg International AB, Spendrups Bryggaktiebolag and Glashuset Design Studio Malmö AB. He was previously the President of Unilever's Nordic region and a member of Unilever's European management team.
Main qualifications: MBA, School of Business and Economics in Copenhagen.
Holding: Indirectly 200,000 shares through HB Life and Pension Ltd.

Born 1971.
Elected to the Board in 2009, dependent of the shareholder Ratos AB.
Investment Director at Ratos, where he has been employed since 2000 and has responsibility for Ratos's holdings in Lindab, Jøtul, Medisize and Contex. From 2001–2006 he was a deputy member of Lindab's Board. Per Frankling is a member of the board of directors of Jøtul AS, Contex Holding A/S and Medisize Oy.
Main qualifications: MBA and MSc.
Holding: 0 shares.

Born 1970.
Elected to the Board in 2009, independent.
Has extensive experience from Russia and the Ukraine. President of Volvo Ukraine LLC between1996–2000 and of Volvo Construction Equipment in the CIS and Russia from 2002 until 2005. Between 2005 and 2009, he held various positions in OJSC "GAZ", Russia's largest manufacturer of commercial vehicles, as Strategic Manager, President and Chairman. Between 2008 and 2009 he was included in the Board of Magna International Ltd. CEO and owner of Ferronordic LLC since 2009.
Main qualifications: MBA, Uppsala University.
Holding: 0 shares.



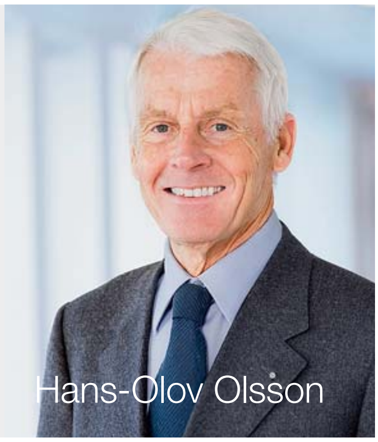
Born 1950.
Elected to the Board in 2001, dependent of the shareholder Ratos AB.
Industrial Advisor, Ratos. Chairman of the Boards of Inwido AB, AH Industries A/S, H+H International A/S, WSP Europe AB, IPEG AB and Rapid Granulator AB. Board member of WSP Group plc., Ludesi AB, ATO Fritid AB, Lasabotte AB and Anders C. Management AB. Formerly a member of Skanska's Group Management responsible for Industry and Europe.
Main qualifications: MBA, Uppsala University.
Holding: Indirectly 57,600 shares through Lasabotte AB.

Born 1947.
Elected to the Board in 2006, dependent of the shareholder Ratos AB.
Chairman of the Board of Ostre Gasvaerk Teater. Board member of Ratos, Topdanmark A/S, DSV, DSB, Skodsborg Kurhotel og Spa A/S and Danish Standards. Formerly a member of the management board of GE Frankona Re, Munich and GE Employers Re, Copenhagen.
Main qualifications: B.A. in Law from the University of Copenhagen and the Special Law Program, Columbia University, New York.
Holding: 0 shares.

Born 1952.
Elected to the Board in 2004, dependent of the shareholder Ratos AB.
Industrial Advisor, Ratos. Chairman of the Boards of Haglöfs Scandinavia AB and Diab Group AB. Also a Board member of HL Display AB, Lagerstedt & Krantz AB and EDB Business Partner ASA. Formerly President of Atle Tjänste och Handel.
Main qualifications: B.A. in Economics, Örebro University.
Holding: 0 shares.

Born 1951.
Elected to the Board in 2009, independent.
Ulf has broad international experience and was Business Area Manager at ABB, Global Utilities Manager at IBM and most recently, heading up the Nordic, Baltic, Russian and Chinese operations within Hagemeyer/Elektroskandia. Ulf Gundemark is a member of the Boards of Papyrus, Constructor Group and AQ Group, and is the Chairman of the Board of Bridge to China.
Main qualifications: M.Sc.
Holding: 0 shares.

Born 1941.
Elected to the Board in 2001, independent.
Formerly Chairman of the Board and President of Volvo Personvagnar 2000–2006. Member of Ford's senior management in 2006. Chairman of the Board of Chalmers Tekniska Högskola AB, Deputy Chairman of Vattenfall AB, Board member of Elanders AB and AB SKF. Member of Rothschild's European Advisory Board.
Main qualifications: M.A. in Economics from the University of Gothenburg. Honorary doctorate in Economics from the School of Business Economics and Law at the University of Gothenburg.
Holding: 57,600 shares.



Born 1952.
Elected to the Board in 1998.
Employee representative with LO (Swedish Trade Union Confederation). Employed since 1993 and currently working as Chairman of the local union branch of Lindab IF Metall.
Holding: 250 shares.

Born 1966.
Elected to the Board in 1995.
Employee representative with Unionen (Swedish Union of Clerical and Technical Employees in Industry). Employed since 1987 and currently working as a development engineer. Has professional qualifications in engineering.
Holding: 250 shares.

Deputy employee representatives

Niklas Klang, born 1967.
Elected to the Board in 2009.
Deputy employee representative. Employed since 1993 and currently working as a machine operator rigger at Lindab Profil AB. Qualified engineer. Not pictured.

Staffan Råberg, born 1947.
Elected to the Board in 2004.
Deputy employee representative. Employed since 1988 and currently working with internal sales at Lindab Steel AB. Has professional qualifications in engineering. Not pictured.

Group management

David Brodetsky
Born 1955.
President and CEO.
Employed since 2005.
Holding: 40,200 shares and 117,050 share warrants.

Nils-Johan Andersson
Born 1962.
CFO.
Employed since 1999.
Holding: 164,295 shares and 54,000 share warrants.

Peter Andsberg
Born 1966.
Manager Profile business area – Building Components.
Employed since 1990.
Holding: 66,375 share warrants through legal entities.

Venant Krier
Born 1958.
Manager Profile business area – Building Systems.
Employed since 2005.
Holding: 1,252 shares and 54,000 share warrants.

Carl-Gustav Nilsson
Born 1950.
Chief legal Counsel.
Employed since 2002.
Holding: 95,700 shares, 15,000 shares through legal entities and 52,375 share warrants.

Anders Persson
Born 1950.
HR Director.
Employed since 1988.
Holding: 126,720 shares and 14,000 share warrants.

Anders Thulin
Born 1963.
Manager Ventilation business area.
Took up post on 1 March 2010.
Holding: 0 shares and 0 share warrants.
Not pictured.

Auditor
Ingvar Ganestam
Born 1949.
Authorised Public Accountant, Ernst & Young AB, Malmö.
Auditor to Lindab since 2002.
Re-elected at the AGM in 2006. Auditor responsible since Ernst & Young was elected auditor in 2008.
Lengthy experience of auditing companies quoted on the stock exchange.


Carl-Gustav Nilsson
Peter Andsberg
Venant Krier
Nils-Johan Andersson
David Brodetsky
Anders Persson

Directors' report

The Board and the President of Lindab International AB, Corporate ID no. 556606-5446, registered in Sweden and with headquarters in Båstad, hereby present their Annual Report for the financial year of 2009.

Business

Lindab develops, manufactures, markets and distributes products and system solutions in steel for simplified construction and improved indoor climate. The business is carried out within two business areas, Ventilation and Profile, and its products are characterised by their high quality, ease of assembly, energy efficiency and environmentally-friendly design and are delivered with high levels of service. Altogether, this increases customer value.

The Lindab share and ownership

Lindab International AB constitutes the parent company of the Lindab group. The Lindab share is quoted on the Nasdaq OMX Nordic Exchange "Large Cap", list for large companies, under the ticker symbol LIAB.

The company had a market capitalisation of SEK 5,496 m (3,626) and 7,908 (7,314) shareholders at 31 December 2009. The largest shareholder is Ratos AB, owning 23.7 percent (23.7). Subsequently, there are two institutional investors, Livförsäkringsaktiebolaget Skandia, which has a 12.1 percent (12.3) participating interest and Sjätte AP-fonden, with 11.1 percent (11.8). Combined, these three principal shareholders hold 46.9 percent (47.8) of the share capital and votes.

In 2008, Lindab repurchased 3,935,391 shares, corresponding to 5 percent of the total 78,707,820 outstanding shares. The repurchased shares continue to be held as treasury shares.

Further share-related information that must be included in the Directors' Report for listed companies, in accordance with paragraph 2a in Chapter 6 of the Swedish Annual Accounts Act, can be found in the statement of changes in equity on page 77 and in Note 6.

Company acquisitions and divestments

No new acquisitions were made during the year. By contrast, negotiations regarding purchase price for the acquisition of SIPOG a.s. in 2009 were completed, meaning an additional purchase price of SEK 41 m, plus interest and acquisition costs of SEK 3 m were recorded. The SIPOG group was consolidated from 1 September 2008. The first instalment on the purchase price of EUR 18 m was paid in 2008, and acquisition costs were additionally recorded corresponding to SEK 178 m. The acquisition now amounts to a total of SEK 222 m. The integration of SIPOG is expected to be fully completed by the end of 2010. In the previous year, Koto-Pelti Oy in Finland was also acquired.

During the third quarter, the operations of Folke Perforering AB in Borlänge, Sweden, were divested. The buyer was RMIG Sweden AB, which is the market leader in perforation in Europe. The sale price was SEK 15 m and the effect on cash flow, as well as the capital gain, was SEK 10 m.

The divestment is considered to have decreased Lindab's net sales by SEK 25 m compared with the results for 2008.

Segment reporting

Lindab's operations are managed and reported by business area, Ventilation and Profile. From the beginning of 2010 however, the existing Profile business area will be divided into two new business areas: Building Components and Building Systems. For more information, see note 7 on page 104.

The Group's financial targets

The Group's financial targets are that the organic growth in sales should be 6 percent per year and a operating margin of 14 percent annually. The net/debt equity ratio should lie within an interval of 1.0–1.4 times.

The targets have been difficult to achieve during the current recession, but they are realistic, achievable targets under normal economic conditions. The targets are long-term, and Lindab is continuously working to increase the rate of target fulfilment.

Dividend policy

The Group's dividend policy is to pay a dividend of 40–50 percent of the previous financial year's net income. According to the dividend policy, when presenting the proposed dividend, the Board must take into consideration Lindab's financial targets, acquisition opportunities, forecast future results, financial position, cash flow, credit terms and other factors. No guarantees can be given that a dividend will be proposed or accepted in any one year.

It is proposed that no dividend be paid in the current year.

Net sales

Net sales amounted to SEK 7,019 m (9,840), which is a decrease of 29 percent. Adjusted for the year's acquisitions and divestments, the decrease in net sales amounts to 30 percent. Currency effects have positively contributed 3 percent.

Net sales abroad amounted to SEK 5,701 m (8,075), a decrease of 30 percent, corresponding to 81 percent (82) of the Group's sales.

Market

Today, Lindab has its own operations in 31 countries. The main markets are the Nordic countries, the CEE/CIS and parts of Western Europe. The breakdown of sales is shown below.

Net sales by geographical market

SEK m	**2009**	**Share, %**	2008	Share, %
Nordic region	2,986	42	3,799	39
Western Europe	2,220	32	2,739	28
CEE/CIS	1,487	21	2,953	30
Other markets	326	5	349	3
Total	**7,019**	**100**	**9,840**	**100**

The CEE/CIS have been more severely affected by the global recession than the more mature markets in Western Europe and the Nordic region. In the long term however, the markets in the CEE/CIS will return as a growth region and with growth rates exceeding those in the West. These countries have a long way to go before they reach the same standard of living as the West and the need for the construction of new infrastructure and buildings is considerable.

The construction market is normally seen as being divided into three segments: residential, non-residential and facilities/infrastructure. Approximately 80 percent of Lindab's sales are to the market for non-residential construction, while residential accounts for the remaining 20 percent of sales.

Today, Lindab is a leading supplier of ventilation products and building components in the Nordic region, circular duct systems in parts of Western Europe and building components in parts of the CEE/CIS.

The general economic downturn and uncertainty in the financial markets negatively affected demand for Lindab's products throughout 2009. The declining trend in demand began to level off in the second half of the year however, and towards the end of the year some of Lindab's markets began to show signs of stabilisation.

Activity within new construction has been particularly weak, while the trend within the renovation segment was more stable, partially owing to government subsidies. In Sweden, a slight recovery in demand in the residential market could be observed in the fourth quarter.

The financial crisis and sharp economic downturn has meant that banks and financial institutions have become more restrictive with loans and are demanding higher risk premiums. Many players are consequently having difficulty obtaining financing for construction projects and have therefore been forced to postpone or cancel planned projects. The economic crisis has also meant that investors have generally become less inclined to take risks. These factors have particularly affected emerging markets such as the CEE/CIS.

Operating profit

The operating profit (EBIT) amounted to SEK 301 m, which is 76 percent lower than the previous year when it totalled SEK 1,279 m. The operating margin (EBIT), excluding one-off items, amounted to 4.3 percent (13.0). One-off items for 2009 amounted to SEK 47 m (116) net. The impaired profit is mainly explained by lower demand. Most countries in the CEE/CIS have been affected by the financial crisis. Many players are having difficulty obtaining financing for construction projects, forcing their postponement.

Lindab has implemented two cost and efficiency programmes during the year, aimed at reducing annual non-volume related expenses by SEK 300 m and SEK 250 m respectively. The programmes have been fully implemented and will achieve their full effect from the beginning of 2010. Adjusted for currency and structure, fixed costs, including production costs, selling and administrative expenses, have decreased by a total of SEK 461 m, compared to the previous year. The capacity to safeguard future growth opportunities has been retained however. Total one-off costs for the programmes amounted to SEK 174 m.

One-off items

For Lindab, one-off items are considered to exist in the case of events that are not among regular business transactions and when each individual amount is of a non-negligible size, and could therefore have an effect on the profit and key ratios.

Profit after financial items

Profit after financial items amounted to SEK 119 m (990). Net financial income amounted to SEK –135 m (–173). The decrease is mainly due to lower market rates of interest.

Net profit for the year

Net profit for the year amounted to SEK 34 m (723). The effective tax rate for Lindab was 72 percent (27). The high tax rate is partly due to fiscal adjustments, which have a greater impact on the tax rate at low profits and partly due to the adjustments made to deferred tax on loss carry-forwards, see also note 14.

Earnings per share

The after-tax earnings per share both undiluted and diluted amounted to SEK 0.45 (9.32). Since the current share price is lower than the conversion rate for the warrants in the incentive programme, no dilutive effect has been taken into account.

Comprehensive income after tax

The comprehensive income after-tax amounted to SEK –142 m (1,124). The concept has been included in the consolidated financial statements from 2009, according to a revision to IAS 1. Besides net income for the year, comprehensive income after tax also includes the translation differences that arise when the foreign operations are translated to SEK as well as an adjustment to the value of a cash flow hedge.

Depreciation/amortisation

The total depreciation/amortisation for the period amounted to SEK 225 m (225), of which SEK 11 m (10) related to consolidated amortisation of surplus value on intangible assets.

Investments

Gross investments for the whole of 2009, excluding acquisitions, amounted to SEK 182 m (301). The investments relate mainly to expansion and maintenance investments, primarily in the production facility in Russia for the Building Systems division.

Financial position

Return

The return on capital employed decreased to 4.3 percent (20.0) as a result of the lower profit.

The return on equity decreased to 1.1 percent (23.4).

The return on operating capital, adjusted for one-off items, decreased to 5.1 percent (22.8).

Cash flow

Cash flow from operating activities amounted to SEK 719 m (673). Despite a lower operating profit, cash flow improved by 7 percent, mainly due to lower working capital. Lindab has implemented a capital efficiency programme during the year aimed at reducing working capital by SEK 400 m. The target was surpassed and working capital has decreased by SEK 583 m, mainly to lower capital tied up in stock of SEK 722 m. Cash flow from investing activities has also improved compared with the previous year, amounting to SEK –188 m (–418). Adjusted for acquisitions and divestments this was SEK –158 m (–237). In the previous year, the acquisitions of the SIPOG Group and Koto-Pelti Oy resulted in cash flow decreasing by SEK 181 m, while investment in Russia was ongoing throughout the year.

Net debt/equity ratio and equity/assets ratio

At 31 December 2009, the net debt, which is the difference between interest-bearing assets and interest-bearing liabilities, was SEK 2,422 m (2,774). Interest bearing liabilities amounted to SEK 2,698 m (3,073), of which SEK 133 m (116) were provisions for pensions. The equity/assets ratio amounted to 40 percent (39). At the end of the year, the net debt/equity ratio amounted to 0.8 compared with 0.8 the previous year.

Net financial income

Net financial income for the full year was SEK –135 m (–173). The improvement is mainly due to lower market rates of interest.

Credit agreement

Since December 2007, Lindab has had a binding five-year credit agreement with Nordea and Handelsbanken. The contract was renegotiated in October 2009 whereby the credit limit was reduced from SEK 4.5 bn to SEK 3.5 bn, representing estimated future financing requirements. At the same time, the credit terms or “covenants” were adjusted to the prevailing market conditions. The duration is unchanged with a maturity date of 17 December 2012.

Cash and cash equivalents

At the year end, consolidated cash and cash equivalents totalled SEK 248 m (258).

Unappropriated cash and cash equivalents, including unused credit facilities, amounted to SEK 1,432 m (2,207).

Research and development

Lindab’s business operations are built on simplifying construction through the development of innovative products. The company strives to be the leader when it comes to development within both of its business areas.

The core value of “simplifying construction” is at the heart of product development and leads to products that increase customer value. To ensure this, the views and wishes of Lindab’s customers are taken into consideration, together with our own ideas about how to simplify the business of our customers. Development is conducted in close cooperation with universities as well as material suppliers. This ensures that we always have access to the latest knowledge within our fields and can thereby create the solutions that best meet our customers’ expectations. Together, we conduct materials research and development projects. Examples of topics covered are coatings, rust problems, strength as well as health and environmental aspects. Resources are also being dedicated to the development of products in order to optimise the manufacturing process, as well as lowering both costs and the environmental impact. A large proportion of energy consumption and the bulk of carbon emissions can in some way be related to buildings. Another of Lindab’s motivations is therefore to further enhance customer values to contribute towards energy-efficient solutions.

During the year, the Profile business area’s Building Systems division has launched “Cy-nergy” the new energy calculation software for builder-dealers. Building Components has developed the Lindab Truss roof framework, which supports Lindab’s lightweight construction technology.

In the Ventilation business area, the Comfort division has continued in its launch of the Plexus chilled beam, which has been upgraded further during the year. It now provides a more optimal heat distribution and reduces the energy consumed by ventilation by up to 10 percent. The Air Duct Systems division launched additional Smart Tools.

For 2009, research and development costs amounted to SEK 47 m (58), SEK 24 m (29) of which related to Profile, SEK 23 m (28) was within Ventilation and SEK 0 m (1) was within other operations. The number of people employed within the Group’s product development departments totalled 26 (45), of whom 19 (17) were within Ventilation and 7 (28) within Profile. The reason for the decrease in the number of employees within product development is that some of the designers’ assignments have changed and now refer to regular activities.

Sustainable business

It is natural for modern businesses and people to behave responsibly. This is an approach that Lindab fully supports and has applied for a long time. In 2009, Lindab decided to combine its values, policies and guidelines that govern and affect the organisation under the term Lindab Life. Lindab Life summarises Lindab’s conduct in its daily business routines regarding employees and the communities Lindab operates in, and particularly from an environmental perspective.

Consistent environmental work

Lindab is actively working to minimise the environmental impact created by the Group’s operations and its products. The majority of Lindab’s larger production units are ISO 140001-certified and work has commenced to certify other companies. The long-term environmental and climate objectives that were adopted in 2008 have been supplemented with short-term goals. Efforts to measure and follow these up have begun and, as part of this, the companies have been tasked to identify possible activities that will lead to fulfilling these goals.

Products
By focusing on product development and continuous improvement, products have been developed that are good in terms of both quality and the environment, and that improve customer performance. To improve our products further, and to give our customers the opportunity to see what impact they have on the climate, work has commenced to determine the carbon footprints for a large number of the Group's products.

Environmental permits
Many of Lindab production units are covered by specific environmental regulations and permits. Companies report to the regulatory bodies in each country in accordance with their specific terms.

In Sweden, operating permits are required for the production units in Grevie and Förslöv. The permits relate to manufacturing industry with factory areas measuring more than 20,000 m^2 , those involved in the coating of metal and those using more than 2,000 litres of process oil each year. Other Swedish operations are either obliged to declare or do not require permits.

Environmental impact
Lindab's manufacture of products from steel has a minimal environmental impact. Many processes use closed systems and dust-contaminated air is cleaned continuously before being discharged. To protect against accidental discharges there are degreasers and sediment traps.

Independent measurements have been made showing that Lindab's activities do not give rise to pollution that may require the decontamination of soil or water.

The sheet metal that is used is coated with a corrosion protective layer of zinc and a passivation layer that provides enhanced protection against rust. Since the beginning of 2009, all purchased sheet metal has been free from hexavalent chromium in the passivation layer.

Climate impact
The Group's climate impact occurs primarily through the procurement of transport and the use of fossil fuels, and indirectly through the consumption of electricity and district heating. Efforts to reduce Lindab's climate impact are taking place at many levels e.g. we are working actively to reduce our energy consumption.

Since 2007, Lindab's emissions of carbon dioxide have been reported in the Carbon Disclosure Project (CDP).

Personnel and personnel development
During the year, the average number of employees in the Lindab Group totalled 4,586 (5,389), a decrease of 803 people. The number of employees at the end of the year was 4,435 (5,291), a decrease of 856 people compared with the previous year. The average number of employees in Sweden was 948 (1,178), corresponding to 21 percent (22) of all employees. Note 6 contains further information about personnel costs and the average number of employees.

Skills training is conducted throughout the Group. Central training courses are organised by the principal units. Each Group company however is responsible for ensuring local skills development is carried out, as a response to local needs and that reinforces future operations. Business Acumen training was started with a broad scope in 2004 in order to increase employees understanding of customer value, price setting and profit. Since the beginning, around 600 employees from our European companies have taken part. Over the past year, this training has taken place locally in order to increase the extent and to include more people. The training material has been developed centrally however.

Guidelines for remuneration for senior executives
The most recently decided principles for remuneration for holders of key positions, as well as the Board's suggested guidelines that will apply from the next Annual General Meeting are detailed in note 6.

Profit-sharing system
For all employees with permanent positions in the Swedish Lindab companies, there is an agreement for the payment of contributions into a profit-sharing foundation. The annual provisions are based on the earnings of the Swedish Group companies. No provision was made in 2009. In the previous year a provision of SEK 7 m was made, including employer's contributions. At the end of 2009, the foundation held 22,500 Lindab shares and 387,700 Ratos shares. By April 2011, it will be possible for all non-cash funds to consist solely of Lindab shares again.

A profit-sharing plan also exists in our Danish company and other different bonus systems apply within the Group. See also note 6.

Incentive programme
The Annual General Meeting decided that the three-year Incentive Programme introduced in 2008 would continue with stage two implemented at the beginning of November 2009. The second Incentive Programme was also fully subscribed and 784,000 warrants have been acquired by 68 senior executives and key employees within the Group. The price per warrant was fixed at SEK 6.00 in early November, entitling the holder to subscribe for one share in Lindab International for SEK 89.10 between 1 June 2011 and 31 May 2012.

The Incentive Programme has the same structure as the programme that was subscribed to during the previous year. The warrants have been valued according to the Black-Scholes option pricing model. The programme also entitles the holder to a so called stay-subvention, i.e. that everyone who has acquired warrants receives 50 percent of the purchase price as a subsidy after tax, divided among three occasions during the period provided that they continue to be employed by the Lindab Group and remain in possession of the warrants. The dilutive effect may be approximately 1 percent of the share capital. Upon redemption, Lindab has the opportunity to transfer parts of its own shares that were repurchased in 2008.

