

Interim report January - September 2010

HIGHLIGHTS

Weak conditions on markets in Central Europe depress result.

January - September

- Net turnover amounted to SKr 1,023.5 million (1,128.6).
- The operating result declined to a loss of SKr 8.8 million (profit 15.2).
- The consolidated result after tax was a loss of SKr 16.2 million (loss 1.9).
- The loss per share amounted to SKr 1.20 (loss 0.18).

Third quarter

- Net turnover amounted to SKr 471.0 million (503.2).
- The operating profit improved in relation to last year and amounted to SKr 48.4 million (47.7).
- The consolidated profit after tax amounted to SKr 32.2 million (29.1).
- Earnings per share amounted to SKr 2.39 (2.72).

Significant events during the third quarter

As part of the new plant structure whereby the number of production units will be reduced, the factory property in Moss, Norway was divested for a capital gain of SKr 4.2 million. A provision of SKr 9 million to cover the cost of the closure was taken against the third quarter result.

During the third quarter Stefan Tilk