Risks and risk management

See note 3 on pages 93–97.

Disputes

The Group is involved in disputes that are consistent with the Group's operations. At the time of the acquisition of subsidiary Astron Buildings S.A., there were disputes regarding faults in buildings it had delivered. There is an agreement with the seller that they should accept the risk for ending any dispute. These disputes have now been concluded. Smaller disputes have arisen following the acquisition.

Tax disputes

The company has been involved in a tax dispute in the Czech Republic since 2005. Lindab has appealed to the highest authority and the case has now been referred back to the court of first instance. The full cost has been included in the financial statements in previous years. There is no indication of when the case may be settled.

See also note 3.

Parent company results

The profit amounted to SEK 127 m (236). The lower profit was largely due to the parent company receiving lower Group contributions and dividends from subsidiaries than in the previous year.

Proposed appropriation of profits for 2009 financial year

The annual report will be presented at the Annual General Meeting May 11, 2010, with the following proposal for the appropriation of profits:

At the disposal of the Annual General Meeting

SEK

Profit brought forward	721,480,592
Dividend to shareholders for financial year 2008	–205,624,180
Net profit for the year	126,756,669
Profit carried forward	**642,613,081**

Lindab's Board of Directors proposes that the Annual General Meeting 11 May 2010 resolves not to pay any dividend and that the retained profits are thereby carried forward.

The proposal has been made in light of the Company's impaired profitability and the assessment that demand will remain weak in the coming quarters.

The Group: Eight years in summary

SEK m unless otherwise indicated

Net sales and result	2009	2008	2007	2006	2005	2004	2003*	2002*
Net sales	7,019	9,840	9,280	7,609	6,214	5,477	5,302	5,235
Growth, %	–29	6	22	22,	13	3	1	2
of which volumes and prices	–33	2	14	10	6	7	3	–1
of which acquisitions/divestments	1	3	8	13	5	–3	1	3
of which currency effects	3	1	0	1	2	–1	–3	0
Net sales abroad, %	81	82	82	80	77	75	72	72
Operating profit (EBITDA)	479	1,388	1,512	1,103	751	569	472	511
Depreciation/amortisation	225	225	203	209	194	185	285	300
Operating profit (EBITA)	265	1,172	1,318	942[1)]	553[1)]	384	305	325
Operating profit (EBIT)	254	1,163	1,309	894	557	384	187	211
One-off items[2)]	–47	–116	-	–39	7	-	N/A	N/A
Operating profit (EBIT), excluding one-off items	301	1,279	1,309	933	550	384	N/A	N/A
Result before tax (EBT)	119	990	1,175	797	484	297	92	83
After tax result	34	723	901	585	351	203	26	21
Total comprehensive income	–142	1,124	1,035	439	485	220	–42	–58
Cash flow								
Cash flow from operating activities	719	673	875	778	730	426	395	118
Cash flow from investing activities	–188	–418	–225	–424	–667	–159	–112	19
Cash flow from financing activities	–541	–396	–487	–395	58	–370	–165	–177
Cash flow for the year	–10	–141	163	–40	121	–103	118	–40
Operating cash flow	731	931	985	821	659	-	-	-
Capital employed and financing								
Total assets	7,442	8,625	7,700	7,077	6,525	5,510	5,178	5,298
Capital employed	5,701	6,419	5,594	4,998	4,949	4,377	4,247	4,316
Operating capital	5,425	6,120	5,207	4,792	4,699	4,227	4,001	4,183
Net debt	2,422	2,774	2,238	2,602	1,846	1,858	1,791	1,931
Equity	3,003	3,346	2,969	2,190	2,853	2,369	2,210	2,252
Data per share, SEK								
Undiluted average number of shares, (000's)[3)]	74,772	77,548	78,708	90,702	120,000	120,000	120,000	120,000
Diluted average number of shares, (000's)[3)]	74,772	77,548	78,708	93,062	122,940	122,736	122,736	122,736
Undiluted no. of shares at year end, (000's)	74,772	74,772	78,708	78,708	120,000	120,000	120,000	120,000
Diluted no. of shares at year end, (000's)	74,772	74,772	78,708	78,708	122,940	122,736	122,736	122,736
Undiluted earnings of shares	0.45	9.32	11.45	6.45	2.93	1.69	0.22	0.18
Diluted earnings of shares (EPS)	0.45	9.32	11.45	6.29	2.86	1.65	0.21	0.17
Earnings per share, current number	0.45	9.67	11.45	7.43	2.93	1.69	0.22	0.18
Undiluted equity per share	40.16	44.75	37.72	27.82	23.77	19.74	18.42	18.77
Diluted equity per share	40.16	44.75	37.72	27.82	23.21	19.3	18.00	18.35
Cash flow from operating activities per share	9.62	8.68	11.12	9.89	5.94	3.47	3.22	0.96
Dividend per share (for 2009 according to the Board's proposal)	-	2.75	5.25	3.25	-	-	-	-
P/E-ratio	163.3	5.2	12.9	20.7	N/A	N/A	N/A	N/A
Quoted price at year end, LIAB	73.50	48.50	147.25	130.25	N/A	N/A	N/A	N/A
Market capitalisation at year end	5,496	3,626	11,590	10,252	N/A	N/A	N/A	N/A
Investments								
Fixed assets (gross)	182	301	195	146	218	199	195	176

Key figures	2009	2008	2007	2006	2005	2004	2003*	2002*
Operating margin (EBITDA), %	6.8	14.1	16.3	14.5	12.1	10.4	8.9	9.8
Operating margin (EBITA), %	3.8	11.9	14.2	12.4[1)]	8.9[1)]	7.0	5.8	6.2
Operating margin (EBIT), %	3.6	11.8	14.1	11.7	9.0	7.0	3.5	4.0
Operating margin (EBIT), excluding one-off items, %	4.3	13.0	14.1	12.3	8.9	7.0	N/A	N/A
Profit margin (EBT), %	1.7	10.1	12.7	10.5	7.8	5.4	1.7	1.6
Return on capital employed, %	4.3	20.0	24.5	18.2	11.9	10.7	4.7	5.0
Return on operating capital, %	4.3	20.7	25.4	19.1	12.2	9.4	7.5[4)]	7.4[4)]
Return on operating capital, excluding one-off items, %	5.1	22.8	25.4	19.9	11.8	9.4	N/A	N/A
Return on equity, %	1.1	23.4	35.9	25.1	13.7	9.0	1.2	0.9
Return on total assets, %	3.3	14.3	17.4	13.3	9.4	8.5	3.8	4.1
Equity/asset ratio, %	40.4	38.8	38.6	30.9	43.7	43.3	42.5	42.5
Net debt/equity ratio, times	0.8	0.8	0.8	1.2	0.7	0.8	0.8	0.9
Interest coverage ratio, times	1.8	6.1	8.6	8.4	6.9	4.1	1.9	1.6
Personnel								
Average no. of employees	4,586	5,389	5,013	4,689	4,135	4,138	3,920	3,766
of which abroad	3,638	4,211	3,907	3,611	3,011	2,936	2,617	2,400
Number of employees at close of period	4,435	5,291	5,256	4,942	4,479	4,011	3,874	3,835
Payroll expenses including social security contributions and pension expenses	1,874	2,098	1,938	1,706	1,480	1,385	1,374	1,360
Sales per employee, SEK (000's)	1,531	1,826	1,851	1,623	1,503	1,324	1,352	1,390

**) Key figures relating to the years 2002–2003 have not been restated in accordance with IFRS.*
1) The operating profit (EBITA) is reported excluding one-off items, as reported originally.
2) One-off items for
– 2009, totalling SEK –47 m, consisting of SEK 45 m in costs relating to the cost reduction programme, a SEK 10 m income from sale of Folke Perforering's operations, plus SEK 12 m in costs relating to the closure of Lindab Plåt in Edsvära.
– 2008, totalling SEK –116 m, consisting of SEK 117 m for the cost reduction programme, a SEK 18 m write-down in stock, a SEK 14 capital gain on the sale of property as well as a SEK 18 m capital gain from the divestment of company holdings and SEK 13 m in costs to replace the CEO.
– 2006, totalling SEK –39 m consisting of restructuring costs of SEK 41 m, SEK 25 m in costs in connection with flotation on the stock exchange and a capital gain of SEK 27 m from the sale of property.
– 2005, totalling SEK 7 m, consisting of SEK 40 m in restructuring costs and a capital gain of SEK 47 m on the sale of property.

For Lindab, one-off items are considered to exist in the case of events that are not among regular business transactions and when each individual amount is of a non-negligible size, and could therefore have an effect on the profit and key ratios.

3) The average number of shares has been adjusted for 2006 with respect to the 8:1 and 15:1 splits.
4) To make a comparison between the years 2004–2006, the operating profit (EBITA) for 2002–2003 has been calculated.

Financial definitions, see page 121.

Statement of comprehensive income

(Income statement)

Amounts in SEK m	Note	**2009**	2008
Net sales	7	7,019	9,840
Cost of goods sold	6, 8, 9, 28	–5,137	–6,755[1)]
Gross profit		1,882	3,085
Other operating income	12	145[2)]	163[2)]
Selling expenses	6, 8, 9, 28	–1,036	–1,104
Administrative expenses	6, 8, 9, 10, 28	–539	–639[3)]
R & D costs	6, 8, 9, 11	–47	–58
Other operating expenses	9, 12	–151[4)]	–284
Operating profit		**254**	**1,163[5)]**
Interest income	13	13	22
Interest expenses	13	–142	–183
Other financial income and expenses	13	–6	–12
Net financial income		*–135*	*–173*
Result before tax (EBT)		**119**	**990**
Tax on profit for the year	14	–85	–267
After tax result		**34**	**723**
– thereof attributable to parent company shareholders		*34*	*723*
Other comprehensive income			
Cash flow hedges		–11	-
Translation differences, foreign operations		–168	401
Income tax attributable to cash flow hedges		3	-
Total other comprehensive income		**–176**	**401**
Total comprehensive income after tax		–142	1,124
– thereof attributable to parent company shareholders		*–142*	*1,124*
Earnings per share, SEK			
Undiluted	15	0.45	9.32
Diluted	15	0.45	9.32

1) Affected by the SEK 18 m stock write-down due to falling steel prices.
2) Includes one-off items for 2009, regarding SEK 10 m in earnings from the sale of operations in Folke Perforering and for 2008, capital gains of SEK 14 m on the sale of property and SEK 18 m from the sale of participation rights.
3) Additional costs of SEK 13 m up to and including March 2009 due the change of President and CEO have been included in administrative expenses.
4) Affected by SEK 45 m in expenses for the cost reduction programme and SEK 12 m in expenses for the closure of Lindab Plåt in Edsvära.
5) Affected by SEK 117 m in expenses relating to the cost reduction programme.

Notes to the statement of comprehensive income

Notes 6–15 and 28 are specific to items in the statement of comprehensive income.

Net sales

Net sales amounted to SEK 7,019 m (9,840), which is a decrease of 29 percent compared with the previous year.

When adjusted for acquisitions and divestments, consolidated net sales decreased by 30 percent. Currency effects have positively contributed 3 percent, detailed in the table on page 73.

Net sales per market have declined compared with previous years. As shown in the table on page 73, the various markets' share of sales has also changed, partly because of how they have been affected by the general economic climate and uncertainty in the financial markets. Low interest rates and subsidies, aimed in many cases at the construction sector, have affected the markets positively.

Lindab's net sales in individual countries and related regions have thus been affected by the nature of any subsidies. The net sales decrease in the CEE/CIS was 50 percent, while the decreases in Western Europe and the Nordic region were 19 and 21 percent respectively. Net sales in other markets decreased by 7 percent.

The breakdown of net sales and operating profit (EBIT) by business area are shown below. It also shows that the operating margins declined. The reduced margins are explained mainly by lower volumes. Measures have been taken to lower overall costs and these have contributed positively to the results.

The growth has not been adjusted for company acquisitions/divestments or for currency.

Gross profit

Gross profit decreased by 39 percent to SEK 1,882 m (3,085). For 2008, the cost of goods sold was affected by the SEK 18 m write-downs in stock due to the falling market prices for steel. The gross margin stood at 27 percent (31) of net sales.

Net sales and growth

	2009	2008
Net sales, SEK m	7,019	9,840
Change, SEK m	–2,821	560
Change, %	–29	6
Of which		
Volumes and prices, %	–33	2
Acquisitions/divestments, %	1	3
Currency effects, %	3	1

Net sales per market

SEK m	2009	Share, %	2008	Share, %
Nordic region	2,986	42	3,799	39
Western Europe	2,220	32	2,739	28
CEE/CIS	1,487	21	2,953	30
Other markets	326	5	349	3
Total	**7,019**	**100**	**9,840**	**100**

Other operating income

Other operating income amounted to SEK 145 m (163). The majority of this comprises exchange rate gains on operating receivables/liabilities. The year's figure includes a SEK 10 m capital gain on the sale of Folke Perforering's operations. The previous year's figure included a SEK 14 m capital gain on the sale of property, and a SEK 18 m capital gain on the sale of participation rights.

Indirect costs

Sales and administration expenses decreased by 10 percent to SEK 1,575 m (1,743), corresponding to 22 percent (18) of net sales.

Research and development costs amounted to SEK 47 m (58), corresponding to 0.7 percent (0.6) of net sales.

Other operating expenses

Other operating expenses amounted to SEK 151 m (284). The majority of this consists of exchange rate losses on operating receivables/liabilities, plus SEK 45 m for the cost reduction programme and SEK 12 m in costs for the closure of Lindab Plåt.

Operating profit

The operating profit (EBIT) amounted to SEK 254 m (1,163), a decrease of 78 percent compared with the previous year.

One of Lindab's financial targets is to achieve an EBIT-margin of 14 percent. In 2009, an operating margin (EBIT) of 3.6 percent (11.8) was achieved. The corresponding figure excluding one-off items was 4.3 percent (13.0). The financial year of 2009 has been affected by one-off items of SEK 45 m relating to the cost reduction programme, SEK 10 m in earnings from the sale of Folke Perforering and costs of SEK 12 m for the closure of Lindab Plåt in Edsvära. Total one-off items therefore amount to a total net cost of SEK 47 m.

Depreciation/amortisation and write-downs amounted to SEK 225 m (225), of which SEK 11 m (10) related to consolidated amortisation of surplus value on intangible assets.

Net financial income

Net financial income for the year amounted to SEK –135 m (–173). The changed net financial income was mainly due to lower market rates of interest.

Result before tax

Profit after financial items decreased by 88 percent to SEK 119 m (990).

Tax

Tax expenses for the year amounted to SEK 85 m (267), of which SEK 75 m (290) was income tax and SEK 10 m in tax expenses relating to deferred tax. The previous year's deferred tax consisted of a tax income of SEK 23 m. The effective tax rate was 71.7 percent (27.0). For further information see note 14.

Earnings per share

The after-tax earnings per share both undiluted and diluted amounted to SEK 0.45 (9.32).

Net sales, operating profit (EBIT) and operating margin per business area

	Net sales		Operating profit (EBIT)		Operating margin	
SEK m	2009	2008	2009	2008	2009	2008
Ventilation	3,878	4,783	190	454	4.9	9.5
Profile	3,122	4,993	142	860	4.5	17.2
Other operations	19	64	–31	–35	Neg	Neg
One-off items	-	-	–47	–116	N/A	N/A
Total	**7,019**	**9,840**	**254**	**1,163**	**3.6**	**11.8**

Statement of financial position

(Balance sheet)

Amounts in SEK m	Note	**31 Dec 2009**	31 Dec 2008
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised expenditure for development work and similar	16	14	11
Other intangible fixed assets	16	47	63
Patents and similar rights	16	0	0
Goodwill	16	2,922	2,972
Total intangible fixed assets		*2,983*	*3,046*
Tangible fixed assets			
Buildings and land	17, 18, 28	644	841
Machinery and equipment	17	671	675
Construction in progress and advanced payments on tangible fixed assets	17	21	188
Total tangible fixed assets		*1,336*	*1,704*
Financial fixed assets			
Financial investment	24	25	7
Deferred tax assets	14	448	385
Other investments held as fixed assets	19	3	4
Other long-term receivables	20	3	3
Total financial fixed assets		*479*	*399*
Total fixed assets		**4,798**	**5,149**
Current assets			
Stock	21	896	1,645
Accounts receivable	22	976	1,269
Other receivables		83	82
Current tax assets		133	115
Prepaid expenses and accrued income	22	88	73
Prepaid expenses and accrued income, interest-bearing	22	3	34
Non-current assets held for sale[1)]		217	-
Cash and bank		248	258
Total current assets		**2,644**	**3,476**
TOTAL ASSETS		**7,442**	**8,625**

1) Non-current assets held for sale relating to production facilities for Building Systems in Diekirch, Luxembourg and in Nyiregyháza, Hungary.

Amounts in SEK m	Note	**31 Dec 2009**	31 Dec 2008
EQUITY AND LIABILITIES			
Shareholders' equity			
Equity attributable to parent company shareholders			
Share capital	23	79	79
Other contributed capital		2,244	2,239
Reserves		364	540
Profit brought forward		316	488
Total Shareholders' equity		**3,003**	**3,346**
Long-term liabilities			
Interest-bearing liabilities			
Liabilities to credit institutions	26	2,384	2,637
Provisions for pensions and similar obligations	24	133	116
Total interest-bearing liabilities		*2,517*	*2,753*
Non-interest-bearing liabilities			
Deferred tax liabilities	14	398	326
Other provisions	25	46	65
Other liabilities		15	15
Total non-interest-bearing liabilities		*459*	*406*
Total long-term liabilities		**2,976**	**3,159**
Current liabilities			
Interest-bearing liabilities			
Liabilities to credit institutions	26	49	131
Overdraft facilities	26	117	158
Accrued expenses and deferred income	27	15	31
Total interest-bearing liabilities		*181*	*320*
Non-interest-bearing liabilities			
Advance payments from customers		42	184
Accounts payable		550	764
Current tax liabilities		101	132
Other provisions	25	74	120
Other liabilities		133	104
Accrued expenses and deferred income	27	382	496
Total non-interest-bearing liabilities		*1,282*	*1,800*
Total current liabilities		**1,463**	**2,120**
TOTAL EQUITY AND LIABILITIES		**7,442**	**8,625**
Pledged assets	29	35	41
Contingent liabilities	29	33	70

Notes to the statement of financial position

Notes 14 and 16-29 are specific to items in the statement of financial position. For definitions of the key ratios, see page 121.

Fixed assets and investments

Additional information about changes to the composition of fixed assets can be found in the notes to the cash-flow analysis on page 79.

Stock and accounts receivable

Stock decreased by 46 percent, while accounts receivable decreased by 23 percent. At the year end, stock and accounts receivable in relation to net sales amounted to 13 percent (17) and 14 percent (13) respectively.

Non-current assets held for sale

In January 2010, Lindab entered into a sale-and-leaseback agreement for the Building Systems facility in Diekirch, Luxembourg. The book value was approximately SEK 199 m at the end of 2009. The sale price was around SEK 285 m and the deal provides a capital gain of about SEK 75 m, including selling expenses.

In addition, the Building Systems plant in Nyiregyháza, Hungary has been closed and the buildings and some machinery are for sale. The book value is approximately SEK 18 m.

Cash and cash equivalents

Cash and cash equivalents totalled SEK 248 m (258).

Capital employed

Consolidated capital employed, including goodwill and surplus value amounted to SEK 5,701 m (6,419), which is a decrease of 11 percent.

Return on capital employed

Return on capital employed including goodwill and consolidated surplus value amounted to 4.3 percent (20.0).

Equity

At the year end, the consolidated equity totalled SEK 3,003 m (3,346). During the year a dividend payment of SEK 206 m was made from the parent company to the shareholders for the financial year 2008. Equity per share amounted to SEK 40.16 (44.75).

Return on equity

The year's profit in relation to equity has decreased to 1.1 percent (23.4).

Operating capital

The operating capital totalled SEK 5,425 m (6,120).

Return on operating capital

The return on operating capital amounted to 4.3 percent (20.7). Adjusted for one-off items, the return was 5.1 percent (22.8).

Net debt

At the end of the year, the net debt amounted to SEK 2,422 m (2,774). The decrease is mainly due to lower capital tied up and reduced indebtedness. The net debt comprises long-term and short-term interest-bearing liabilities, including interest-bearing provisions less interest bearing assets, cash and cash in banks.

Interest-bearing liabilities

Interest bearing liabilities amounted to SEK 2,698 m (3,073), of which SEK 133 m (116) were provisions for pensions.

Net debt/equity ratio

The net debt/equity ratio is included in our financial targets. The target is for this to fall within an interval of 1.0–1.4 times. The measurement shows the relationship between borrowings and equity and thus the gearing effect, or expressed another way, the company's financial strength. The net debt/equity ratio, i.e. net debt in relation to shareholders' equity, was 0.8 times (0.8). Since the net debt/equity ratio is lower than the financial target, this means we can increase borrowing before reaching the ceiling of 1.4 times.

Interest coverage ratio

The interest coverage ratio was 1.8 times (6.1), which is a measure of how many times the profit can decrease without the interest payments being jeopardised.

Equity/assets ratio

The Group's equity/assets ratio, i.e. shareholders' equity in relation to total assets, amounted to 40 percent (39).

Pledged assets and contingent liabilities

The change in contingent liabilities from SEK 70 m to SEK 33 m is due to credit redeemed in 2009.

Statement of changes in equity

Amounts in SEK m	Share capital	Other contributed capital	Hedging reserve	Foreign currency transl. adj.	Profit brought forward	Total equity
	Equity relating to the parent company's shareholders					
Opening balance, 1 January 2008	**79**	**2,225**	**-**	**139**	**526**	**2,969**
Profit for the year					723	723
Total other comprehensive income				401		401
Total comprehensive income after tax	*-*	*-*	*-*	*401*	*723*	*401*
Premium for management options[1)]		14				14
Buy-back of own shares[2)]					–348	–348
Dividend to shareholders					–413	–413
Transactions with shareholders	*-*	*14*	*-*	*-*	*–761*	*–747*
Closing balance, 31 December 2008	**79**	**2,239**	**-**	**540**	**488**	**3,346**
Profit for the year					34	34
Total other comprehensive income			–8	–168		–176
Total comprehensive income after tax	*-*	*-*	*–8*	*–168*	*34*	*–142*
Premium for management options[3)]		5				5
Dividend to shareholders					–206	–206
Transactions with shareholders	*-*	*5*	*-*	*-*	*–206*	*–201*
Closing balance, 31 December 2009	**79**	**2,244**	**–8**	**372**	**316**	**3,003**

1) The Annual General Meeting on 7 May 2008 resolved to issue 784,000 warrant options to senior executives. SEK 14 m has been received as payment regarding these.
2) At the same Annual General Meeting, the Board of Directors was authorised to consider the acquisition of treasury shares up to SEK 400 m or a maximum 5 percent of outstanding shares. The buy-back was implemented and SEK 348 m in shares was repurchased, corresponding to the maximum 5 resolved number of 5 percent of out standing shares.
3) The Annual General Meeting in 2009 resolved to issue a further 784,000 warrant options to senior executives. SEK 5 m has been received as payment regarding these.

The table has changed in accordance with the revision to IAS 1. The changes mean that a division is made of changes in equity arising from transactions with owners and other changes. The specification of changes in equity shall only contain details relating to ownership transactions. Other changes that were previously only reported in equity are now reported under the heading Other comprehensive income in the statement of comprehensive income, which replaced the income statement from and including 2009, see page 72. As stated above, the comparative figures for 2008 have been adjusted to the new layout.

Notes to the statement of changes in equity

Share capital

At 31 December 2009, the share capital amounted to SEK 78,707,820 split between 78,707,820 class A shares only. All shares have a face value of SEK 1.00 each.

Following the buy-back of 3,935,391 shares in 2008, which are now held as treasury shares, the number of outstanding shares totals 74,772,429.

All shares have the same right to profit and surplus in the event of liquidation and they entitle the holder to one vote at Lindab's Annual General Meeting. According to Lindab's Articles of Association, the issued share capital must not fall below SEK 60 m nor exceed SEK 240 m, and the number of shares must not fall below 60,000,000 nor exceed 240,000,000.

There are no restrictions in law or in the articles of association relating to the transferability of shares.

The three principal owners, Ratos AB, Livförsäkringsaktiebolaget Skandia and Sjätte AP-fonden, together hold 46.9 percent (47.8) of the share capital and votes. Each of them also has more than 10 percent of the outstanding shares and therefore voting rights.

There are no restrictions on how many shares a shareholder can represent at a general meeting. Lindab is unaware of any agreements between shareholders that may result in restrictions in their right to transfer shares.

The Articles of Association states that the Board members are elected at the Annual General Meeting. The appointment and dismissal of directors are governed by other provisions in the Companies Act and the Code of Corporate Governance.

In addition, the Companies Act states that changes to the Articles of Association as appropriate should be decided at general meetings.

Warrants

The Annual General Meeting decided that the three-year Incentive Programme introduced in 2008 would continue with stage two implemented at the beginning of November 2009. The second Incentive Programme was also fully subscribed and 784,000 warrants have been acquired by 68 senior executives and key employees within the Group. The Incentive Programme has the same structure as the programme that was subscribed to during the previous year. The warrants may be utilised between 1 June 2011 and 31 May 2012.

Each warrant entitles the holders to subscribe for one new share, giving a maximum dilutive effect of 1 percent per programme, 2 percent of the share capital in total. Since the current share price is lower than the conversion rate for the shares, no dilutive effect has been taken into account.

Dividend to shareholders for the financial year 2008

The Annual General Meeting on 6 May 2009 decided on a dividend to the shareholders. The dividend amounted to SEK 2.75 per share, totalling SEK 205,624,180, the remaining SEK 515,856,412 was carried forward.

Capital

Lindab's assets under management comprise the sum of equity and the Group's net debt, totalling SEK 5,425 m (6,120).

The Group's capital will be used to retain a high degree of flexibility and to finance acquisitions. Any surplus capital will be transferred to Lindab's shareholders.

The overall goal of asset management is to ensure the Group's ability to continue as a going-concern, while ensuring that the Group's funds are being used in the best way to give shareholders a good return and lenders a good level of security.

Lindab is governed on the basis of three long-term financial targets:

- *Annual organic net sales growth of 6 percent*
  The overall target is to create value for shareholders and other stakeholders through profitable growth. The organic growth will be achieved through existing products, own product development and by becoming established in new geographical markets.
- *Operating margin (EBIT) 14 percent annually*
  The target shall be achieved through volume growth, a favourable geographical and product mix, improvements in productivity and better cost efficiency.
- *Net debt/equity ratio 1.0–1.4 times*
  The target means that the capital borrowed by Lindab is between 1.0 and 1.4 times the Group's recorded equity. The target is set in order to achieve an optimised balance between the return on investment and the risk. Falling within an interval allows room for manoeuvre.

The targets have been difficult to achieve during the current recession, but they are realistic, achievable targets under normal economic conditions.

In order to maintain a sound capital structure for the Group, e.g. to take new loans, amortise existing loans, adapt credit agreements, adjust dividends paid to shareholders, repurchase/issue new shares, repay capital to shareholders or sell fixed assets.

Examples of such positive measures include the proposal by Lindab's Board of Directors not to pay a dividend in the current year. Moreover, a production facility in Luxembourg has been sold in 2010 and, in 2008, shares corresponding to 5 percent of the share capital were repurchased. In addition, the Group's credit agreement with Nordea and Handelsbanken were renegotiated during the year, whereby the credit limit was renegotiated to meet estimated future financing needs, see also notes 26 and 29.

To ensure the availability of financing, it is important to meet the obligations to the banks arising from the credit agreement. Lindab fulfils these demands.

Lindab's financial policy has been approved by the Board of Directors and this constitutes a framework of guidelines and regulations for the financing operations that are centralised at Corporate Finance. This enables the Group to monitor all financial risk positions and safeguard common interests. At the same time, this brings about cost efficiency, economies of scale and skills development.

For detailed information relating to the change in share capital, see note 23 on page 112.

Statement of cash flows

(indirect method)

Amounts in SEK m	Note	**2009**	2008
Operating activities			
Operating profit		254	1,163
Reversal of depreciation/amortisation	8	225	225
Provisions, not affecting cash flow		–67	69
Adjustment for other items not affecting cash flow		–3	–80
Total		**409**	**1,377**
Interest received		11	24
Interest paid		–160	–186
Tax paid		–124	–418
Cash flow from operating activities before change in working capital		**136**	**797**
Change in working capital*)			
Stock (increase – /decrease +)		722	–132
Operating receivables (increase – /decrease +)		302	134
Operating liabilities (increase + /decrease –)		–441	–126
Total change in working capital		*583*	*–124*
Cash flow from operating activities		**719**	**673**
Investing activities			
Acquisition of Group companies	5	–45	–181
Divestment of operations	5	15	-
Investments in intangible fixed assets	16	–20	–26
Investments in tangible fixed assets	17	–162	–275
Change in financial fixed assets		1	21
Sale/disposal of tangible fixed assets		2	-
Cash flow from investing activities	17	21	43
Cash flow from investing activities		**–188**	**–418**
Financing activities			
Increase/decrease in borrowing		–340	351
Warrant premium payments		5	14
Dividend to shareholders		–206	–413
Share buy-back		-	–348
Cash flow from financing activities		**–541**	**–396**
Cash flow for the year		**–10**	**–141**
Cash and cash equivalents at the beginning of the year		258	371
Effect of exchange rate changes on cash and cash equivalents		0	28
Cash and cash equivalents at the end of the year		**248**	**258**

*) *Working capital, see definition on page 121.*

Notes to the statement of cash flows

For more detailed notes about certain individual items in the statement of cash flows, see notes 5, 8, 16 and 17.

Cash flow from operating activities

Cash flow from operating activities amounted to SEK 719 m (673).

Items not affecting cash flow

Items not affecting cash flow consists of provisions and depreciation, as these are not cash items. Realised gains and losses resulting from the sale of assets must be eliminated since the cash effect from the sale of fixed assets and operations is reported separately under cash flow from investing activities

Working capital

Working capital decreased by SEK 583 m (increase of 124) during the year. The working capital tied-up has decreased compared with the previous year, mainly due to the substantially decreased stock.

Cash flow from investing activities

Net investment for the year, including acquisitions, gave a cash flow of SEK –188 m (–418).

Company acquisitions and divestments

The purchase price for SIPOG a.s. in Slovakia, acquired in 2008, has been established and during the year a further SEK 44.3 m has been recorded as consolidated goodwill.

During the third quarter, the operations of Folke Perforering AB in Borlänge, Sweden, were divested. The sale yielded a capital gain of SEK 10 m and positively affected the cash flow by SEK 15 m.

In the previous year, Koto-Pelti Oy in Finland and SIPOG were acquired. The cash flow was affected negatively by SEK 20 m and SEK 161 m respectively.

For a more detailed explanation see Note 5, Business combinations.

Investments and divestments

Investments in intangible fixed assets amounted to SEK 20 m (26). Investments in tangible fixed assets amounted to SEK 162 m (275). The investments relate mainly to expansion and maintenance investments, primarily in the production facility in Russia for the Building Systems division.

Parent company income statement

Amounts in SEK m	Note	**2009**	2008
Administrative expenses	10	–15	–31
Other operating expenses	6, 10, 12	-	–2
Operating profit		**–15**	**–33**
Profit from subsidiaries	13	186	387
Interest expenses, internal	13	–40	–83
Result before tax		**131**	**271**
Tax on profit for the year	14	–4	–35
After tax result		**127**	**236**

Parent company cash flow

Amounts in SEK m	**2009**	2008
Operating profit	–15	–33
Interest received	0	0
Interest paid	–40	–83
Tax paid	31	–148
Cash flow from operating activities before change in working capital	**–24**	**–264**
Change in working capital		
Operating liabilities	–7	2
Cash flow from operating activities	**–31**	**–262**
Financing activities		
Borrowings	238	1,023
Repayment of debt	-	-
Dividend paid	–207	–413
Buy-back of own shares	-	–348
Cash flow from financing activities	**31**	**262**
Cash flow for the year	**0**	**0**
Cash and cash equivalents at the beginning of the year	0	0
Cash and cash equivalents at the end of the year	**0**	**0**

Parent company balance sheet

Amounts in SEK m	Note	**31 Dec 2009**	31 Dec 2008
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in Group companies	31	3,467	3,467
Financial fixed assets, interest bearing		11	-
Deferred tax assets		2	-
Total fixed assets		**3,480**	**3,467**
Current assets			
Current tax assets		18	55
Cash and bank		0	0
Total current assets		**18**	**55**
TOTAL ASSETS		**3,498**	**3,522**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	23	79	79
Statutory reserve		708	708
Non-restricted equity			
Share premium reserve		90	90
Profit brought forward		426	396
Profit for the year		127	236
Total Shareholders' equity		**1,430**	**1,509**
Long-term liabilities			
Interest-bearing liabilities			
Interest-bearing liabilities		11	-
Liabilities to Group companies		2,051	2,000
Total interest-bearing liabilities		*2,062*	*2,000*
Total long-term liabilities		**2,062**	**2,000**
Current liabilities			
Non-interest-bearing liabilities			
Accounts payable		1	-
Accrued expenses and deferred income	27	5	13
Total non-interest-bearing liabilities		*6*	*13*
Total current liabilities		**6**	**13**
TOTAL EQUITY AND LIABILITIES		**3,498**	**3,522**
Pledged assets	29	-	-
Contingent liabilities	29	-	-

Changes in parent company equity

Amounts in SEK m	Equity relating to the parent company's shareholders				
	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Total equity
Opening balance, 1 January 2008	**79**	**708**	**90**	**1,157**	**2,034**
Profit for the year				236	236
Transactions with shareholders					
Dividend to shareholders				–413	–413
Buy-back of own shares				–348	–348
Closing balance, 31 December 2008	**79**	**708**	**90**	**632**	**1,509**
Profit for the year				127	127
Transactions with shareholders					
Dividend to shareholders				–206	–206
Closing balance, 31 December 2009	**79**	**708**	**90**	**553**	**1,430**

Notes to changes in the parent company's equity

Dividend to shareholders for the financial year 2008

The Annual General Meeting on 6 May 2009 decided on a dividend to the shareholders. The dividend amounted to SEK 2.75 per share, totalling SEK 205,624,180, the remaining SEK 515,856,412 was carried forward.

Outstanding shares

At 31 December 2009, the share capital amounted to SEK 78,707,820 split between 78,707,820 class A shares only. All shares have a face value of SEK 1.00 each.

Following the buy-back of 3,935,391 shares in 2008, corresponding to 5 percent of the total number of shares, the number of outstanding shares totals 74,772,429.

For further information see note 23, Share capital.

Notes to the consolidated financial statements

Content notes

Note 1 General information

Lindab International AB, with headquarters in Båstad, and registered in Sweden under the Corporate identification number 556606-5446 (the Parent Company) and its subsidiaries (referred to collectively as the Group) and its operations are described in the Directors' Report. The address of the company's head office is Lindab International AB, SE-269 82 Båstad, Sweden.

These consolidated financial statements have been approved for publication by the Board of Directors and the President on 4 March 2010. The statement of comprehensive income and statement of financial position, as well as the parent company's income statement and balance sheet, will be matters for approval at the Annual General Meeting of shareholders on 11 May 2010.

Unless otherwise stated, amounts are in SEK m.

Note 2 Summary of important accounting principles

The most important accounting principles that have been applied when preparing these consolidated financial statements are detailed below. Unless otherwise stated, these principles have been applied consistently for all the years presented.

Every standard adopted by the Group has had to be applied retrospectively, except IAS 39, Financial instruments, which was adopted with effect from 1 January 2005.

Basis for the preparation of accounts

Lindab compiles its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and Recommendation 1:2 from the Swedish Financial Reporting Board. This is the fifth Annual Report that Lindab has prepared in accordance with IFRS. Lindab also applies statements from IFRIC, International Financial Reporting Interpretations Committee.

Lindab applies the cost method when evaluating assets and liabilities except for financial assets that can be sold and financial assets and liabilities that include derivative instruments, which are evaluated at fair value through the profit for the year (based on assessments where appropriate).

Changes in published standards

The following changes have taken effect as from 1 January 2009, which may have relevance for the Group:

- IAS 1, Presentation of Financial Statements, which divides changes in equity into transactions with owners and other changes. The standard specifies that only owner transactions shall be presented in the statement of changes in equity. Other transactions that were previously reported in equity are to be recognised as other comprehensive income for the period in the statement of comprehensive income. The revised standard also means that a third statement of financial position, relating to the start of the comparison year, must be presented when the accounting principles are changed and this involves the conversion of earlier periods. Applied from the start of 2009.
- IFRS 8, Operating Segments, contains disclosure requirements regarding operating segments and replaces the requirement for defining primary and secondary segments for the Group based on business segments and geographical regions. The new standard requires that segment information is presented based on the management's perspective, meaning that it is presented in a way that is used in the internal reporting, applied from the start of 2009.
- IAS 23, Borrowing Costs, requires borrowing costs to be capitalised when these relate to assets that take a substantial period of time to get ready for use or sale. The commencement date is the same as for IFRS 8.
- IAS 27, Consolidated and Separate Financial Statements. The change relates to the reporting of dividends received. The change means that all dividends paid by subsidiaries are to be reported in the parent company's income statement. Under particular circumstances, such a dividend can be an indication that the share value has fallen and that an impairment test should therefore be carried out.
- IAS 32, Financial Instruments: Classification and IAS 1, Presentation of Financial Statements – redeemable instruments and obligations arising from the settlement. Applied from the start of 2009.
- Improvements to IFRS standard relate to some additions to IFRS. Provisions have been taken into account where appropriate. Approved by the EU in January 2009.

The provisions have not had any direct impact on Lindab. On the other hand, they have given rise to changes in the layout of the financial statements and further note disclosure, including, in some cases, updates to the accounting principles.

New accounting recommendations

The International Accounting Standards Board (IASB) has issued the following new or changed accounting recommendations which may be relevant to the Group, but which come into effect so that they need not be applied to this Annual Report. The latest commencement date is included with each recommendation.

- IFRS 3R, Business Combinations and IAS 27R, Consolidated and Separate Financial Statements, which will affect the accounting of future acquisitions, loss of control and transactions with minority shareholders. IFRS 3R introduces a number of changes in the accounting of business combinations which will affect the size of recorded goodwill, reported profit for the period in which the acquisition is carried out as well as future reported profit. Approved by the EU on 3 June 2009. IAS 27R requires that changes to participating interests in a subsidiary where the majority owner does not lose controlling influence are recorded as equity transactions.

These transactions can no longer give rise to goodwill or lead to any gains or losses. Approved by the EU June 2009. Effective for financial years beginning on or after 1 July 2009.
- IFRS 9, Financial Instruments: Recognition and Measurement. This standard is the first step in a complete overhaul of the existing standard IAS 39. The standard involves a reduction in the number of valuation categories for financial assets to the main categories of amortised cost and fair value through profit for the year. For some investments in equity instruments, it is possible to record fair value in the statement of financial position, with changes in value recorded directly in other comprehensive income, where no transfer is made to profit for the period on divestment. This first part of the standard will be supplemented by rules regarding write-downs, hedge accounting and the valuation of liabilities. (Not yet approved by the EU and the timetable for approval is currently unavailable.) IFRS 9 must be applied for financial years beginning on 1 January 2013 or later.
- IAS 24, Related party disclosures. Amendment. The definition of related parties has been amended and that some relief is given concerning the information when the company is government-owned IAS 32, is expected to be approved by the EU in the second quarter of 2010.
- IAS 39, Financial Instruments: Recognition and Measurement – Amendment in exposures qualifying for hedge accounting. The amendment deals with the identification of a one-sided risk in a hedged item and the identification of inflation as a hedged risk or portion of the hedged risk in a specific situation. It clarifies that a company may identify part of the changes in fair value or changes in cash flow in a financial instrument as a hedged item. Approved by the EU on 15 September 2009.
- Improvements to IFRS standards. Expected to be approved by the EU in the first quarter of 2010.

Lindab will adopt the amendments to IAS 1, IFRS 3R and IAS 27R , and in general will evaluate the effects of applying the above statements/standards during 2010.

The Swedish Financial Reporting Board has issued RFR 1:2 and RFR 2:2, as well as UFR 1–8. RFR stands for Recommendations from the Swedish Financial Reporting Board and UFR stands for Statements from the Swedish Financial Reporting Board. The Annual Accounts Act (ÅRL) explains which regulations must be applied by a listed company when preparing interim reports. RFR 1:2 has been applied where appropriate in the presentation of Lindab's financial statements.

Consolidated Financial Statements

The consolidated financial statements include the parent company, Lindab International AB, and the companies and operations in which the parent company, either directly or indirectly, has a controlling influence and their associated companies. The consolidated financial statements have been prepared according to the acquisition method.

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. The areas containing a high degree of judgement that is of a complex nature, or such areas where assumptions and estimates are of great importance for the consolidated financial statements, are stated in note 4.

Elimination of Group Transactions

Gains and losses arising when a Group company sells goods or services to another Group company are completely eliminated. The same applies for associated companies to the extent which corresponds to the Group's participation. Note 30, Transactions with Related Parties

The Acquisition Method

Acquisitions are managed according to the Acquisition Method as defined by IFRS 3, Business Combinations. This is distinguished by the recognition of the acquired assets, liabilities and contingent liabilities at their market value, having taken the deferred tax into consideration at the time of the acquisition.

If the cost of acquisition of the subsidiary exceeds the market value of the company's net assets, taking into account the contingent liabilities, the difference is recognised as consolidated goodwill. Goodwill is not amortised but is continually assessed for the write-down requirement at least once a year. Other acquired intangible assets are amortised over the estimated useful life.

If the acquisition cost is below the fair value of the acquired subsidiary's net assets, the difference is reported directly in the statement of comprehensive income. The acquisition cost is the fair value of assets given as payment, equity instruments and liabilities incurred or assumed on the date of the acquisition, plus any costs that are directly attributable to the acquisition.

Divested companies are included in the consolidated financial statements up to the time of the divestment. Companies acquired during the year are included in the consolidated financial statements from the time of acquisition.

Subsidiaries

Companies in which the parent company, indirectly or directly, holds more than 50 percent of the voting rights, or in some other way exercises a controlling influence, are consolidated in their entirety. For subsidiaries in Lindab see note 31, Group companies and associates.

Associated Companies

Associated companies are companies in which the Group controls 20–50 percent of the voting rights. Investments in associated companies are reported in the consolidated statements of comprehensive income and financial position in accordance with IAS 28, Investments in Associates, and are thus in accordance with the equity method. In the statement of financial position these participations are reported among financial fixed assets. The Group's share in the profits of the associated company after financial items (arising in the associated company following the acquisition), is reported in the statement of comprehensive income under Other financial income and expenses. The acquisition value of shares is recognised in the statement of financial position, after adjustment for the Group's share in the associated company's profits, as other investments held as fixed assets. The Group's share of changes in reserves following the acquisition are reported in reserves. In accordance with IAS 1, shares in associated companies' profits are reported in separate rows in the financial statements. Lindab's holdings in associated companies constitute smaller values, however, and are therefore not reported on their own rows.

Translation of foreign subsidiaries and foreign currency

The consolidated financial statements are presented in Swedish krona (SEK), which is the parent company's functional currency and reporting currency. The income statements and balance sheets for operations abroad (subsidiaries and associated companies) are submitted in their functional currency and are translated into the Group's reporting currency according to the current method as defined in IAS 21, The Effects of Changes in Foreign Exchange Rates. The functional currency is the same as the local currency for the reporting entity's accounts.

All assets and liabilities of subsidiaries are translated using the rate on the balance sheet date, and income and expenses are translated at average exchange rates for the year. The exchange rate differences arising when consolidating are carried directly to other comprehensive income. When a subsidiary is sold, the accumulated translation differences are reported in the statement of comprehensive income in accordance with IAS 21.

Transactions in foreign currencies are translated to the functional currency at the prevailing exchange rate on the date of the transaction. Swedish Group companies' receivables and liabilities in foreign currencies are valued at the rate on the balance sheet date. Exchange rate gains and losses that arise when paying and when translating monetary assets and liabilities in foreign currencies at the exchange rate on the balance sheet date are reported in the statement of comprehensive income. Exchange rate differences relating to operations are shown as other operating income/expenses (note 12) and are thereby included in the operating profit. Exchange rate differences of a financial nature are reported in financial income and expenses (note 13).

Internal pricing

Market-based pricing is used for inter-company transactions.

Segment reporting

Lindab's operations are managed and reported by business area. From 2009 Lindab has complied with IFRS 8, Operating Segments, since this has replaced IAS 14, Segment Reporting. IFRS 8 requires disclosures about operating segments and replaces the requirement to determine primary and secondary segments. The implementation has not had any impact on the consolidated financial position or profit, nor given rise to other segments other than those previously considered to be primary. The Group's segments are the two business areas, Profile and Ventilation. From the beginning of 2010, the existing Profile business area will be divided in two: Building Components and Building Systems, whereby the segmentation will also be changed.

The segments are responsible for the operating profit and net assets used in their operations, while net financial items and taxes as well as net borrowing and equity are not reported by segment. The operating profit and net assets for the segments are consolidated according the same principles as for the Group overall. Segments consists of separate companies and divisions within companies with multiple segments. The allocation of costs and net assets is made as needed. Operating expenses not included in the segments are reported under the item Other and include the parent company, steel services and steel processing for external customers. Segment reporting is presented in Note 7, Segment reporting.

Revenue Recognition

Revenue is recognised according to IAS 18, Revenue. Sales revenues, i.e. net sales for products and services in the ordinary activities are reported once the delivery is made and the material risks and benefits connected to ownership of the goods have been transferred to the purchaser. For projects within Building Systems, revenue recognition mainly occurs upon each part delivery. Sales are reported net of VAT, less taxes on goods, returns, freight and discounts.

Other income includes payment for such sales that occur in addition to ordinary activities, such as net profit on fixed assets sold.

Interest income is reported with consideration to accrued rates on the balance sheet date. Received dividends are reported when the right to receive dividends has been established.

Incentive programme

Within the Lindab Group, there is a share-based incentive programme entitling key employees to purchase warrants to subscribe for shares in the company. Participants pay an initial market value of their warrants, but during the vesting period, as long as they continue to be employed, will receive a refund of up to half the fair value paid for the warrants. For this reason, the programme creates a benefit for the individuals and the cost of this benefit is recorded during the relevant vesting period. In cases where the warrants are redeemed, this will give rise to a dilutive effect. In cases where the warrants are out of money (i.e. when the subscription price for the shares is higher than the current share price), this will not lead to any dilutive effect.

Borrowing Costs
All borrowing is reported at fair value i.e. net after transaction costs. Borrowing costs are reported as an expense in the period they are incurred unless they relate to assets that take a substantial period of time to get ready for use or sale. In such cases, these must be capitalised in accordance with the amendment to IAS 23, Borrowing Costs, valid from 2009.

Income Taxes
The Group applies IAS 12, Income Taxes. Recorded tax comprises current tax and deferred tax. Current tax is tax that is to be paid or received during the current fiscal year. This also includes adjustments to tax attributable to previous years. Deferred tax is reported as temporary differences between the reported values and the tax base on assets and liabilities to be paid in the future. The evaluation of deferred tax is based on expected liabilities and receivables on the balance sheet date using the tax rates for individual companies decided or announced on the balance sheet date.

Deferred tax receivables are reported to the extent that it is likely that future taxable surpluses will be available and against which the temporary differences may be utilised. Deferred tax receivables and liabilities are offset when there is a legal right to offset current tax receivables and liabilities and when the deferred taxes are levied by the same tax authority.

Deferred tax receivables on loss carry-forwards are reported to the extent that the losses are expected to be used to lower tax payments in the foreseeable future. See note 14 for information on tax on profit for the year and deferred tax receivables and liabilities.

Earnings per share
Earnings per share are reported in accordance with IAS 33, Earnings per Share. The item is shown directly in the statement of comprehensive income. Earnings per share are not affected by preference shares or convertible debentures since there are none. If the number of shares changes during the year, a weighted average is calculated for the outstanding shares during the period. Incentive programmes have been implemented in 2008 and 2009, with 784,000 warrants being acquired in each year by senior executives and key employees. Each of the warrants may be utilised during the periods 1 June 2010–31 May 2011 and 1 June 2011–31 May 2012 respectively to subscribe for one share in Lindab International AB. There is currently no need to calculate the dilutive effect, since the subscription price for the shares is higher than the current share price. A buy-back of own shares took place during 2008, which has been taken into account when calculating the earnings per share.

Intangible fixed assets
Goodwill
Goodwill arising from the acquisition of a company and operations is assessed according to IFRS 3, Business Combinations. Goodwill represents the amount by which the acquisition value exceeds the fair value of the Group's share of the acquired subsidiary's identifiable net assets at the time of the acquisition. Goodwill from the acquisition of subsidiaries is reported as intangible assets. Goodwill is at least annually tested for any write-down requirement, or when there is any indication of this. Goodwill is reported as the acquisition value less accumulated write-downs.

Write-down requirements are determined by estimating the discounted cash flow that has been projected for the entity to which the goodwill is attributed. In such a case, the estimate is made on the lowest cash-generating unit within the business. For the Lindab Group, estimates are made at Group level and in each business area.

Gains or losses on the divestment of a subsidiary/associated company include the remaining carrying amount of the goodwill relating to the unit sold.

Brands, patents and similar rights
Brands, patents and similar rights are reported as the acquisition value less accumulated depreciation/amortisation. Depreciation/amortisation is applied on a straight line basis over the estimated useful life of between five and ten years.

Software
Acquired software licences are capitalised on the basis of the costs arising when the software in question was acquired and put into operation. These costs are amortised over an estimated useful life of between three and five years.

Capitalised expenditure for development work and similar
Costs for research undertaken in order to gain new scientific or technical knowledge are charged as they are incurred.

Development costs where the outcome is used for planning or establishing the production of new or greatly improved processes or products, are capitalised when it is considered that the process or product is technically and commercially viable. Costs that are to be capitalised include material costs, direct labour costs and a reasonable proportion of indirect costs. Capitalised development costs are carried at the acquisition value less accumulated depreciation/amortisation and write-downs. The estimated useful life is three years.

Tangible fixed assets
Buildings and land principally comprises factories, branches and offices. These are reported as the recorded residual value, i.e. the acquisition value less the accumulated depreciation according to plan and any write-downs that are made. The planned depreciation is based on the acquisition value of fixed assets and is calculated with consideration to the estimated useful life. No depreciation is made on land. Additional expenses are added to the asset's carrying amount or are shown as a separate asset, depending on which is the most appropriate. Additional expenses should only be added to the carrying amount of assets when it is likely that the prospective economic

benefits resulting from the asset will benefit the Group and if the asset can be reliably measured. All other forms of repair and maintenance are reported as costs in the statement of comprehensive income during the period in which they arise.

The acquisition value of assets is divided into material components and each component must be amortised separately over its estimated useful life i.e. component depreciation. This applies to buildings as well as machines and equipment.

During the investment year, depreciation is made according to plan on machines, equipment, vehicles and computers from the time that they are put into use, or if that is not possible, using half of the depreciation rates shown below.

The following depreciation periods have been used

	Year
Buildings	20–50
Land facilities	20
Machinery and equipment	5–15
Vehicles and computers	5

Financial instruments

Financial instruments are every form of agreement giving rise to a financial asset, financial liability or equity instrument in another company. They include cash and cash equivalents, interest-bearing receivables, accounts receivable, trade creditors, borrowing and derivative instruments. Cash comprises cash and bank.

Classification of financial assets and liabilities

- *Financial assets* at fair value through profit for the year, includes financial assets that are held for trading and financial assets that are classified as being reported at fair value in the statement of comprehensive income. The result from the change in fair value on financial instruments in this category is reported in the profit for the year, during the period in which they arise.
- *Held-to-maturity investments*, are non-derivative financial assets with fixed or determinable payments and fixed maturity periods, which the Group does not intend to sell before their maturity date. Financial investment amounting to SEK 25 m, relating to funded pension liabilities, is included in this category.
- *Loan receivables and Accounts receivable*, are non-derivative financial assets with fixed or determinable cash flows that are not traded in an active market. This type of receivable normally arises when the Group pays cash to another party or supplies a customer with products or services without intending to convert the receivable into cash. Loan receivables and accounts receivable are recognised at the amortised cost, i.e. the amount that is expected to flow in, less allowance for doubtful accounts which are assessed individually. The expected maturity period for accounts receivable is short, therefore the value is reported at the nominal amount without discounting.
- *Available-for-sale financial assets*, include non derivative financial assets that are either classified as assets available for sale or do not fall into any of the other categories. The assets are valued at their fair value directly against other comprehensive income. Upon being sold, accumulated changes in value are reversed against profit for the year. Other investments held as fixed assets, note 19, are included in this category since they have not been classified in any other category.
- *Financial liabilities at fair value through profit for the year*, This group includes financial liabilities that are classified as being reported at fair value in the statement of comprehensive income. The result from the change in fair value on financial instruments in this category is reported in the profit for the year, during the period in which they arise.
- *Other financial liabilities*. This category includes loans, other financial liabilities and trade creditors. The liabilities are valued at accrued acquisition value.

A financial asset or financial liability is included in the statement of financial position when the company is party to the instrument's contractual terms. Accounts receivable are reported in the statement of financial position when the invoice has been sent and supplier invoices are reported when they are received.

Financial assets are removed from the statement of financial position when the right to obtain cash flow from an asset matures or is transferred to another party by transferring all risks and benefits associated with the asset to the other party. A financial liability is removed from the statement of financial position when the obligation has been met, cancelled or has expired.

The boundary between the reporting of current and long-term balance sheet items is consistently applied for all financial instruments. When a settlement or sale is expected to take place more than twelve months following the balance sheet date, a financial asset is reported as a fixed asset. Financial assets that are expected to be settled or sold within twelve months following the balance sheet date are thus classified as current assets. Financial liabilities that are due more than twelve months following the balance sheet date are reported as long-term liabilities and those that are due for payment within twelve months following the balance sheet date are reported as current liabilities.

Financial derivatives

The Lindab Group uses derivative instruments to cover risks of currency and interest rate exposure. The holding of financial derivatives consists of interest rate and currency swaps and currency futures.

Derivatives are recognised in the statement of financial position on the date of contract and measured at fair value, both initially and in subsequent revaluations. The method for reporting the gain or loss arising through the revaluation depends upon whether the derivative is identified as a hedging instrument and whether the hedging of fair value, cash flow or net investment exists.

Derivatives that are not identified as hedging instruments are classified in the statement of financial position as financial assets and liabilities at fair value through profit for the year. Realised and unrealised gains and losses arising from changes in fair value are recognised in the statement of comprehensive income's financial items for the period in which they arise.

Hedge accounting

Lindab uses hedge accounting for financial instruments intended for securing cash flow in future interest payments concerning the Group's borrowings. The transaction is documented from the beginning, as well as the risk management objective. In addition, at the beginning of the hedge and continuously, an assessment is also documented as to whether the derivatives used in hedging transactions are effective in offsetting changes in cash flow for the hedged items. This is created at the beginning of a hedging measure so that it can be expected to be effective.

The Lindab Group does not use financial instruments to hedge financial risks such as future commercial cash flows or net investments in foreign operations, therefore hedge accounting in such instances is not relevant.

Lindab has no purchasing agreements with terms that mean they should be considered as derivative instruments or embedded derivatives.

Raw materials are purchased in SEK, EUR and USD. Some agreements may include currency clauses that allow for renegotiation of the agreement. None of the agreements for the purchase of raw materials are binding, i.e. Lindab is not contractually bound to purchase minimum volumes from its suppliers.

Financial fixed assets

Each financial fixed asset is reported at its amortised cost. If the fair value is less than the acquisition value then there is a write-down. The write-down is made in the statement of comprehensive income. For further information about values and categories of assets see notes 19 and 20, Long-term financial assets.

Accounts Receivable

In general for the Group, accounts receivable that have been due for between 180 and 360 days will be reserved at 50 percent and those that have been due for more than 360 days will be reserved at 100 percent. Consideration will be given however in cases such as credit insurance. Furthermore, individual assessments will be made when required.

Write-downs

IAS 36, Impairment of assets, is used for assessing write-down requirements. Assets with an indefinite useful life are not amortised but are tested for any write-down requirement at least once a year. Depreciated assets are assessed with regards to depletion in value wherever events or changes in circumstances indicate that the carrying value may not be recoverable. A write-down is recognised in the amount by which the asset's carrying value exceeds its recoverable value. The recoverable value is the greater of the fair value less selling expenses and the value in use. When assessing a write-down requirement, the assets are grouped at the lowest level, i.e. cash generating units (CGU). For the Lindab Group, calculations are made for each business area.

Stock

The Group's stock has been reported following deductions for intercompany profits, which have affected the operating profit. Stock is valued at the lower of the acquisition value and net sales value for raw materials, consumables and purchased finished goods, and the manufacturing cost of goods produced, in accordance with IAS 2. Stock has not been valued at more than fair value. Market prices apply when pricing for deliveries between Group companies. The necessary obsolescence deductions have been made.

Non-current assets held for sale and discontinued operations

Fixed assets held for sale and operations that are being closed down are reported in accordance with IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations. The assets must be available for sale and it must be probable that the sale will take place within one year of reclassification.

Cash and cash equivalents

Cash and cash equivalents include cash holdings and bank balances. Bank overdrafts are reported in the statement of financial position as part of borrowings in current liabilities.

Equity

Share capital

Transaction costs directly attributable to the issue of new shares or warrants are reported, net after tax, in equity as a deduction from the issue proceeds.

Reporting group contributions

Group contributions to the parent company are reported in accordance with UFR 2, issued by the Swedish Financial Reporting Board. These state that Group contributions must be reported according to their economic reality. Received Group contributions have therefore been reported as a dividend in the statement of comprehensive income. When Group contributions are made, these together with their tax amounts are always reported as deductable items from profit brought forward in equity.

Dividend

Dividends to the parent company's shareholders are reported as a liability in the consolidated financial statements during the period in which the dividend was approved by the parent company's shareholders.

Repurchase and redemption of shares

The repurchase and redemption of shares are carried, where appropriate, directly to profit carried forward. For repurchase and redemption of shares, see page 77, Statement of changes in equity, and for redemption, see note 23, Share capital and the number of shares.

Provisions

IAS 37, Provisions, Contingent Liabilities and Contingent Assets is applied for provisions except for provisions regarding personnel where IAS 19, Employee Benefits, is applied.

A provision is only reported when:

- there is a relevant legal or informal obligation resulting from an event
- it is probable that an expense will arise to settle the obligation and a reliable estimate of the amount can be made.

The amount reported as a provision is the best estimate of the expense required to meet the obligation in question on the balance sheet date.

Provisions for pensions and similar obligations

Lindab applies IAS 19, Employee Benefits, which means that pension benefits and other forms of compensation payable to employees after conclusion of employment e.g. upon termination or resignation, are calculated with consideration to estimated future earnings and inflation. The recommendation makes a distinction between defined contribution and defined benefit plans. Defined contribution plans are defined as plans where the company pays set contributions to a separate legal entity and has no obligation to pay additional contributions, even if the legal entity does not have sufficient assets to pay the benefits attributable to the employees' service until the balance sheet date.

All plans that are not defined contribution plans are considered to be defined benefit plans. Within the Group there are both defined contribution and defined benefit plans. The most comprehensive defined benefit plans are in Sweden, Norway and Luxembourg. In Italy there is a benefit plan for the termination of employment. There are significant defined contribution plans in Sweden, Denmark, Finland and Germany.

Defined contribution plans do not entail a re-evaluation in the consolidated financial statements. The costs for these are reported as an expense during the period that the employees carried out the services relating to the charge. All expenses are reported in full in the operating profit.

In some cases, pension commitments in Sweden have been secured through the purchase of endowment insurance as a benefit for the insured. Where these commitments are defined contribution in nature, they are recorded as provisions for pensions, defined-contribution obligations and corresponding assets in the endowment insurance as the fair value of plan assets for defined contribution obligations.

In principle however, benefit based commitments are assessed annually. Commitments of smaller amounts are re-evaluated at reasonable intervals or when necessary. These calculations are performed by independent actuaries. Expenses arising from re-evaluation are reported in the operating profit. The interest portion from changes in pension liabilities is reported as financial expenses however.

Defined benefit plans can be unfunded or entirely or partially funded. In the case of funded plans, the company contributes to e.g. specific funds or foundations. These plan assets are valued at the fair value and reduce the projected pension obligation so that the net accounting appears in the statement of financial position.

The liability for these defined benefit plans is valued at the present value of the expected future payments using a discounted rate. The present value is determined using the Projected Unit Credit Method. This means that each period of service gives rise to an additional unit of the total final obligation. A separate calculation is made for each unit, and the units combined comprise the total obligation on the balance sheet date. In this way, the expensed (pension) payments are recognised on a straight-line basis during the period of employment.

Actuarial assumptions are used for calculating liabilities; this includes expected salary and pension increases as well as the expected return on plan assets. The discount rate used is the rate on the balance sheet date on AAA credit rated bonds or government bonds for each currency. If possible, the rate should have a remaining maturity period corresponding to the pension obligations. Changes in the actuarial assumptions and outcomes that deviate from the assumptions give rise to so-called actuarial gains and losses.

Calculated actuarial gains and losses are not reported when they fall within the “ten percent corridor”. The income and expenses are first reported when actuarial gains/losses fall outside the corridor, i.e. they exceed 10 percent of the present value of the obligation or of the fair value of any plan assets. The profit is then distributed over the expected average remaining period of service of the employee.

Other contributions to employees are reported as expenses during the period when the employee performs the services to which the benefits pertain.

Leases

Reporting of financial leases results in fixed assets being entered as assets in the statement of financial position and long-term and current liabilities being recognised correspondingly. Fixed assets are depreciated according to plan over the useful economic lifetime, while lease payments are reported as interest and amortisation of liabilities. Assets are shown in the statement of financial position under the category of asset to which they belong.

For operating leases, no asset or liability is reported in the statement of financial position. Payments that are made during the lease term are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. For further information about leases see note 29.

Consolidated cash flow statement
Lindab applies the indirect method in accordance with IAS 7, Cash Flow Statements. The purpose is to provide a basis for assessing the company's ability to generate cash and the company's need for this. The following definitions have been used. Cash and bank consists of cash as well as deposits held with banks and equivalent institutions. Cash and cash equivalents other than cash and bank include current liquid investments that can easily be converted into cash and that are exposed to an insignificant risk from foreign currency fluctuations. Cash flow is the flow of money coming into and going out from the company. Operating activities are the main income generating activities of the company and other activities that are not investing or financing activities. Investing activities consist of the acquisition and divestment of fixed assets and investments that do not qualify as cash equivalents. Financing activities are activities that that result in changes to the size and composition of the company's equity and borrowings.

Pledged assets and contingent liabilities
Pledged assets are reported if Lindab has pledged assets for the company's or the Group's liabilities or obligations. These can include debts and provisions that may be shown in the statement of financial position, though not necessarily. The pledged assets may be tied to assets in the statement of financial position or encumbrances. Assets are entered at their carrying value and encumbrances at their nominal value. Shares in Group companies are reported at their value in the Group. See also note 29.

Events after the balance sheet date
Events after the balance sheet date are reported in accordance with IAS 10, Events after the Balance Sheet Date.

Government assistance
Government assistance is reported according to IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. Government assistance is any action by the government intended to provide an economic benefit that is specific to a company or a category of company fulfilling certain criteria. Government assistance is conditional upon the recipient complying with certain conditions. Here, the term government refers to government agencies or authorities and similar bodies, regardless of geographical location. Grants related to assets are reported as a deduction in the carrying amount of the asset, and grants related to income are presented as a deduction of the related expenses.

Sick leave and gender balance
Sick leave and gender balance among senior executives are reported in accordance with recommendation RFR 2:2 from the Swedish Financial Reporting Board, Accounting for Legal Entities.

Information about absence from work (due to illness) for employees in Sweden is submitted for the financial year. Information about gender balance is reported as the balance between women and men among members of the Board, the President and other individuals in Lindab's management. The distribution is reported separately and the information refers to the situation on the balance sheet date, see note 6.

Related party disclosures
Transactions and agreements with related parties and/or private individuals are accounted for according to IAS 24, Related Party Disclosures. In the Group, expenses arising from inter-company transactions are eliminated and are thus not included in this disclosure/reporting requirement.

For the full extent of these transactions, see note 30, Transactions with related parties.

Parent company accounts compared with consolidated financial statements
The parent company's financial statements are prepared and presented in accordance with the Annual Accounts Act (ÅRL) and Recommendations from the Swedish Financial Reporting Board (RFR), RFR 2:2.

The consolidated financial statements do not show appropriations and untaxed reserves. These are divided into deferred tax liabilities, which are reported as a non-interest-bearing liability and other reserves in equity. This is allocated on the basis of the applicable tax rate in each country.

From 2009, the Group has introduced statements of comprehensive income and financial position, rather than income statement and balance sheet, which the parent company continues to report. Furthermore, the Group only reports transactions with owners in the statement of changes in equity. Other transactions that were previously reported in equity are now recognised as other comprehensive income for the period in the statement of comprehensive income. The parent company's accounting principles correspond to those of the Group in every respect, except:

- associated companies,
- income taxes,
- leases,
- financial instruments,
- pensions.

Note 3 Risks and risk management

Exposure to risk is, to a certain extent, part of the business activity. Lindab's risk management is to identify, measure and prevent risks from being realised, while continually making improvements to minimise potential risks. For the Group, risk prevention is principally aimed at preventing potential risks from developing into damages and/or losses. When this does not fully succeed, the next goal is to mitigate the effect of damages that have already occurred. The risks that Lindab may be exposed to are strategic, operational, financial and legal risks, as well as those that can threaten our good standing and reputation.

As with other international companies, Lindab risks being affected by damages arising from natural disasters, terrorist activities and other types of conflict. The Group's risk management includes monitoring the outside world and developing procedures, in order to react and act wisely in the event of a disaster.

Operational risk management

Competition

In the various markets, Lindab faces a large number of small companies and a small number of relatively large regional, national and multinational companies. The company's competitors include Ruukki Construction, Corus Panels and Profiles, Marley, Plannja, Monier, Hörman, Fläkt Woods, Swegon and Trox.

To face up to this competition, Lindab has opted to work with highly automated central production units for volume products. These products can be easily transported. This is combined with smaller, local production units for products that require local adaptation and are difficult to transport.

Lindab also decided at an early stage to set up production in low-cost countries in order to be competitive.

Through a well-developed distribution network, Lindab can keep abreast of changes, trends and new demands from customers, and lay the foundations for the adaptation of products and services to new situations.

Lindab's primary raw material is steel, mainly in the form of sheet metal, and Lindab's competitive strength is inevitably affected by the increase in the prices for raw materials. Lindab tries to rationalise its production and organisation in order to be competitive. During recent years, increases in the prices of many input goods for competing materials, such as plastic and concrete, has meant that the competitive situation at least has not deteriorated. The rapid decline in the world market at the end of 2008 has however led to 30 percent decline in steel prices. Steel has many advantages over the plastic and concrete, which should be more greatly emphasised. Customer campaigns also have an influence on customers' product choices. Lindab is working to build sound long-term relationships with potential customers and to provide added value by simplifying construction through the use of Lindab's products.

Market risks

Demand for Lindab's products is affected by changes in customers' investment plans and production levels. Customers' investments can change if the economic situation in a country or an industry changes. Changes in the political situation and/or other political decisions can have an influence and consequently affect the customer's investments. Lindab is distributed throughout 31 countries, which balances the country-specific risks in the construction industry. Since construction is a cyclical industry however, it cannot protect against a downturn in the global economy. The current economic crisis is a global one, and this has therefore had a major impact on Lindab.

Within the Ventilation business area, one trend that is not affected by the business cycle is the growing demand for improved indoor climate and energy efficiency. Air should be replaced more often, without noise. It should be clean and with low energy costs.

In the Profile business area, there is a similar trend where steel as a construction material is gaining ground in the market at the expense of wooden constructions for instance. Among its advantages, steel does not develop mould and can be recycled in most instances. Furthermore, a large proportion of the products can be manufactured in factories resulting in lower costs and better logistics.

During a general economic downturn, and when the global economy and world market is in decline, it is important to react quickly and take appropriate action. A rapid change in market conditions took place in 2008 and continued into 2009. Lindab responded quickly in 2008 and major emphasis was placed on responding to the recession, primarily by focusing on balancing the cost structure and cash flow. Two cost-reduction programmes, one of which began in 2008, have been implemented during the year aimed at reducing non-volume related annual costs by SEK 550 m. These took full effect from the beginning of 2010. In addition, a capital efficiency programme was implemented with the aim of reducing working capital by SEK 400 m. The target has been surpassed, with a reduction in working capital of SEK 583 m during the year.

Raw material prices

Lindab purchases large quantities of steel, mainly in the form of sheet metal, and is subject to developments in the market for raw materials. The purchasing strategy developed by Lindab is based on long-standing relations with its main steel and sheet metal suppliers, enabling the company to purchase directly from steel manufacturers rather than intermediaries. Lindab's close relationship with steel manufacturers has allowed it to develop special grades of steel and finishes adapted to the company's systems and products. By centralising its steel purchasing, the company can strengthen its negotiating position and secure more competitive prices. Lindab only purchases steel to requirements and does not speculate or hedge on future prices.

Lindab has chosen to centralise all steel purchasing, in order to benefit from its size by securing competitive prices and terms with steel-works, thereby creating competitive advantages. A careful internal review is also being conducted to enable the Group to react and adapt its prices for customers in the event of price increases that cannot be absorbed by the organisation through rationalisation.

A 10 percent change in steel prices affects Lindab's profits by SEK 180 m provided that the sales prices do not change. Historically, however, the company has adjusted its prices when steel prices have changed.

Risk of bad debt losses

The risk of bad debt losses is the risk of customers being unable to pay for delivered products owing to their financial position.

The Group sells to a large number of customers throughout the world. Inevitably, some customers go into liquidation or their financial position leads them to have payment problems. This in turn may result in Lindab not receiving payment for the products it has sold. In order to minimise bad debt losses, a large number of companies within the Group have insured their receivables against bad debt losses. The Group obtains credit information about new customers and monitors existing customers. This leads to fewer bad debt losses. The single largest customer represents 1.3 percent of net sales.

In general for the Group, accounts receivable that have been due for between 180 and 360 days will be reserved at 50 percent and those that have been due for more than 360 days will be reserved at 100 percent. Consideration will be given however in cases such as credit insurance. Furthermore, individual assessments will be made when required. At 31 December 2009 reserves for bad debt losses amounted to SEK 99 m (77). During the year, SEK 57 m (20) was recorded concerning provision for bad debt, equivalent to 0.8 percent (0.2) of the Group's net sales.

Seasonal risks

The two business areas, Ventilation and Profile, both experience seasonal variations. Ventilation produces indoor products and is therefore not directly affected by changes in the weather. Sales are traditionally weaker during key holiday periods in July and December. Easter also has a negative influence on sales. June is a strong month when wholesalers and distributors build up their stocks ahead of July, when their own employees go on vacation. Profile's products are almost entirely for outdoor use and follow the seasons accordingly. Winter is normally the low season, while the sales figures peak between the summer and autumn.

Risk of claims

Historically, claims within the Air Duct Systems division of Ventilation and the Building Components division of Profile have been low. The Topline product group has incurred some costs resulting from the Plastisol coating peeling off. A new coating material is now being used.

Within Ventilation's Comfort division, the level of claims has been slightly higher due to the more complex nature of the products.

Within Building Systems – Profile, Lindab is essentially the sole supplier to local builder-dealers who are responsible for carrying out the construction work. This means there should not be any risk of claims. Some sales however are made directly to end customers, and in such cases the responsibility for claims resides with Lindab. Regardless of who has the construction risk, Lindab is responsible for ensuring that the delivered materials are correct. Claims for rust on roof parts have been received during 2005–2009.

SEK 80 m (91) has been reserved for the financial year 2009. See note 25, Other provisions.

Environmental risks

This risk relates to costs that the Group may incur when adapting its operations to new or stricter environmental legislation. It may also pertain to the decontamination of land for previously owned or currently owned properties, waste management etc. The Group has no environmental liabilities and the business is not the type that gives rise to the contamination of land or water that could require clean-up measures. The Group will work according to, and abide by, Swedish and international legislation. The company has specific environmental insurance to protect it and third parties from possible environmental accidents. The insurance includes liability for damages that are part of or are the result of environmental damage.

Risk for and in connection with disputes

This risk pertains to costs that the Group may incur in managing various disputes. These costs can arise, for example, in connection with settlements and costs for imposed penalties.

The responsibility for monitoring and controlling the legal risk management within the Group lies with the legal department led by Lindab's Chief Legal Counsel. In addition to the continual follow-up of the legal risk exposure, a quarterly analysis of all the Group companies is carried out.

The Group is involved in the following legal disputes

The Group is involved in disputes that are consistent with the Group's operations. At the time of the acquisition of subsidiary Astron Buildings S.A., there were disputes regarding faults in buildings it had delivered. Lindab has agreed with the seller of Astron that they accept the risk for ending this dispute. These disputes have now been concluded. Smaller disputes have arisen following the acquisition. A provision of SEK 2 m (2) has been entered into the financial statements.

Tax disputes

The company is involved in a tax dispute in the Czech Republic. The dispute is the result of a tax audit of the company's Czech subsidiary, Lindab s.r.o., for the financial years 2001 and 2000. In light of what emerged in the tax audit, the Czech tax authorities instructed Lindab s.r.o. to pay a total of SEK 8 m in corporate tax, VAT and penalties. The tax authority claimed that Lindab s.r.o. had not satisfactorily reported the transactions in question. The amount that Lindab has been instructed to pay is based on an assessment made by the tax authority. The company does not share the appraisal of the Czech tax authority and appealed against the decision in full in February 2005 to the Department of Finance in the Czech Republic. The company has already paid the corporate tax and the VAT demanded. The full cost has been included in the financial statements. The court in the Czech Republic has rejected the company's appeal. The company has appealed to the highest authority, which in 2008 overturned the original judgement on the basis that the procedure in the initial assessment had been incorrect. The company has no indication of when the case may be settled. During 2007, the company recovered half the penalty fee for the corporate tax and half the penalty fee for the VAT.

Risk for product liability

This risk refers to the costs that the Group may incur if any delivered product causes injury or damage to property. Within Building Systems – Profile, Lindab is responsible for product construction and therefore carries the risk for product liability in the event of any damages. The Group has product liability insurance, while procedures for eliminating the risk of damages are in place and continually under development.

Insurance risks

These risks refer to costs that Lindab may incur due to inadequate insurance cover for products, property, stoppages, liability, transport, life, pensions, etc. The Group has standard global insurances that provide cover for its head office, manufacturing and storage units as well as covering its own transport operations. The insurances cover damage to property, stoppages, mechanical breakdowns, general accountability and product liability, transport of goods by company vehicles, vehicles and felonies. As a natural part of Lindab's various operations, mitigation measures are continuously being carried out, sometimes together with external consultants. In this work, standards for desirable levels of protection are established in order to limit the likelihood of various injuries.

Lindab's senior executives and Board members are also insured with cover that the company deems appropriate for a company of its size and industry. Lindab considers that it has adequate insurance, normal to this industry, and is sufficiently covered for the risks usually associated with the business operations. Naturally there is no guarantee that Lindab will not incur losses over and above what is covered by this insurance.

Product development risks

Lindab's long-term organic growth and profitability is partly dependent on the ability to develop and successfully launch and market new products. Failure to do this successfully may have a negative effect on income.

Reputation

Lindab's reputation is a valuable asset that can be influenced by Lindab's actions as well as by external stakeholders. The Lindab Group strives to avoid actions that might risk Lindab's good standing. We aim to be a good element of society wherever we operate. A Code of Ethics has been produced and implemented in the Group to ensure that all the managers in our markets follow good practice.

Stoppages

Lindab may be affected by stoppages due to various reasons such as breakdowns and strikes, as well as other causes outside the Group's control e.g. natural disasters. Its global presence offers the Group many possibilities to move its operations to other locations should any unit be forced out, thereby ensuring that any tasks undertaken are completed.

Loss of key competence

The loss of key staff members can negatively affect the Group's earning capacity. Competent and committed managers are crucial for enabling Lindab to fulfil its strategy. To ensure re-growth and to identify future managers within the Group, we have produced a tool called Manager Profile. Senior executives are regularly evaluated in order to identify leadership skills and competence. This model now covers approximately 90 individuals.

Financial risk management

Through its activities, the Group is exposed to financial risks. Financial risk refers to financing risk, liquidity risk, interest rate risk and currency risk.

Lindab's financial policy for the management of financial risk has been approved by the Board of Directors and constitutes a framework of guidelines and regulations for the financing operations that are centralised at Corporate Finance. This enables the Group to monitor all financial risk positions and to achieve cost-effectiveness, economies of scale, skills development and the protection of the Group's shared interests.

Financing risk

Financing risk is the risk that the financing of the Group's capital requirements and refinancing of outstanding credits is impeded or becomes more expensive.

Since December 2007, the Lindab Group has had a binding five-year credit agreement with Nordea and Handelsbanken. Partly as a result of the deteriorating market conditions, the contract was renegotiated in October 2009 whereby the credit limit was reduced from SEK 4.5 bn to SEK 3.5 bn, representing estimated future financing requirements. The duration is unchanged, with a maturity date of 17 December 2012. The credit agreement includes two covenants in the form of net debt in relation to EBITDA and the interest coverage ratio, which are followed up quarterly. Lindab fulfils the terms of the credit agreement.

Liquidity risk

Liquidity risk is defined as the risk that the Group would incur increased costs due to lack of liquidity. All centrally managed loan maturities are planned in relation to consolidated cash flow. Lindab's operations are seasonal, which has an effect on the cash flow. In general, cash flow

is weaker during the months from January to June each year and is then positive from July until December.
The Group's unutilised credit at the year-end amounted to SEK 1,432 m (2,207).

Interest rate risk
Interest rate risk is the risk that changes in current interest rates will have a negative effect on the Group. Lindab is a net borrower. The net debt at the year-end amounted to SEK 2,422 m (2,774), which means that rising interest rates have an adverse effect on the Group. In accordance with the Finance policy, any surplus liquidity must be used to amortise existing loans.

In order to limit the interest rate risk, Lindab entered two three-year interest rate swap agreements in November 2009, amounting to SEK 1.2 bn. The implication of interest rate swap agreements is that the average interest rate period on the Group's borrowings has been extended from four months to eighteen months.

Any increase in the interest rate will affect the Group's interest and rental charges. An increase in the interest rate does not have a full effect in the first year thanks to the fixed rate period mentioned above. On rental agreements, rates are fixed for three months. An increase of 1 percentage point would increase the Group's expenses by SEK 12 m (17), of which interest expenses amount to SEK 9 m (14) and rental expenses SEK 3 m (3).

Currency risks
Currency risks are risks that changes in currency negatively affects the cash flow. Furthermore, currency exchange rate fluctuations affect Lindab's statement of comprehensive income and statement of financial position in the following ways:

The profit is affected when income and expenses in foreign currencies are translated into Swedish kronor.
The statement of financial position is affected when assets and liabilities in foreign currencies are recalculated in Swedish kronor.

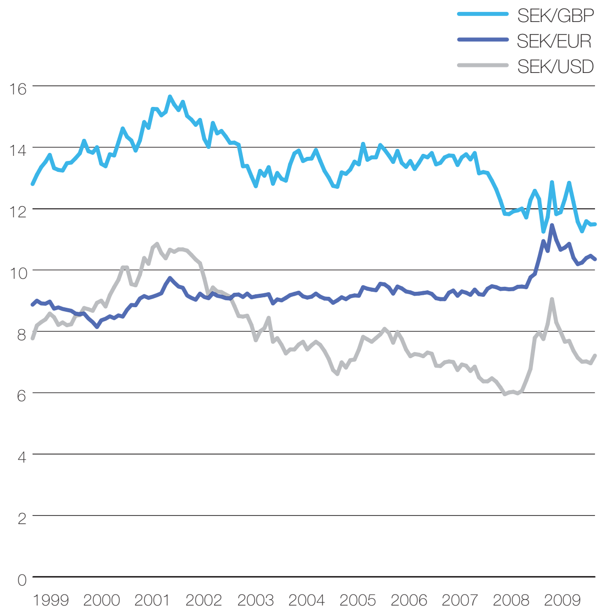
A 10 percent drop in the value of the Swedish krona compared with a combination of the major currencies increases net sales by approximately SEK 560 m and the operating profit (EBIT) by approximately SEK 9 m, assuming the 2009 levels and mix of sales and earnings.

81 percent (82) of the Lindab Group's sales are made using foreign currency. Altogether, sales are made in 17 (18) different currencies, the most important of which are EUR, DKK and GBP. In the previous year these were EUR, DKK and HUF.

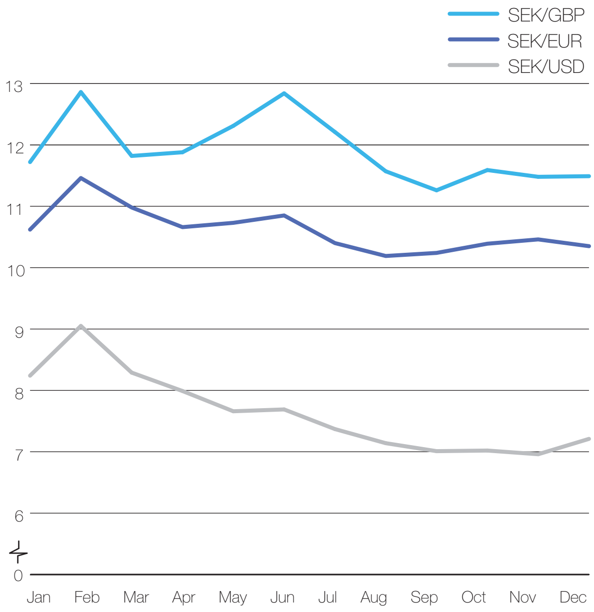
Currency risk can be divided into two different categories depending on how the exposure occurs:

Transaction risk
This arises when trading between Group companies, suppliers and customers if payment is made in another currency than the Group company's local currency. Lindab's net exposure translated into SEK amounts to approximately SEK 500 m (500) annually. SEK 29 m (48) of the transaction exposure entered in the statement of financial position was hedged at the end of the year.

Exchange rate movement
1999–2009, SEK



Exchange rate movement
Jan–Dec 2009, SEK



To reduce currency exposure, the Group attempts to match inflows and outflows of different currencies by, for example, using the same currency for invoicing as purchasing. According to the Finance policy, each individual Group company is responsible for deciding whether there should be any hedging of the transaction exposure. Any hedging of currency exposure is subsequently undertaken by Lindab AB.

Translation exposure

This arises when foreign Group companies' equity is translated into SEK. In accordance with Lindab's Finance policy, this exposure has not been hedged either in 2009 or 2008.

Exposure due to financial dealings between Group companies

Lindab AB's lending and borrowing to/from Group companies mainly takes place in the Group company's local currency. The currency risk in these transactions is thereby concentrated on Lindab AB, which hedges them using forward agreements. Evaluation of forward agreements is carried out monthly and the effect is reported in the net financial income in the statement of comprehensive income.

Currency forwards at 31 December 2009

Equivalent in SEK m		**2009** Amount	**2009** Term months	2008 Amount	2008 Term months
Sell	GBP	–204	0	–222	3
Sell	USD	–174	0	–176	3
Sell	CZK	–64	1	–120	1
Sell	DKK	–763	3	–843	6
Sell	EUR	–212	3	–218	4
Sell	NOK	–9	3	–13	6
Sell	HUF	–114	8	–125	7
Sell	LTL	–2	1	–3	3
Sell	LVL	–1	1	–4	0
Sell	RUB	–162	5	–113	7
Sell total		*–1,705*		*–1,837*	
Buy	EUR	201	3	448	4
Buy	GBP	-	-	6	3
Buy	DKK	67	3	22	6
Buy	CHF	136	1	203	1
Buy	CZK	-	-	9	1
Buy	NOK	-	-	9	3
Buy	EEK	7	1	7	3
Buy	HUF	8	4	-	-
Buy	RUB	-	-	5	0
Buy total		*419*		*709*	
Net		**1,286**		**–1,128**	

The following exchange rates have been used when translating the statements of comprehensive income and statements of financial position of Group companies abroad

			Average exchange rate Jan-Dec		**Rate on balance sheet date**	
Country	**Currency**	**Currency code**	**2009**	2008	**2009**	2008
Bosnia-Herzegovina	1	BAM	5.50	5.01	5.36	5.68
Bulgaria	1	BGN	5.43	4.92	5.29	5.59
Croatia	100	HRK	144.39	133.89	140.70	150.84
Czech Republic	100	CZK	40.16	38.55	39.22	41.00
Denmark	100	DKK	142.65	128.95	139.15	146.80
Estonia	1	EEK	0.68	0.61	0.66	0.70
Finland	1	EUR	10.62	9.61	10.35	10.94
France	1	EUR	10.62	9.61	10.35	10.94
Germany	1	EUR	10.62	9.61	10.35	10.94
Hungary	100	HUF	3.79	3.82	3.79	4.09
Republic of Ireland	1	EUR	10.62	9.61	10.35	10.94
Italy	1	EUR	10.62	9.61	10.35	10.94
Latvia	1	LVL	15.05	13.68	14.60	15.48
Lithuania	1	LTL	3.08	2.78	3.00	3.17
Luxembourg	1	EUR	10.62	9.61	10.35	10.94
Montenegro	1	EUR	10.62	9.61	10.35	10.94
Netherlands	1	EUR	10.62	9.61	10.35	10.94
Norway	100	NOK	121.61	117.04	124.3	110.35
Poland	1	PLN	2.46	2.74	2.50	2.62
Romania	1	RON	2.5	2.61	2.44	2.74
Russia	100	RUB	24.07	26.43	23.86	26.32
Serbia	1	CSD	0.11	0.12	0.11	0.12
Slovakia	100	SKK	35.26	31.91	34.37	36.30
Switzerland	100	CHF	703.57	606.58	695.35	734.55
UK	1	GBP	11.92	12.09	11.49	11.25
Ukraine	100	UAH	96.31	125.46	90.80	102.64
USA	1	USD	7.65	6.59	7.21	7.75

Note 4 Key estimates and assumptions for accounting purposes

Estimates and assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are deemed reasonable in the circumstances. In the application of accounting principles, various assumptions have been made that may substantially affect the amounts presented in our financial statements. Estimates can also have a significant impact.

Testing the write-down requirement for goodwill

Following the implementation of IFRS 3, Business Combinations, goodwill and other intangible assets with indeterminable useful lives are no longer amortised but are instead tested for any write-down requirement at least once each year or when there is an indication. The effect of IFRS 3 can be considerable if profitability falls in the Group or in certain parts of the Group, since this can trigger a write-down of goodwill. Such a write-down would affect the year's profit. Reported goodwill at the end of the year amounted to SEK 2,922 m (2,972).

For further information see note 16.

Deferred tax receivables

Deferred tax receivables are reported to the extent that it is likely that future taxable surpluses will be available, against which the accumulated deficit may be utilised.

Accounting of stock

Stock is valued at the lowest of acquisition value and net sales value. When calculating the net sales value, an assessment is made of discontinued items, surplus items, damaged goods etc.

Doubtful accounts receivable

An assessment of unpaid accounts receivable provides the basis for doubtful accounts.

In our judgement, the assumptions that have been made about the future do not involve any significant risk of material adjustments in the carrying amounts for the next financial year, see also note 3.

Other provisions

The amount reported as a provision is the best estimate of the expenditure that is required to meet the obligation in question on the balance sheet date.

Provisions for future expenses on the basis of the guarantee commitments are reported at the estimated amount required to settle the commitment on the balance sheet date. The estimated amount is based on calculations, assessments and experience.

The Group's reporting of provisions, in accordance with IAS 37, means that SEK 120 m (185) is reported as other provisions, see note 25. This is important when assessing the Group's financial position, since provisions are normally based on assessments of probability and estimates of costs and risks.

Pension expenses

Expenses, as well as the value of pension obligations for benefit based pension plans, are based on actuarial estimates that are based on the assumed discount rate, expected return on plan assets, future salary increases, inflation and demographic circumstances.

The Group's provisions for benefit based pensions amounted to SEK 108 m (109) net after deductions for financial investments. It is important that the choice of parameters allows correct estimates to be made for the evaluation of pensions. Since the Group uses the "corridor" however, greater changes should not have as great an influence during a single year. Changes are only reported when the deviation is greater than 10 percent of the commitment's current or fair value of the plan assets. The adjusted result is then distributed among the expected remaining period of service associated with the obligations in question.

Legal proceedings

According to IFRS, a liability is reported when an event results in an obligation that is likely to require an outflow of economic resources to settle the obligation, and that a reliable estimate of the amount can be made. Outstanding legal matters are reviewed regularly. An assessment is then made as to whether reserves are required in the financial statements. An assessment that does not correspond with the actual outcome may have an effect on the financial statements, see also note 3.

Note 5 Business combinations

Acquisitions

No new acquisitions were made during the year. By contrast, negotiations regarding purchase price for the acquisition of SIPOG a.s. in 2009 were completed, meaning an additional purchase price of SEK 41 m, plus interest and acquisition costs of SEK 3 m were recorded. The SIPOG group was consolidated from 1 September 2008. The first instalment on the purchase price of EUR 18 m was paid in 2008, and acquisition costs were additionally recorded corresponding to SEK 178 m.

In 2008, acquisitions also included Koto-Pelti Oy, Finland, for SEK 20 m, which resulted in a consolidated goodwill of SEK 17 m.

The acquisition of SIPOG increased consolidated net sales by SEK 120 m and the after-tax profit decreased by SEK 22 m, compared with the results for 2008.

Divestments

During the third quarter, the operations of Folke Perforering AB in Borlänge, Sweden, were divested. The buyer was RMIG Sweden AB, which is the market leader in perforation in Europe. The selling price was SEK 15 m and the effect on cash flow, as well as the capital gain, was SEK 10 m.

The divestment is considered to have decreased Lindab's net sales by SEK 25 m compared with the results for 2008.

Purchase price, goodwill and effect on cash and cash equivalents

The information below shows the purchase price, goodwill and the impact of acquisitions/divestments on the Group's cash and cash equivalents. The acquisition analysis for the SIPOG Group was established at the end of 2009.

	Acquired operations		Divested operations	
Acquisition price	**2009**	2008	**2009**	2008
Cash paid	41	192	15	-
Direct costs relating to the acquisition	3	8	0	-
Total acquisition price	**44**	**200**	**15**	**-**
Fair value of acquired net assets/liabilities	-	–149	–5	-
Final settlements that only affect cash and cash equivalents for acquisitions in previous years	1	-	-	-
Goodwill/realised gains	**45**	**51**	**10**	**-**
Cash paid, acquisition price	41	192	15	-
Direct costs relating to the acquisition	3	8	0	-
Cash and cash equivalents in the acquired subsidiary	N/A	–19	N/A	-
Adjustment to acquisition	1	-	-	-
Final settlement and purchase price for acquisitions in previous years	0	0	-	-
Effect of acquisition/divestment on consolidated cash and cash equivalents	**45**	**181**	**15**	**-**

Acquired/divested assets and liabilities

Acquired net assets, liabilities and goodwill related to acquisitions are shown below. For 2008, these refer to the SIPOG Group and Koto-Pelti Oy. Divested operations consists of the assets and liabilities in Folke Perforering. Reported values relate to the book value at the time of divestment.

	Acquired operations		Divested operations	
	2009	2008	**2009**	2008
Tangible fixed assets	-	75	0	-
Intangible fixed assets	-	2	0	-
Deferred tax assets	-	2	N/A	-
Stock	-	137	–3	-
Accounts receivable and other current assets	-	52	–2	-
Cash and cash equivalents and current investments	-	19	N/A	-
Total acquired/divested assets	**-**	**287**	**–5**	**-**
Deferred tax liabilities	-	2	N/A	-
Current liabilities	-	135	-	-
Total acquired/divested liabilities	**-**	**137**	**-**	**-**
Acquired/divested net assets	**-**	**150**	**–5**	**-**
Goodwill	-	50	-	-
Realised gains	-	-	10	-
Acquisition price	**-**	**200**	**15**	**-**

Note 6 Employees and senior management

Average no. of employees

	2009			2008		
	Men	**Women**	**Total**	Men	Women	Total
Parent company, Sweden	*1*	*-*	*1*	*1*	*-*	*1*
Subsidiaries						
Sweden	727	220	947	958	219	1,177
Belgium	22	4	26	24	4	28
Bulgaria	6	4	10	9	3	12
Croatia	2	3	5	2	3	5
Czech Republic	579	168	747	701	212	913
Denmark	433	165	598	501	184	685
Estonia	15	3	18	3	17	20
Finland	61	17	78	55	17	72
France	84	22	106	89	22	111
Germany	130	29	159	140	33	173
Hungary	225	41	266	341	56	397
Republic of Ireland	23	6	29	29	6	35
Italy	11	18	29	19	9	28
Latvia	7	2	9	8	2	10
Lithuania	3	1	4	4	1	5
Luxembourg	239	30	269	317	44	361
Netherlands	10	3	13	9	3	12
Norway	76	18	94	76	21	97
Poland	74	22	96	86	25	111
Romania	115	24	139	190	58	248
Russia	158	56	214	95	39	134
Slovakia	55	24	79	22	11	33
Switzerland	119	14	133	127	14	141
UK	255	61	316	295	55	350
Ukraine	-	-	-	8	2	10
USA	171	30	201	187	33	220
Subsidiaries total	*3,600*	*985*	*4,585*	*4,295*	*1,093*	*5,388*
Group total	**3,601**	**985**	**4,586**	**4,296**	**1,093**	**5,389**

Gender balance, among senior management

Parent company						
The Board, incl. employee representatives	9	1	10	7	1	8
President/Management Group	6	-	6	7	-	7
The Group						
President/Management Group	6	-	6	7	-	7

Sick leave

Sick leave only refers to the Group's Swedish operations, %

	2009	2008
Total sick leave as a proportion of normal working hours	4.1	4.6
Proportion of total sick leave that refers to a continuous period of sick leave of 60 days or more	32.7	35.3
Sick leave by gender		
Women	5.3	5.7
Men	3.9	4.3
Sick leave by age		
29 or younger	4.0	4.1
Between 30 and 49 years	3.7	4.1
50 or older	5.3	6.3

Note 6 Employees and senior management, cont.

Personnel costs

	2009			2008		
Salaries and other benefits	**Board and President**	**Other employees**	**Total salaries and benefits**	Board and President	Other employees	Total salaries and benefits
Parent company, Sweden	*7.8*	*-*	*7.8*	*16.1*	*-*	*16.1*
Subsidiaries						
Sweden	6.5	335.8	342.3	6.7	390.9	397.6
Belgium	1.8	8.6	10.4	1.4	7.9	9.3
Bulgaria	0.4	1.3	1.7	0.1	1.0	1.1
Croatia	0.2	0.6	0.8	0.6	0.4	1.0
Czech Republic	2.7	107.9	110.6	2.8	111.9	114.7
Denmark	3.9	293.9	297.8	3.7	305.0	308.7
Estonia	1.0	2.4	3.4	1.0	2.9	3.9
Finland	2.2	30.6	32.8	2.2	33.5	35.7
France	2.2	38.2	40.4	1.8	34.3	36.1
Germany	0	70.0	70.0	2.9	60.4	63.3
Hungary	5.4	29.4	34.8	8.6	49.0	57.6
Republic of Ireland	1.4	13.1	14.5	1.6	15.6	17.2
Italy	1.3	10.6	11.9	1.4	10.6	12.0
Latvia	0.5	1.3	1.8	0.4	1.2	1.6
Lithuania	0.3	0.6	0.9	0.3	0.6	0.9
Luxembourg	7.3	109.9	117.2	5.2	171.6	176.8
Netherlands	0.9	5.7	6.6	0.7	3.8	4.5
Norway	1.4	45.0	46.4	1.4	52.8	54.2
Poland	4.3	14.2	18.5	3.6	21.1	24.7
Romania	1.9	26.6	28.5	1.9	25.6	27.5
Russia	0.5	17.4	17.9	0.9	13.8	14.7
Slovakia	0	8.9	8.9	0	2.9	2.9
Switzerland	4.3	82.3	86.6	8.3	84.6	92.9
UK	4.0	82.0	86.0	4.3	103.0	107.3
Ukraine	0	0.6	0.6	0.4	1.7	2.1
USA	3.1	102.0	105.1	3.7	94.8	98.5
Subsidiaries total	*57.5*	*1,438.9*	*1,496.4*	*65.9*	*1,600.9*	*1,666.8*
Group total	**65.3**	**1,438.9**	**1,504.2**	**82.0**	**1,600.9**	**1,682.9**

Payroll overheads						
Parent company, Sweden	5.2	-	5.2	12.9	-	12.9
of which pensions	2.1	-	2.1	6.1	-	6.1
The Group total	19.9	349.7	369.6	34.4	380.7	415.1
of which pensions	7.1	85.5	92.6	14.6	80.9	95.5
Total personnel costs	**85.2**	**1,788.6**	**1,873.8**	**116.4**	**1,981.6**	**2,098**

Pension obligations of SEK 33 m (20.0) to the Board and the President of the Group are based on agreements with the current and former Presidents and vice Presidents. The majority of the obligations are invested in endowment insurance funds. These are valued at SEK 25 m (9.7). The cost of pension obligations for the year, attributable to the current and previous Presidents and Board members, is SEK 2.2 m (0.3).

Note 6 Employees and senior management, cont.

In 2009, total remuneration paid to Board members totalled SEK 2,675 k (1,888), broken down in the adjoining table.

At the Annual General Meeting on 6 May 2009, it was decided that the fees for the Board members would amount to SEK 2,960 k. Of this, SEK 650 k would be paid to the Chairman of the Board, SEK 300 k to each of the Board's elected members, and SEK 25 k to each of the employee representatives. Fees for the Audit Committee work were agreed at SEK 90 k, of which SEK 30 k is paid to the Chairman and SEK 20 k to the other three members. Furthermore, it was decided that fees for the work of the Remuneration Committee would total SEK 70 k, of which SEK 30 k is paid to the Chairman and SEK 20 k to the other two members. The Board appoints its own members to this committee.

Board fees paid

SEK (thousands)	**2009**	2008
Svend Holst-Nielsen, Chairman	711.5	631.3
Pontus Andersson	20.0	20.0
Erik Eberhardson	200.0	-
Per Frankling	200.0	-
Ulf Gundemark	200.0	-
Anders C. Karlsson	341.0	304.1
Stig Karlsson	340.0	303.3
Hans-Olov Olsson	322.3	305.5
Markku Rantala	20.0	20.0
Annette Sadolin	320.0	303.5
Kjell Åkesson, former President and CEO	-	-
Total	**2,674.8**	**1,887.7**

None of the Board members or deputies are entitled to any benefits upon termination of their Board services.

Guidelines for remuneration for senior executives

The Annual General Meeting decided on the following guidelines for remuneration for senior executives:

- Remuneration to senior executives will be based upon the market in which the company operates and the environment in which each of the executives works; it will be competitive, facilitate the recruitment of new executives as well as motivate senior executives to remain with the company.
- The remuneration system consists of the following: fixed salaries, variable salaries, pensions and benefits according to below.
- At the Annual General Meeting in 2009, an incentive programme for the purchase of shares was introduced.
- Fixed salaries and benefits will be established on an individual basis according to the criteria outlined above and specific skills in each case.
- Variable salaries are paid on achieving clearly established targets for the Group as well as individual targets. Variable salaries are paid as a percentage of fixed salaries and have a ceiling.
- As a principal rule, the pension will be a defined-contribution plan. The extent of the pension is founded on the same criteria as for fixed remuneration and is based partly on fixed and partly on variable salaries.
- In special cases, the Board of Directors has the right to waive the guidelines. During 2009, the Board of Directors has not exercised this mandate.

The Board proposes that the guidelines above remain unchanged from the next Annual General Meeting.

Remuneration to Group management and other terms of employment

Fixed and variable salaries

Remuneration to Group management is based on a combination of fixed and variable salaries, with the variable part being based on achieved results and individual targets.

At present, 60–80 percent of the variable salary is based on consolidated profits and 20–40 percent on individual targets that are determined for each employee.

The maximum variable salary amounts to 40 percent of the employee's fixed salary, with the exception of the company's President and CEO, who is entitled to a variable salary up to a maximum of 75 percent of his annual fixed salary.

David Brodetsky's fixed salary for 2009 was SEK 4,700,000. David Brodetsky has the right to free accommodation for the duration of his employment, and during a transition period of two years (2009–2010), this right also includes current costs and compensation for the tax effect of the benefit. In addition, David Brodetsky has the right to a free car and certain other benefits. From 1 January 2010, David Brodetsky's remuneration is hedged in EUR.

In 2009, the Group management included Nils-Johan Andersson, Peter Andsberg, Venant Krier, Carl-Gustav Nilsson and Anders Persson. Hannu Paitula was part of the Group management up to and including 30 June 2009. The remuneration to Group management follows the guidelines adopted by the Annual General Meeting.

Remuneration for 2009 to David Brodetsky, President and CEO, and the other members of the Group management, is shown below.

SEK	**David Brodetsky**	**Remuneration of other Group management**	**Total**
Fixed salary incl. holiday pay	4,743,866	12,897,857	17,641,723
Variable salary	-	-	-
Incentive programme	521,715	1,566,104	2,087,819
Pension expenses	2,133,771	4,796,344	6,930,115
Benefits	242,110	840,345	1,082,455
Total	**7,641,462**	**20,100,650**	**27,742,112**

Note 6 Employees and senior management, cont.

Termination Regulations

The notice period for David Brodetsky's employment is 12 months from the company and six months from David Brodetsky. The contract also includes a non-competition clause that is effective for 12 months following termination. He is then entitled to remuneration equivalent to the total sum of his fixed annual salary on the termination date, pension premiums for that period and an amount equal to the average variable salary per year during the last three years.

The notice period for other senior executives is 6–24 months from the company and, 6–12 months from the employees. These senior executives are also bound by non-competition clauses effective for 12 months following termination.

Pension expenses

David Brodetsky or the company has the right to demand that he retires at the age of 60. The retirement age for other senior executives is 65.

The company has agreed to pay pension premiums for David Brodetsky equivalent to 55 percent of his annual gross salary. The expenses for pension premiums amounted to SEK 2,134 k (1,751).

Other senior executives have pension benefits, over and above their legal right to a pension, equivalent either to the Swedish ITP pension system or benefits that are limited to a maximum of 20–25 percent of their fixed annual salary. The cost of premiums for these individuals, over and above their legal right to a pension, totalled SEK 4,796 k (2,685).

Bonus scheme

In addition to the variable salaries for senior management, there is a bonus scheme for senior executives. The bonus scheme is based on results-oriented and individual targets. Dependent upon the individual's position, bonuses are equivalent to 20, 30 or 40 percent of the annual salary. There are approximately 80 employees currently included in the scheme.

Astron has its own separate bonus scheme which includes approximately 135 employees. Astron's bonus scheme is also based on results-oriented and individual targets. Dependent upon individual positions, bonuses are equivalent to 5–40 percent of the annual salary.

Profit share plan

Since 1980, the company has paid contributions into a profit-sharing foundation for employees in Sweden, in accordance with the agreement. The current agreement is effective through 2011. The annual payments are based on the earnings of the Swedish Group companies. The maximum amount is adjusted upwards annually using the Consumer Price Index (CPI). Payments for the year amounted to SEK 0 k (6,752) including employer's contributions.

During the years 2001–2006, when Lindab shares were not listed on the stock exchange, investments were placed in the owner company Ratos AB. From and including 2007, investments have been made once again in Lindab shares. Gradually, as older funds are replaced, the remaining funds will be reinvested from Ratos shares to Lindab shares. At the end of 2009, the foundation held 22,500 Lindab shares and 387,700 Ratos shares. By April 2011, it will be possible for all non-cash funds to consist solely of Lindab shares once again.

Employees in the Group's Danish company are included in a cash-based profit share plan. According to the plan, Lindab contributes 5 percent of profit in the Danish Group companies to its employees in Denmark, up to a maximum of DKK 3,500 per employee. Those who have been employed for more than one calendar year are entitled to full cash reimbursement and those who were employed before 1 July in a given year are entitled to half the full cash reimbursement. The Board of Lindab A/S determines the size of the payment for the year, taking the year's results into consideration.

Incentive programme

The Annual General Meeting decided that the three-year Incentive Programme introduced in 2008 would continue, and stage two was implemented at the beginning of November 2009.

The first Incentive Programme (2008) was fully subscribed and 784,000 warrants were acquired by 81 senior executives and key employees within the Group. Each warrant was priced at SEK 17.40, entitling the holder to one share in Lindab International for SEK 173.70 during the period from 01-06-2010 to 31-05-2011.

The second Incentive Programme (2009) was also fully subscribed and 784,000 warrants were acquired by 68 senior executives and key employees within the Group. The price per warrant was fixed at SEK 6.00 in early November, entitling the holder to subscribe for one share in Lindab International for SEK 89.10 between 01-06-2011 and 31-05-2012.

Both Incentive Programmes have the same structure. The warrants have been valued according to the Black-Scholes option pricing model. The programmes also entitle the holder to a so called 'stay-subvention', i.e. everyone who has acquired warrants receives cash contribution, equivalent to 50 percent of the purchase price after tax, divided among three occasions during the period provided that they continue to be employed by the Lindab Group and remain in possession of the warrants.

Costs relating to the Incentive Programmes during 2009 amounted to SEK 8.2 m (5.6). The dilutive effect for each programme may be up to a maximum of 1 percent of the share capital, i.e. 2 percent in total. Upon redemption, Lindab has the opportunity to transfer parts of its own shares that were repurchased in 2008.

Post-employment benefits/pension obligations

The majority of employees in the Lindab Group are included in defined-contribution pension plans. Employees can also be included in defined-benefit plans however, particularly in Sweden, Luxembourg and Norway. In Italy there is a defined-benefit plan for the termination of employment. In 2009, liabilities for post employment benefits amounted to SEK 133 m (116), see note 24.

Note 7 Segment reporting

	Ventilation		Profile		Other		Total		Elimination		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
External sales	3,878	4,783	3,122	4,993	19	64	7,019	9,840	-	-	7,019	9,840
Internal sales	5	5	21	21	2	5	28	31	–28	–31	0	0
Total sales	*3,883*	*4,788*	*3,143*	*5,014*	*21*	*69*	*7,047*	*9,871*	*–28*	*–31*	*7,019*	*9,840*
Operating profit (EBITDA) before one-off items	**285**	**559**	**250**	**961**	**–9**	**–16**	**526**	**1,504**	**-**	**-**	**526**	**1,504**
One-off items	–19	–38	–38	–59	10	–19	–47	–116	-	-	–47	–116
Depreciation/amortisation	–95	–105	–97	–91	–22	–19	–214	–215	-	-	–214	–215
Operating profit (EBITA)	**171**	**416**	**115**	**811**	**–21**	**–54**	**265**	**1,173**	**-**	**-**	**265**	**1,173**
Consolidated amortisation of surplus value on intangible fixed assets	-	-	–11	–10	-	-	–11	–10	-	-	–11	–10
Operating profit (EBIT)	**171**	**416**	**104**	**801**	**–21**	**–54**	**254**	**1,163**	**-**	**-**	**254**	**1,163**
Net financial income											–135	–173
Profit after financial items (EBT)											**119**	**990**
Tax on profit for the year											–85	–267
Profit for the year											**34**	**723**
Fixed assets excl. financial assets	2,079	2,154	2,026	2,314	214	282	4,319	4,750	-	-	4,319	4,750
Stock	438	677	458	965	0	3	896	1,645	-	-	896	1,645
Other assets	711	826	690	587	137	330	1,538	1,743	–174	–319	1,364	1,424
Unallocated assets											863	806
Total assets							**6,753**	**8,138**	**–174**	**–319**	**7,442**	**8,625**
Equity											3,003	3,346
Other liabilities	640	806	639	1,154	136	107	1,415	2,067	–174	–319	1,241	1,748
Unallocated liabilities											3,198	3,531
Total equity and liabilities							**1,415**	**2,067**	**–174**	**–319**	**7,442**	**8,625**
Gross investments in fixed assets	48	85	128	195	6	21	182	301	-	-	182	301

Geographical information

Income from external customers (based on place of residence)

Below is a summary of external net sales for Lindab's largest markets, based on the customer's residence. Lindab's largest customer accounts for 1.3 percent of the Group's total net sales, which means that Lindab is not dependent on any single customer.

Country	2009	Percent	2008	Percent
Sweden	1,318	19	1,729	18
Denmark	897	13	1,063	11
Germany	660	9	840	8
UK	657	9	860	9
Norway	459	7	588	6
Other	3,028	43	4,760	48
Total	**7,019**	**100**	**9,840**	**100**

Fixed assets per country

Fixed assets, broken down by individual major countries with regard to production capacity.

Country	2009	Percent	2008	Percent
Sweden	736	17	969	21
Denmark	373	9	473	10
Hungary	297	7	330	7
Russia	203	5	152	3
Czech Republic	135	3	162	3
Luxembourg	92	2	90	2
Other[1]	2,483	57	2,574	54
Total	**4,319**	**100**	**4,750**	**100**

1) Excl. non-current assets held for sale.

Segment information

The Group's operations are managed and reported by business area, which therefore constitutes the basis for the Group's segmentation. The different products available form the basis for the division of business areas and therefore the segments. The Ventilation business area covers the Group's entire ventilation and indoor climate operations. The Profile business area provides the construction sector with building components and building systems. Operations are conducted within two divisions, Building Components and Building Systems. Other comprises parent company functions including Group Treasury, as well as steel services and steel processing for external customers. No changes have occurred in the fundamentals for segmentation or in the calculation of the segment's profit since the previous year. From the beginning of 2010, the existing Profile business area will be divided in two: Building Components and Building Systems, whereby the segmentation will also be changed.

Lindab is governed on the basis of three long-term financial targets: organic net sales growth, operating margin (EBIT) and the net debt/equity ratio. Of these, the business areas are mainly responsible for the first two and the head office for the latter.

The business areas are also responsible for the management of operational assets and their performance is calculated at this level, while Group Treasury is responsible for financing at corporate and country level. Thus cash and cash equivalents, interest-bearing assets and liabilities and equity are not allocated. As a result, it is not possible to allocate interest income and expenses to the segments. Neither tax receivables nor tax liabilities are allocated to segments.

The purchase of steel and processing is done centrally for the most part. Profit/loss items from the part of those activities that are sold out internally are allocated into segments of consolidation to the business areas.

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.

Note 8 Depreciation/amortisation and write-downs by type of asset and by function

	Group	
	2009	2008
Capitalised development expenditure (note 16)	2	3
Patents (note 16)	0	0
IT and other intangible fixed assets (note 16)	16	15
Brands (note 16)	11	10
Properties (note 17)	53	44
Machinery and other technical facilities (note 17)	110	118
Equipment, tools and installations (note 17)	33	32
Construction of new facilities in progress (note 17)	0	3
Total	**225**	**225**

Total depreciation/amortisation and write-downs distributed by function		
Cost of goods sold	175	170
Selling expenses	28	31
Administration expenses	21	23
R & D costs	1	1
Total	**225**	**225**

Amortisation of surplus value on intangible assets distributed by function		
Selling expenses (note 16)	11	10
Total	**11**	**10**

Note 9 Costs distributed by cost items

	Group		Parent company	
	2009	2008	2009	2008
Cost of direct materials	3,282	4,592	-	-
Personnel costs (note 6)	1,879	2,117	13	31
Depreciation/amortisation and write-downs (notes 8, 16, 17)	225	225	-	-
Other operating expenses	1,524	1,906	2	2
Total	**6,910**	**8,840**	**15**	**33**

In the statement of comprehensive income/income statement, the costs are classified according to function. The cost of goods sold, selling expenses, administration expenses, R&D costs and other operating expenses amount to SEK 6,910 m (8,840). A breakdown of these costs into key cost categories is shown here. Personnel costs consist of employed members of staff, SEK 1,874 m and temporary employees, SEK 5 m.

Note 10 Auditors' fees and expenses

Auditors' fees

An audit includes an examination of the annual report, an assessment of the accounting principles used and the significant estimates that were made by the company management. This also includes a review in order to determine whether the Board and President may be discharged from liability. Other assignments refer to advice on accountancy matters such as reporting, due diligence and tax etc.

	Group		Parent company	
	2009	2008	2009	2008
Ernst & Young, auditing	8.6	8.1	1.0	1.0
Ernst & Young, other assignments	4.3	5.5	-	-
Total	**12.9**	**13.6**	**1.0**	**1.0**

Note 11 Research & development

Costs for research and development amount to SEK 47 m (58) and are reported directly in the statement of comprehensive income, of which SEK 1 m (1) relates to the depreciation of capitalised payments for development costs.

Note 12 Other operating income and expenses

	Group		Parent company	
Income	**2009**	2008	**2009**	2008
Exchange rate differences in operating receivables/liabilities	97	124	-	-
Capital gains on the sale of fixed assets	14	19	-	-
Other	34	20	-	-
Total	**145**	**163**	**-**	**-**
Costs				
Exchange rate differences in operating receivables/liabilities	–97	–171	-	-
Capital losses on the sale of fixed assets	–15	–3	-	-
Other	–39	–110	-	–2
Total	**–151**	**–284**	**-**	**–2**

Note 13 Financial income and expenses

	Group		Parent company	
Result from participation in Group companies	**2009**	2008	**2009**	2008
Received dividend	-	-	107	151
Received Group contribution	-	-	79	236
Total	**-**	**-**	**186**	**387**
Interest income				
External	13	22	0	0
Total	**13**	**22**	**0**	**0**
Interest expenses				
External	–137	–177	0	0
To Group companies	-	-	–40	–83
For pensions, net	–5	–6	-	-
Total	**–142**	**–183**	**–40**	**–83**
Other financial income and expenses				
Exchange rate gains	1	0	-	-
Exchange rate losses	–7	–12	-	-
Total	**–6**	**–12**	**-**	**-**
Total	**–135**	**173**	**146**	**304**

Note 14 Tax on profit for the year

	Group		Parent company	
	2009	2008	**2009**	2008
Current tax expense	–75	–290	–7	–35
Deferred tax	–10	23	3	-
Total reported tax expense	**–85**	**–267**	**–4**	**–35**

The Group's tax expenses for the year amounted to SEK 85 m (267) or 71.7 percent (27.0) of the profit after net financial items. Up to and including 2009, the tax rate in Sweden was 26.3 percent. Prior to that, the tax rate was 28.0 percent.

The Group's average tax rate has been calculated as 27.7 percent (25.1), through a weighting of the subsidiaries' profit before tax (EBT) multiplied by the local tax rate.

The effective tax rate for the year of 71.7 percent is partly due to fiscal adjustments to reported earnings having a greater impact on the tax rate at low profits than in years with more normal profits and partly due to the adjustment of deferred tax on loss carry-forwards.

During the year, part of the deferred tax on the deficit in Germany has been reversed by SEK 33 m so that the remaining deferred tax of SEK 31 m, is now equal to the taxable value of accumulated deficits.

	Group			
	2009	**Percent**	2008	Percent
Profit before tax	119		990	
Tax in accordance with current tax rates for the Company	–31	–26.3	–277	–28.0
Reconciliation with reported tax				
Effect of other tax rates for companies abroad	–2	–1.4	29	2.9
Deficit not capitalised, incurred during the year	–10	–8.8	–25	–2.5
Tax attributable to previous years	–12	–9.8	1	0.1
Non-deductable expenses	–20	–16.9	–20	–2.0
Non-taxable income	8	6.4	10	1.0
Effect of changed tax rates on deferred tax	0	–0.1	5	0.5
Activated loss carry-forwards attributable to previous years	9	7.4	0	0.0
Earlier non-capitalised deficits used to lower the year's tax	2	1.6	0	0.0
Reversal of previously capitalised loss carry-forwards	–39	–32.8	0	0.0
Other	10	9	10	1.0
Reported tax expense	**–85**	**–71.7**	**–267**	**–27.0**

Deferred tax receivables and liabilities for the year, not taking into consideration any offsets made within the same fiscal jurisdiction, are detailed below:

	Deferred tax receivable		Deferred tax liability		Net	
	2009	2008	**2009**	2008	**2009**	2008
Intangible fixed assets	168	177	–82	–77	86	100
Tangible fixed assets	10	5	–135	–130	–125	–125
Financial fixed assets	-	2	–6	–20	–6	–18
Stock	23	28	–1	–7	22	21
Receivables	7	10	0	0	7	10
Provisions	26	16	–1	–2	25	14
Leasing	7	7	–10	–10	–3	–3
Other	91	10	–86	–5	5	5
Loss carry-forward	116	130	0	0	116	130
Tax allocation reserves	-	-	–77	–75	–77	–75
Total	**448**	**385**	**–398**	**–326**	**50**	**59**

Reconciliation of deferred net receivables	**2009**	2008
Opening balance	59	26
Reported in the statement of comprehensive income	–10	24
Acquisitions of subsidiaries (note 5)	0	0
Reported in equity; hedging reserve	3	-
Translation differences	–6	10
Other	4	–1
Closing balance	**50**	**59**

At the end of the year, the Group had a loss carry-forward of approximately SEK 644 m, of which SEK 441 m is the basis for the deferred tax receivable of SEK 116 m (130).

The remaining loss carry-forward of SEK 203 m (136), equivalent to a deferred tax receivable of SEK 42 m (43), has not been taken into consideration since it is considered unlikely at present that Lindab will be able to utilise them in the foreseeable future.

Note 15 Earnings per share

Undiluted	2009	2008
Profit attributable to parent company shareholders, SEK m	34	723
Weighted average number of outstanding ordinary shares	74,772,429	77,547,921
Undiluted earnings per share (SEK per share)	**0.45**	**9.32**

Undiluted earnings per share

Undiluted earnings per share is calculated by dividing the earnings attributable to the parent company's shareholders by a weighted average number of outstanding ordinary shares during the period, excluding repurchased shares held by the parent company as its own shares.

Diluted	2009	2008
Profit attributable to parent company shareholders, SEK m	34	723
Weighted average number of outstanding ordinary shares	74,772,429	77,547,921
Share options	-	-
Weighted average number of ordinary shares for calculation of diluted earnings per share	74,772,429	77,547,921
Diluted earnings per share (SEK per share)	**0.45**	**9.32**

Diluted earnings per share

To calculate earnings per share, the weighted average number of outstanding ordinary shares is adjusted for the dilutive effect of all potential ordinary shares. In 2009, there were 1,568,000 outstanding share options for the first two stages of the incentive programme that began in 2008 and continued in 2009. Since Lindab's share price remains lower than the conversion rate for the warrants in both incentive programmes, there is currently no reason to expect any dilutive effects.

Note 16 Intangible fixed assets

	Capitalised expenditure for development work and similar	Patents etc.	IT and other intangible assets	Brands	Goodwill	Total
1 January - 31 December 2008						
Accumulated acquisition values						
Opening balance	24	79	116	47	3,056	3,322
Assets provided through acquisitions	-	-	3	-	-	3
Acquisitions	5	-	20	-	43	68
Divestments and disposals	-	-	-	-	-	-
Reclassification	-	-	-	-	10	10
Translation differences for the year	3	3	11	7	244	268
Closing balance	**32**	**82**	**150**	**54**	**3,353**	**3,671**
Accumulated depreciation/amortisation according to plan						
Opening balance	–14	–77	–83	–21	–343	–538
Depreciation for the year	–3	-	–15	–10	-	–28
Accumulated depreciation through acquisitions	-	-	–1	-	-	–1
Divestments and disposals	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Translation differences for the year	0	–3	–6	–5	–38	–52
Closing balance	**–17**	**–80**	**–105**	**–36**	**–381**	**–619**
Accumulated write-downs						
Opening balance	–3	–2	-	-	-	–5
Write-downs for the year	-	-	-	-	-	-
Translation differences for the year	–1	-	-	-		–1
Closing balance	**–4**	**–2**	**-**	**-**	**-**	**–6**
Planned residual value at start of year	7	0	33	26	2,713	2,779
Planned residual value at end of year	**11**	**0**	**45**	**18**	**2,972**	**3,046**

Note 16 Intangible fixed assets, cont.

	Capitalised expenditure for development work and similar	Patents etc.	IT and other intangible assets	Brands	Goodwill	Total
1 January - 31 December 2009						
Accumulated acquisition values						
Opening balance	32	82	150	54	3,353	3,671
Assets provided through acquisitions	-	-	-	-	-	-
Acquisitions	5	-	15	-	45	65
Divestments and disposals	0	-	–5	-	-	–5
Reclassification	-	-	-	-	-	-
Translation differences for the year	–2	–1	–6	–2	–112	–123
Closing balance	**35**	**81**	**154**	**52**	**3,286**	**3,608**
Accumulated depreciation/amortisation according to plan						
Opening balance	–17	–80	–105	–36	–381	–619
Depreciation for the year	–2	-	–16	–11	-	–29
Accumulated depreciation through acquisitions	-	-	-	-	-	-
Divestments and disposals	1	-	3	-	-	4
Reclassification	-	-	-	-	-	-
Translation differences for the year	1	1	4	2	17	25
Closing balance	**–17**	**–79**	**–114**	**–45**	**–364**	**–619**
Accumulated write-downs						
Opening balance	–4	–2	-	-	-	–6
Write-downs for the year	-	-	-	-	-	-
Translation differences for the year	0	-	-	-	-	0
Closing balance	**–4**	**–2**	**-**	**-**	**-**	**–6**
Planned residual value at start of year	11	0	45	18	2,972	3,046
Planned residual value at end of year	**14**	**0**	**40**	**7**	**2,922**	**2,983**

Capitalised expenditure for development work and similar mainly relates to internally generated capitalised expenses for software development.

Other intangible assets comprise software and customer lists.

Consideration of write-down requirements of goodwill

The Group assesses annually whether there is any write-down requirement for goodwill in accordance with the accounting principles that are outlined in the Comments to the annual accounts note 2. The basis for the assessment is the strategic plan for the coming three-year period.

The assessment shall be based on cash generating units. Cash generating units for the Lindab Group constitute the respective business areas.

The Weighted Average Cost of Capital (WACC), has been calculated based on the required return on equity and loan interest rates and an estimated debt/equity ratio based on an analysis of similar companies' average debt/equity ratios. In accordance with this estimate, the Weighted Average Capital Cost (WACC) will be 11.25 percent (11.25) before tax or 8.3 percent (8.3) after tax. The forecast period is seven years. The reason for using a longer period than five years to calculate present value is that the Group management believes that this is too short a period to apply in order to reasonably be considered as a "going concern." In calculating the budget for 2010 and the remaining years, the long-term business plan and a sustained growth rate of 3 percent, which has been assessed as the expected growth in the economy in which Lindab operates, have been applied.

No write-down requirement exists under the reported conditions. As long as the input variables see a negative change, for example, a smaller increase in the discount rate or a reduction in the growth rate, there is no write-down requirement.

Goodwill allocated per business area	2009	2008
Ventilation	1,540	1,581
Profile	1,364	1,373
Other	18	18
Total goodwill	**2,922**	**2,972**

Note 17 Tangible fixed assets

	Buildings and land	Machinery and other technical facilities	Equipment, tools and installations	Plants under construction, buildings	Plants under construction, machinery	Total
1 January - 31 December 2008						
Accumulated acquisition values						
Opening balance	962	1,662	408	14	57	3,103
Assets provided through acquisitions	37	49	25	3	1	115
Acquisitions	40	81	29	83	42	281
Divestments and disposals	–30	–29	–15	0	0	–80
Reclassification	5	–33	31	–3	–10	–10
Translation differences for the year	135	128	21	0	4	288
Closing balance	**1,149**	**1,858**	**499**	**97**	**94**	**3,697**
Accumulated depreciation/amortisation according to plan						
Opening balance	–222	–1,150	–300	-	-	–1,672
Depreciation for the year	–38	–110	–32	-	-	–180
Accumulated depreciation through acquisitions	–15	–6	–7	–1	-	–29
Divestments and disposals	5	26	11	0	-	42
Reclassification	–1	25	–25	1	-	0
Translation differences for the year	–30	–88	–15	0	-	–133
Closing balance	**–301**	**–1,303**	**–368**	**0**	**-**	**–1,972**
Accumulated write-downs						
Opening balance	–3	–3	0	-	-	–6
Write-downs for the year	–6	–8	0	–3	-	–17
Translation differences for the year	3	-	0	-	-	3
Closing balance	**–7**	**–11**	**0**	**–3**	**-**	**–21**
Planned residual value at start of year	737	509	108	14	57	1,425
Planned residual value at end of year	**841**	**544**	**131**	**94**	**94**	**1,704**
1 January - 31 December 2009						
Accumulated acquisition values						
Opening balance	1,149	1,858	499	97	94	3,697
Assets provided through acquisitions	-	-	-	-	-	0
Acquisitions	428	154	26	–78	–63	467
Divestments and disposals	–327	–71	–54	-	–1	–453
Reclassification	2	6	3	–2	–9	0
Translation differences for the year	–72	–61	–13	–8	–5	–159
Non-current assets held for sale	–284	–5	-	-	-	–289
Closing balance	**896**	**1,881**	**461**	**9**	**16**	**3,263**
Accumulated depreciation/amortisation according to plan						
Opening balance	–301	–1,303	–368	-	-	–1,972
Depreciation for the year	–53	–110	–33	-	-	–196
Accumulated depreciation through acquisitions	-	-	-	-	-	0
Divestments and disposals	19	58	46	-	-	123
Reclassification	-	2	–2	-	-	0
Translation differences for the year	14	39	8	-	-	61
Non-current assets held for sale	69	3	-	-	-	72
Closing balance	**–252**	**–1,311**	**–349**	**-**	**-**	**–1,912**
Accumulated write-downs						
Opening balance	–7	–11	-	–3	-	–21
Write-downs for the year	-	-	-	-	-	0
Divestments and disposals	7	-	-	-	-	7
Translation differences for the year	-	-	-	–1	-	–1
Closing balance	**0**	**–11**	**-**	**–4**	**-**	**–15**
Planned residual value at start of year	841	544	131	94	94	1,704
Planned residual value at end of year	**644**	**559**	**112**	**5**	**16**	**1,336**

Note 18 Tax values

Property	Group 2009	2008
Buildings	0	0
Land	2	2
Total	**2**	**2**

The tax values relate solely to Swedish Group companies' property holdings. The book value on these properties amounts to SEK 2 m (2).

Note 19 Other investments held as fixed assets

	Group 2009	2008
Opening balance	4	6
Divestments	–1	–2
Translation differences for the year	0	0
Book value	**3**	**4**

The long-term holding of shares and participations that do not relate to Group companies are reported here. They are financial instruments that are classified as assets which may be sold. Associated companies are included in the book value, SEK 0 m (0), see notes 30 and 31. Other holdings, SEK 3 m (4), have existed for a long time and mainly constitute smaller holdings owned by Group companies.

Note 20 Other long-term receivables

	Group 2009	2008
Opening balance	3	3
Increase/decrease	0	0
Book value	**3**	**3**

Other long-term receivables mainly consist of deposits for rented premises.

Note 21 Stock

	Group 2009	2008
Raw materials and supplies	409	987
Goods in progress	34	68
Finished goods and goods for resale	453	590
Total	**896**	**1,645**

Inter-company profits have reduced the stock by SEK 54 m (83). SEK 12 m (46) of the stock value on 31 December 2009 was reported at net realisable value. Direct material costs for the year amounted to SEK 3,282 m (4,592) of which SEK 9 m (19) was stock write-down. In addition, stocks of finished goods were written down by SEK 2 m. The previous year included write-downs of SEK 18 m in material costs, due to falling steel prices.

Note 22 Current receivables

	Group					
	Accounts receivable		Accrued income[1)]		Other receivables[2)]	
Number of days overdue	**2009**	2008	**2009**	2008	**2009**	2008
Not overdue	624	832	10	-	49	-
< 90 days	256	380	-	-	2	-
90–180 days	55	49	-	-	2	-
180–360 days	69	28	-	-	-	-
> 360 days	71	57	-	-	-	
Total accounts receivable	**1,075**	**1,346**	**10**	**45**	**53**	**77**
Provision for bad debts	–99	–77	-	-	-	-
Total	**976**	**1,269**	**10**	**45**	**53**	**77**

1) Accrued income only relates to the exchange gain on forward agreements amounting to SEK 0 m (34) and bonus income of SEK 10 m (11). Prepayments and accrued income are specified in full below.
2) Other receivables relate only to VAT amounting to SEK 37 m (60) and other receivables of SEK 16 m (17). Other receivables are specified in full below.

Change in the provision for bad debts	Group 2009	2008
Opening balance	77	69
Added through acquisitions	-	3
Increase in provision	59	22
Actual losses	–32	–22
Cancellation of provisions	–2	–2
Translation differences	–3	7
Closing balance	**99**	**77**

During the year, SEK 57 m (20) has been carried as an expense regarding the provision for bad debts.

Provisions for bad debts are normally made when the receivables have been due for more than 180 days. Receivables that are due for up to 360 days are reserved by 50 percent. Thereafter they are reserved by 100 percent. Individual assessments are made simultaneously and the provision is adjusted as required.

Prepaid expenses and accrued income	Group 2009	2008
Prepaid expenses for rental and leasing	19	13
Accrued exchange gain forward agreement	0	34
Insurance premiums	17	9
Accrued bonus income	10	11
Other prepaid expenses	45	40
Total	**91**	**107**

Other receivables	Group 2009	2008
VAT recoverable	37	60
Advance payments to suppliers	28	2
Advance payments to employees	1	1
Travel advance	1	2
Other receivables	16	17
Total	**83**	**82**

Note 23 Share capital and the number of shares

The table below indicates the changes in Lindab's share capital and the number of shares as from 2001.

Year	Action	Number of shares Class A	Class B[1]	Change in share capital (SEK 000's)	Total share capital (SEK 000's)
2001	New formation	1,000	-	100	100
	Issue of new shares	9,000	-	900	1,000
2002	Share split (100:1)	1,000,000	-	-	1,000
2006	Share split (8:1)	8,000,000	-	-	1,000
	Issue of new shares	-	2,988,810	374	1,374
	Redemption of shares and reduction of share capital	–2,988,810	-	–374	1,000
	Redemption of shares and reduction of share capital	-	–2,988,810	–374	626
	Bonus issue	-	-	74,542	75,168
	Share split (15:1)	75,167,850	-	-	75,168
	Exercised options	3,539,970	-	3,540	78,708
Closing balance		**78,707,820**	**-**	**-**	**78,708**
Number of treasury shares		–3,935,391	-	-	-
Total number of shares outstanding		**74,772,429**	**-**	**-**	**-**

1) All class B shares were redeemed in May 2006 and this type of share has been removed by a change to the Articles of Association.

The share capital of SEK 78,708 k is divided among 78,707,820 shares.

Share buy-back

In 2008, 3,935,391 treasury shares were repurchased, amounting to SEK 348 m.

Incentive programme

The Annual General Meeting decided that the three-year Incentive Programme introduced in 2008 would continue with stage two implemented at the beginning of November 2009. The second Incentive Programme was also fully subscribed and 784,000 warrants have been acquired by 68 senior executives and key employees within the Group. The price per warrant was fixed at SEK 6.00 in early November, entitling the holder to subscribe for one share in Lindab International for SEK 89.10 between 1 June 2011 and 31 May 2012.

Note 24 Provisions for pensions and similar obligations

Provisions for pensions and similar obligations include, apart from pensions, other post-employment benefits paid to employees e.g. upon termination of employment. The majority of employees in the Lindab Group are included in defined contribution pension plans. Some countries also have defined benefit plans for pensions or terminations. The table below indicates the pension costs and liabilities as well as the material assumptions used in their calculations. Note 2 explains further how the pension costs are calculated.

Some of the retirement and family pension plans for salaried employees in Sweden are guaranteed through insurance cover with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 3, this is a defined benefit plan that includes several employers. The company did not have access to the information that would have made it possible to report this as a defined benefit plan for the financial years. The pension plan is in accordance with ITP, which is guaranteed through insurance with Alecta, and is therefore shown as a defined contribution plan. Contributions for pension insurance cover with Alecta amounted to SEK 6 m (4) for the year.

A surplus or deficit with Alecta may mean a refund for the Group or alternatively lower or higher future charges. At the end of the year, Alecta's surplus in terms of the collective funding level was 141 percent (112). The collective consolidation level comprises the market value of the trustee's assets as a percentage of the insurance commitments calculated according to the trustee's actuarial assumptions.

Reported in the statement of comprehensive income	**2009**	2008
Pensions and benefits earned during the year	8	7
Interest expenses on commitments	8	8
Expected return on plan assets	–3	–3
Actuarial gain/loss reported during the year	3	2
Expenses for past service	0	0
Total expenses for defined benefit plans	*16*	*14*
Expenses for defined contribution plans	82	89
Total expenses for post-employment benefits	**98**	**102**
of which reported in operating profit (note 6)	93	96
of which reported in net financial income (note 13)	5	6

Note 24 Provisions for pensions and similar obligations, cont.

Reported in the statement of financial position

Net obligations for benefit-based plans	**2009**	2008
Present value of pension obligations etc.	170	169
Financial investments	–52	–53
Net liabilities	**118**	**116**
Unreported actuarial gains (+)/losses(–)	–11	–9
Specification of benefit-based pension obligations, etc.		
Present value of funded pension obligations	70	76
Fair value of plan assets	–52	–53
Net value of funded plans	*18*	*23*
Present value of unfunded benefit-based obligations	100	93
Unreported actuarial gains (+)/losses(–)	–11	–9
Unreported expenses relating to past service	1	2
Net liability in the statement of financial position for benefit-based obligations	*108*	*109*
Allocated to pensions, contribution-based obligations	25	7
Pension liability as per the statement of financial position	**133**	**116**
Fair value of plan assets for contribution-based obligations	–25	–7
Financial investments as per the statement of financial position	**–25**	**–7**

For benefit-based funded plans, the net pension commitment after deductions are made for the plan assets is reported in the statement of financial position. Funded plans with net assets, i.e. assets exceeding commitments, are reported as financial investments. Contribution based plans that are funded are reported gross in the statement of financial position, the assets as financial investments, and the commitments as provisions for pensions and similar obligations.

Of total pension provisions in the balance sheet of SEK 133 m (116), SEK 33 m (20) comprise pension obligations for current and former Presidents and Vice Presidents. The majority of the obligations are invested in endowment insurance funds. These are valued at SEK 25 m (10).

Change in plan assets and pension obligations during the year	**2009**		2008	
	Assets	**Obligations**	Assets	Obligations
Opening balance	–53	169	–59	170
Expected return	–3	-	–3	-
Interest expenses	-	8	-	8
Contributed funds	–3	-	–8	-
Pensions earned during the year	-	8	-	9
Pensions earned in previous years	-	-	-	-
Pensions paid	8	–17	18	–20
Assets assumed upon acquisition	-	-	-	-
Pension liabilities assumed upon acquisition	-	-	-	-
Actuarial gains or losses	1	1	2	–4
Reclassification and other	-	-	0	2
Translation differences	–2	1	–3	4
Closing balance	**–52**	**170**	**–53**	**169**

	2009				2008
Most important actuarial assumptions	**Sweden**	**Luxembourg**	**Norway**	**Other**	All
Discount rate, %	4.0	5.0	4.4	4.5–6.0	4.0–6.8
Expected return on assets, %	0.0	4.4	5.6	0.0–6.8	0.0–6.3
Future salary increases, %	3.0	3.3	4.2	1–3	1.0–4.5
Future pension increases, %	2.0	3.0	1.3	2–3	2.0–3.0
Net debt breakdown for 2009, SEK m	72	21	10	5	
Net debt breakdown for 2008, SEK m	67	29	7	6	

The parent company

The company's pension obligation for the President and CEO is classified as contribution based plan. See also note 6.

Note 25 Other provisions

	Group			
	Restructuring reserve	Warranty provision	Other	Total
Opening balance	86	91	8	185
Utilised (–)/increase during the year (+)	–51	–7	0	–58
Exchange rate differences	–3	–4	0	–7
Closing balance	**32**	**80**	**8**	**120**
Breakdown in the statement of financial position				
Other long-term provisions	8	35	3	46
Other current provisions	24	45	5	74
Total	**32**	**80**	**8**	**120**

The restructuring reserve consists primarily of the remaining provisions for the recent cost reduction programme, which was decided during the third quarter of 2009. The recorded one-off cost for the programme in 2009 amounts to SEK 45 m.

The included restructuring reserve of SEK 86 m related mainly to provisions for the cost reduction programme, which was decided in late 2008, but also residual amounts relating to the restructuring reserve that was allocated to cover the cost of synergies from the acquisition of CCL Veloduct Ltd. 2006.

The warranty provisions of SEK 80 m (91), include estimated future expenses for faults in items or work carried out, and provisions for actual claims.

A large share of the warranty provisions relate to Building Systems, SEK 60 m (79).

The general provisions are reported at the time of sale or, as required where faults have arisen on specific products. Provisions are made for claims of SEK 18 m (17), normally arising in association with delivery. The calculation is based partly on actual claims and partly on a so called claim quota based on the average number of received claims in relation to sales during the last two years. Provisions are also made for guarantees and are allocated for the guarantee period. The majority of these comprise individual provisions for specific products, SEK 36 m (55). The remaining provisions, SEK 26 m (19) are made according to calculation principles, which are different for each individual company. The majority of these provisions comprise 1.5 percent of the sales volume for the last six months. The warranty period usually covers five to ten years, but in most cases problems are solved within one year and therefore the majority of warranty provisions are reported as current.

Note 26 Consolidated borrowing and financial instruments

	Group		Parent company	
Long-term	**2009**	2008	**2009**	2008
Bank loans	2,384	2,637	-	-
Current				
Liabilities to credit institutions	49	131	-	-
Overdraft facilities	116	158	-	-
Total borrowing	**2,549**	**2,926**	**-**	**-**

	Group		Parent company	
The maturity periods for long-term borrowing are broken down according to the following:	**2009**	2008	**2009**	2008
between 1 and 2 years	16	-	-	-
between 2 and 5 years	2,321	2,492	-	-
more than 5 years	47	145	-	-
	2,384	**2,637**	**-**	**-**

In accordance with IFRS, bank loans include leasing liabilities amounting to SEK 91 m (170). The current share of the leasing liability amounted to SEK 9 m (9) and is included in liabilities to credit institutions. Total borrowing includes pledged liabilities (bank loans with security) of SEK 10 m (11). Security for these loans consists of mortgage deeds in properties.

Information about the credit agreement can be found in note 29.

In 2009 Lindab entered into interest rate swap agreements in order to extend the average fixed interest rate period, which at 31 December was 18 months. Fixed rates only apply to the financing of property loans in Switzerland. These loans amount to SEK 10 m (11).

Unused credit facilities amounted to SEK 1,432 m (2,207). The parent company has no unused credit.

Note 26 Consolidated borrowing and financial instruments, cont.

Consolidated borrowing broken down in different currencies:	Group		Parent company	
Amounts in SEK m	**2009**	2008	**2009**	2008
SEK	2,307	2,532	-	-
DKK	62	145	-	-
EUR	110	147	-	-
USD	4	7	-	-
GBP	18	16	-	-
RON	-	19	-	-
RUB	36	21	-	-
PLN	2	4	-	-
SKK	-	24	-	-
Other currencies	10	11	-	-
	2,549	**2,926**	**-**	**-**

The carrying amount and fair value for financial instruments

Interest-free financial instruments such as accounts receivable and accounts payable are reported at fair value. Interest bearing financial instruments such as consolidated borrowing are also reported at fair value.

Derivatives with hedge accounting

Cash flow hedges – interest rate swaps. In the closing hedge reserve in equity SEK –11 m (0) relates to the pre-tax fair value of interest rate swaps. With unchanged interest rates, this value will reduce the profit by SEK 9 m in 2010 and SEK 4 m in 2011, and will improve profits by SEK 2 m in 2012.

	2009		2008	
Financial assets	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets at fair value through profit for the year	0[1)]	0	34[1)]	34
Investments held to maturity	25[2)]	25	7[2)]	7
Loan receivables and accounts receivable	1,255[3)]	1,255	1,560[3)]	1,560
Total financial assets	**1,255**	**1,255**	**1,594**	**1,594**

Financial liabilities				
Financial liabilities at fair value through profit for the year	16[4)]	16	3[4)]	3
Other financial liabilities	3,571[5)]	3,571	4,262[5)]	4,262
Total financial liabilities	**3,587**	**3,587**	**4,265**	**4,265**

1) Reported as derivative assets.
2) Reported as financial investment
3) Reported as accounts receivable, other long-term receivables, part of other current receivables, accrued income and cash and bank.
4) Reported as derivative liabilities.
5) Reported as accounts payable, long-term liabilities, part of other current liabilities and accrued expenses.

Note 27 Accrued expenses and deferred income

	Group		Parent company	
	2009	2008	**2009**	2008
Salaries and holiday pay	141	180	4	10
Share of profits	6	7	-	-
Payroll overheads	57	70	1	2
Bonuses to customers	79	117	-	-
Interest expenses	16	31	-	-
Other costs	98	122	0	1
Total	**397**	**527**	**5**	**13**

Note 28 Leasing

Operating lease agreements

Leasing costs for assets held through operating lease agreements such as rented premises, machinery and office equipment are reported in operating expenses and amount to SEK 49 m (69), of which property rental charges amount to SEK 34 m (49).

Future payments for non-cancellable operational leasing agreements amount to SEK 162 m (229) and are due as follows:

(Variable payments do not constitute significant amounts, see table below).

	2009	2008
2010	40	58
2011–2014	114	166
2015 and later	8	5
	162	**229**

Within the Group there are companies with options contracts giving them the right to buy back properties sold through sale-lease-back companies.

If the buy-back options for the right to repurchase all the properties were utilised, this would result in a change in the equity ratio from 40 percent presently to 38 percent.

Financial lease agreements

Financial lease agreements amounting to 72 MSEK (151) are included in the balance sheet under Buildings and Land. During 2009, costs for these agreements excluding deferred taxes amounted to SEK 22 m (14). Future obligations for financial lease agreements amount to SEK 99 m (164) and are broken down as follows:

	Nominal value (present)	
	2009	2008
Year 1	35 (34)	81 (77)
Year 2–5	50 (44)	67 (58)
Year 6 and later	14 (10	16 (12)
	99 (88)	**164 (147)**

Interest rates were determined when the leasing contracts began. All leasing contracts have fixed repayments, the included variable charges do not amount to substantial sums.

Note 29 Pledged assets and contingent liabilities

	Group		Parent company	
Pledged assets	**2009**	2008	**2009**	2008
Property mortgages	17	18	-	-
Floating charges	18	23	-	-
Total	**35**	**41**	**-**	**-**

All pledged assets refer to security for liabilities to credit institutions.

	Group		Parent company	
Contingent liabilities	**2009**	2008	**2009**	2008
Other guarantees and sureties	22	62	-	-
Pension obligations	11	8	-	-
Total	**33**	**70**	**-**	**-**

Since December 2007, Lindab has had a binding five-year credit agreement with Nordea and Handelsbanken. The contract was re-negotiated in October 2009 whereby the credit limit was reduced from SEK 4.5 bn to SEK 3.5 bn, representing estimated future financing requirements. The duration is unchanged with a maturity date of 17 December 2012. The credit agreement includes two covenants in the form of net debt in relation to EBITDA and the interest coverage ratio, which are followed up quarterly.

The company currently fulfils these requirements.

Note 30 Transactions with related parties

Transactions with related parties can affect a company's financial results and position. Information must therefore be provided about parties that may be considered related to the Lindab Group.

Inner Circle

Since flotation, the company has had no new shareholders that might be considered to be major shareholders with influence over the Group. As previously, the principle shareholders Ratos AB, Livförsäkringsaktiebolaget Skandia and Sjätte AP-fonden have been regarded as related parties during the year.

In addition, the parent company has direct and indirect control over its subsidiaries, see note 31. The parent company's transactions and dealings with subsidiaries consist of the transactions shown below and what follows from agreements with the senior management, see note 6.

Present and former Members of the Board and the senior management with their respective inner circles have been related parties. Salaries, remuneration, benefits, pension entitlements, termination benefits etc. for the President and CEO, Members of the Board and other senior executives are presented in notes 6 and 24.

The associated company Meak BV in the Netherlands is also to be considered as related. Since the extent of these transactions is negligible however, they have not been included below.

Other transactions with related parties are specified below

	Group		Parent company	
Pension liability to	**2009**	2008	**2009**	2008
Former Presidents	14	20	-	-

	Group companies		Parent company	
The parent company	**2009**	2008	**2009**	2008
Dividends and Group contributions to the parent company	186	387	N/A	N/A
Interest income from the parent company	40	83	N/A	N/A
Long-term receivables in the parent company	2,051	2,000	N/A	N/A
Group companies				
Received dividends and Group contributions from Group companies	N/A	N/A	186	387
Interest expenses to Group companies	N/A	N/A	40	83
Long-term liabilities to Group companies	N/A	N/A	2,051	2,000

Other transactions with related parties

The Annual General Meeting decided that the three-year Incentive Programme introduced in 2008 would continue with stage two implemented at the beginning of November 2009. In connection with the incentive programme adopted at the Annual General Meeting, 68 senior executives and key employees have acquired 784,000 warrants. Conditions are shown in Note 6.

In addition to that stated above, none of Lindab's Board members, deputy Board members, senior executives or shareholders has or is participating in any business transactions with the company that is unusual in nature, terms or has significance for the company's business as a whole, or has taken place during the current financial year or in the last three financial years. This also applies to transactions in previous financial years which in some respect have not yet been settled or concluded. Lindab has no outstanding loans to any of these people, nor have any guarantees or stood surety been given for any of them.

In general, transactions with related parties have taken place on terms equivalent to those that apply to business transactions.

Note 31 Group companies and associates

	Currency code	Corporate ID no.	Registered office	Share in %	Book value
Lindab International AB	SEK	556606-5446	Båstad, Sweden		
Lindab AB	SEK	556068-2022	Båstad, Sweden	98.31[1)]	3,467[2)]
Lindab Sweden AB	SEK	556247-2273	Båstad, Sweden	100	
Lindab Steel AB	SEK	556237-8660	Båstad, Sweden	100	
Lindab Ventilation AB	SEK	556026-1587	Båstad, Sweden	100	
Lindab Ltd. Co.	RUB	105781261234	St. Petersburg, Russia	0	
Lindab Profil AB	SEK	556071-4320	Båstad, Sweden	100	
Astron Buildings S.A.	EUR	RC B91774	Diekirch, Luxembourg	0	
Lindab s.r.o.	CZK	49613332	Prague, Czech Republic	15	
Spiro Development AB	SEK	556453-3569	Båstad, Sweden	100	
Lindab Plåt AB	SEK	556585-7124	Vara, Sweden	100	
U-nite Fasteners Technology AB	SEK	556286-9858	Uddevalla, Sweden	100	
Lindab i Borlänge (f.d. Folke Perforering AB)	SEK	556047-7365	Borlänge, Sweden	100	
Lindab i Grevie AB	SEK	556044-4704	Båstad, Sweden	100	
Astron Buildings LLC	RUB	USRN 1067611020840	Yaroslavl, Russia	99	
Lindab Ltd. Co.	RUB	105781261234	St. Petersburg, Russia	100	
Astron Buildings S.A.	EUR	RC B91774	Diekirch, Luxembourg	100	
LA Services S.`ar.l	EUR	B146465	Diekirch, Luxembourg	100	
NF Lux Buildings S.A.	EUR	B146466	Diekirch, Luxembourg	100	
Lindab-Astron S.A.S.	EUR	RCS 327 258 943	Marne-la-Vallée, France	100	
Lindab-Astron s.r.o.	CZK	633 19 675	Prerov, Czech Republic	100	
OOO Astron Buildings LLC	RUB	OGRN 1047796961464	Moscow, Russia	100	
Lindab-Astron Sp. z o.o.	PLN	KRS 0000039952	Lomianki, Poland	1	
Astron Buildings LLC	RUB	USRN 1067611020840	Yaroslavl, Russia	1	
Lindab SIA	LVL	40003602009	Riga, Latvia	100	
UAB Lindab	LTL	11788414	Vilnius, Lithuania	100	
Lindab d.o.o.	HRK	80182671	Gornji Stupnik, Croatia	100	
Lindab AS	EEK	10424824	Harju mk, Estonia	100	
Oy Lindab Ab	EUR	557.222	Esbo, Finland	100	
Lindab s.r.o.	CZK	49613332	Prague, Czech Republic	85	
Spiro International S.A.	CHF	CH-217-0135550-1	Bösingen, Switzerland	100	
Spiro S.A.	CHF	CH-217-0130536-2	Bösingen, Switzerland	100	
Protol AG	CHF	CH-160.3.001.249-2	Glarus, Switzerland	100	
Lindab Holding Inc.	USD	54-179 29 84	Portsmouth VA, USA	100	
Spiral Helix Inc.	USD	36-4381930	Chicago IL, USA	100	
Lindab Inc.	USD	06-135 32 48	Portsmouth VA, USA	100	
Lindab Building Systems Kft.	HUF	Cg.15-09-067868	Nyiregyháza, Hungary	100	
Lindab SRL	RON	J23/1168/2002	Ilfov, Romania	100	
Lindab EOOD	BGN	175097637	Sofia, Bulgaria	100	
Lindab Ukraine LLC	UAH	34300449	Kiev, Ukraine	100	
Lindab Kft.	HUF	13-09-065422	Biatorbágy, Hungary	100	
Lindab AS	NOK	929805925 MVA	Oslo, Norway	100	
Lindab S.r.l	EUR	12002580152	Volpiano, Italy	100	
Lindab Holding A/S	DKK	CVR nr. 25 77 56 78	Haderslev, Denmark	100	
Lindab A/S	DKK	CVR nr. 33 12 42 28	Haderslev, Denmark	100	
Lindab Sp. z o.o.	PLN	KRS 0000043661	Lomianki, Poland	100	
Lindab N.V.	EUR	BE 464.910.211	Gent, Belgium	100	
Lindab Door B.V.	EUR	33291638	Groeneken, Netherlands	100	
Meak B.V.	EUR	18042479	Utrecht, Netherlands	40	
Lindab GmbH	EUR	HRB 2276	Bargteheide, Germany	100	
Grundstücksgesellschaft Kassel GmbH	EUR	HRB 4936	Bargteheide, Germany	100	
Lindab-Astron GmbH	EUR	HRB 8007	Mainz, Germany	100	
Lindab-Astron Sp. z o.o.	PLN	KRS 0000039952	Lomianki, Poland	99	
Lindab N.V.	EUR	BE 464.910.211	Gent, Belgium	0	
Lindab AG	CHF	CH-170.3.023.237-3	Wetzikon, Switzerland	100	
Benone AG	CHF	CH-280.3.914.897-4	Muttenz, Switzerland	100	
Lindab Ltd	GBP	1641399	Northampton, UK	100	
CCL Lindab Ltd	GBP	1909033	Northampton, UK	100	
Lindab S.A.S.	EUR	31 228 513 300 061	Montluel, France	100	
Aervent Holdings Ltd	EUR	252361	Dublin, Republic of Ireland	100	
Lindab (IRL) Ltd	EUR	44222	Dublin, Republic of Ireland	100	
Lindab Koto-Pelti Oy	EUR	381.219	Kyyjärvi, Finland	100	
Vios a.s.	SKK	36 593 176	Jamnik, Slovakia	100	
S.C. Vios-Ro S.R.L.	RON	J08/775/30.03.2006	Brasov, Romania	5	
S.C. Vios-Ro S.R.L.	RON	J08/775/30.03.2006	Brasov, Romania	95	

Note 31 Group companies and associates, cont.

	Currency code	Corporate ID no.	Registered office	Share in %	Book value
Vios-Hungary Kft.	HUF	13-09-113194	Gödölö, Hungary	100	
S.C. Rova Romania S.R.L.	RON	J32/539/06.04.2004	Sibiu, Romania	0	
Lindab a.s.	SKK	36 214 604	SpiŠská Nová Ves, Slovakia	100	
S.C. Rova Romania S.R.L.	RON	J32/539/06.04.2004	Sibiu, Romania	100	
Lindab O.L.T. AB	SEK	556761-5173	Båstad, Sweden	100	

1) The remaining 1.7 percent in Lindab AB, i.e. 417,143 shares, consist of treasury shares.

2) The number of treasury shares totals 23,582,857.

We affirm that, to the best of our knowledge, this Annual Report has been prepared in accordance with generally accepted accounting practices for listed companies, that the information submitted corresponds with the actual situation and that nothing of material significance has been omitted that could affect the picture of the Company presented in the Annual Report.

Båstad 4 March 2010

Svend Holst-Nielsen
Chairman

Stig Karlsson

Anders C. Karlsson

Hans-Olov Olsson

David Brodetsky
President and CEO

Annette Sadolin

Erik Eberhardson

Ulf Gundemark

Per Frankling

Pontus Andersson

Markku Rantala

Our Auditors' Report was submitted on 4 March 2010.

Ernst & Young AB

Ingvar Ganestam
Authorised Public Accountant

Auditors' report

To the Annual General Meeting
of Lindab International AB
Corporate identification no. 556606-5446

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Lindab International AB for the year 2009. The company's Annual Report and the consolidated accounts are included in the printed version of this document on pages 65–119. The Board of Directors and the President are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards (IFRS) as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

The audit has been conducted in accordance with the generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances in the company in order to be able to determine the liability, if any, to the company of any Board member or the President. We also examined whether any Board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the Company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with the international financial reporting standards (IFRS) as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's financial position and results of operations. The Directors' Report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the Annual General Meeting of shareholders that the income statements and balance sheets of the parent company and the Group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the Directors' Report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Båstad 4 March 2010
Ernst & Young AB

Ingvar Ganestam
Authorised Public Accountant

Financial definitions

Operating profit (EBITDA)
The operating profit comprises results before planned depreciation and before consolidated amortisation of surplus value on intangible assets (EBITDA).

Operating profit (EBITA)
The operating profit comprises results after planned depreciation, but before consolidated amortisation of surplus value on intangible assets (EBITA).

Operating profit (EBIT)
The operating profit comprises results before financial items and tax.

Working capital
Working capital comprises stock, operating receivables and operating liabilities, and is obtained from the statement of financial position but adjusted where appropriate for items not affecting cash flow. The operating receivables consist of accounts receivable, other receivables as well as non-interest bearing prepaid expenses and accrued income. Operating liabilities include other non-interest-bearing long-term liabilities, advance payments from customers, accounts payable, other current liabilities as well as noninterest-bearing accrued expenses and deferred income.

Capital employed
Total assets less non-interest bearing liabilities and provisions including deferred tax liabilities.

Operating capital
Total net debt, minority shareholding and equity.

Net debt
Long-term and current interest-bearing liabilities, including interest-bearing provisions, minus interest-bearing assets as well as cash and bank.

Diluted number of shares
The average number of shares is calculated by reference to the dilution of the warrants issued by the company in accordance with IAS 33. It is presently assessed that the outstanding options are not to be exercised.

Undiluted/diluted earnings per share
Profit for the year attributable to the parent company shareholders in relation to the average number of outstanding shares.

Undiluted/diluted equity per share
Equity excluding the minority shareholding in relation to the number of outstanding shares at the end of the period.

Cash flow from operating activities per share
Cash flow from operating activities in relation to the average number of shares at the end of the period.

P/E ratio
Quoted price at the year end divided by the earnings per share.

Operating margin (EBITDA)
The operating margin has been calculated as the profit before planned depreciation and before consolidated amortisation of surplus value on intangible assets (EBITDA), expressed as a percentage of net sales for the year.

Operating margin (EBITA)
The operating margin has been calculated as the profit after planned depreciation but before consolidated amortisation of surplus value on intangible assets (EBITA), expressed as a percentage of net sales for the year.

Operating margin (EBIT)
The operating margin has been calculated as the profit before financial items and tax (EBIT), expressed as a percentage of net sales for the year.

Profit margin (EBT)
The profit margin has been calculated as the profit after financial items (EBT), expressed as a percentage of net sales for the year.

Return on capital employed
Return on capital employed comprises the Group's profit after financial items plus financial expenses as a percentage of average** capital employed.

Return on operating capital
The operating profit (EBIT) as a percentage of average** operating capital.

Return on equity
Return on equity comprises the year's profit as a percentage of the weighted average** equity.

Return on total assets
Return on total assets comprises profit after financial items (EBT) plus financial expenses as a percentage of the average** total assets.

Equity/assets ratio
The equity ratio has been calculated as shareholders' equity as a percentage of total assets according to the statement of financial position.

Net debt/equity ratio
Net borrowings in relation to equity.

Interest coverage ratio
The interest coverage ratio has been calculated as the profit after financial items plus financial expenses in relation to financial expenses.

**) *Average capital based on quarterly values from and including 2004. In previous years, the calculations are based on full-year values.*

Information to shareholders

Annual General Meeting
The Annual General Meeting for Lindab International AB will be held in Boarp, Båstad, on 11 May 2010 at 13.00 (CET). Shareholders who wish to take part in the Annual General Meeting must:

- be registered in the register of shareholders held by Euroclear Sweden AB no later than Wednesday 5 May 2010, and
- inform Lindab International AB of their participation no later than 16.00 on Wednesday 5 May 2010.

Registration in the Register of Shareholders
Shareholders whose shares are nominee registered through a bank or other trustee must request to have their own names entered in the register of shareholders maintained by Euroclear Sweden AB no later than Wednesday 5 May 2010 to be eligible to participate in the Annual General Meeting. The shareholder must notify their bank or other trustee in good time before this date.

Notice to attend the Annual General Meeting
Those wishing to participate must give notice no later than 16.00 on Wednesday 5 May 2010:

- via the website www.lindabgroup.com
- by telephoning Lindab International AB, +46 (0) 431 850 00, or
- by post to "Lindab International AB", "Annual General Meeting", SE-269 82 Båstad, Sweden.

The notification must specify:

- name
- personal identity number (registration number)
- address and contact telephone number (daytime)
- any advisors in attendance
- any representatives in attendance.

Shareholders who are represented by proxy must provide a power of attorney for the representative. If the power of attorney is issued by a legal entity, a certified copy of the proof of registration for the legal entity must be attached. These documents must not be more than one year old.

To facilitate this, the original power of attorney and any related documents should be submitted to the company no later than Wednesday 5 May 2010.

Matters for discussion
Shareholders who wish to have a matter discussed at the Annual General Meeting must, as specified on the company's website, submit such a proposal to the Chairman of the Board no later than 26 March 2010.

Nomination Committee
It is the duty of the Nomination Committee to prepare the nominations for the Chairman and other members of the Board, the nominated auditors, the nominated Chairperson of the Annual General Meeting, matters regarding fees and similar matters. The Nomination Committee for the 2010 Annual General Meeting consists of:

- Arne Karlsson, representative for Ratos AB (publ), Chairman
- Caroline af Ugglas, representative for Livförsäkringsaktiebolaget Skandia.
- Urmas Kruusval, representative for Sjätte AP-fonden.
- Svend Holst-Nielsen, Chairman of Lindab International AB.

Contacting the Nomination Committee
The company's website states that shareholders wishing to make contact with the Nomination Committee can send:

- an e-mail to carlgustav.nilsson@lindab.com (subject: "To the Nomination Committee") or
- or a letter to "Lindab's Nomination Committee", Carl-Gustav Nilsson, Lindab International AB, SE-269 82 Båstad, Sweden.

Reports
Reports can be ordered from Lindab International AB:

- either via the website www.lindabgroup.com, or
- by post to "Lindab International AB", "Reports", SE-269 82 Båstad, Sweden.
- Printed copies of the Annual Report will only be sent to shareholders and stakeholders who have ordered it.

Financial statements

Interim report January–March, Q 1	28 April 2010
Interim report January–June, Q 2	16 July 2010
Interim report January–September, Q 3	1 November 2010
Q4 and Year End for 2010	February 2011
Annual Report 2010	March/April 2011

GRI Index

F = Full
P = Partial

Glossary

Carbon Footprint – Life-cycle analysis with a focus on climate change.

CDP – Carbon Disclosure Project (CDP) – CDP is a British organisation that works with investors and companies to track the emissions of greenhouse gases by large companies, see www.cdproject.net.

CEE/CIS – Central and Eastern Europe/Commonwealth of Independent States (former Soviet Republics).

COSO – The Committee of Sponsoring Organizations of the Treadway Commission. The most widespread and internationally recognised framework for internal control.

EPBD – Energy Performance of Buildings Directive = EU directive concerning the energy performance of buildings. The aim of the directive is to reduce energy consumption in the EU member states, thereby reducing buildings' contribution to the greenhouse effect. Furthermore, the directive aims to reduce the EU's dependence on imported fuels in order to safeguard the supply of energy and to ensure a good indoor climate.

EU's climate change objectives – The climate goals to be achieved by 2020 include a 20 percent decrease in energy use and greenhouse gas emissions (30 percent if an international deal is reached), as well as for 20 percent of the energy to be provided by renewable sources, see www.europa.eu.

GRI – Global Reporting Initiative is an independent organisation that works to produce guidelines for sustainability reporting, see www.globalreporting.org.

Greenhouse Gas Protocol (GHG Protocol) – The most frequently used international standard for calculating greenhouse gas emissions, see www.ghgprotocol.org.

Hexavalent chromium – included in the passivation layer to protect against corrosion. Hexavalent chromium, also known as chromium six (Cr_6+), is a so-called phase-out substance due to its hazardous nature and will eventually be replaced.

Sustainable development – normally defined as "development which meets the needs of the present without compromising the ability of future generations to meet their own needs". The definition comes from the World Commission on Environment and Development (the Brundtland Commission).

ISO 9001 – International standard for quality management, see www.iso.org.

ISO 14001 – ISO standard environmental management systems, see www.iso.org.

ISO 26000 – Non-certifiable ISO standard for Guidance on Social Responsibility, see www.iso.org.

Carbon dioxide (CO_2) – CO_2 is formed in all processes in which carbon is burned e.g. in the use of petroleum products. Emissions of carbon dioxide into the atmosphere increase global warming.

Carbon dioxide equivalent (CO_2e) – The quantity of a greenhouse gas, expressed as the amount of carbon dioxide that would have the same effect on climate.

Lindab Life – The Lindab Group's overall commitment to Social Responsibility. Covers the areas: Business, Environment, Employees and Society.

Life cycle analysis – the analysis of a product's total environmental impact during its life cycle i.e. from raw material extraction, via production processes and use to waste management, including all transport and all energy consumption in the intervening period.

Environmental management system – an operating system that streamlines and structures environmental work with continuous improvements as a goal. Certified according to ISO 14001.

Passivation layer – chemical coating of sheet metal to give increased protection against corrosion.

Polyethylene – PE or polyethene. Recyclable plastic consisting solely of hydrocarbons. No harmful substances are emitted when disposed of. When burned completely, no toxic gases are formed, only water and carbon dioxide.

Social Responsibility (SR) – the company's responsibility for its impact on society and the environment. Open and ethical conduct that meets the demands placed on the company by society and various stakeholders.

Airtightness classes – the airtightness of duct systems are stated in four classes A, B, C and D. Each class is three times more airtight than the previous class. D is the most airtight. Lindab Safe and Lindab Safe Click are approved according to airtightness class D.

Greenhouse gas – The gases that contribute to the greenhouse effect are called greenhouse gases e.g. carbon dioxide, methane and nitrous oxide.

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Malmö Court of Appeal

www.lindabgroup.com
Comprehensive information about the Group can be found on the Lindab website. Contact information and addresses for all our companies throughout the world can also be found there.

50 years of simplifying construction

Lindab 1959-2009

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Lindab®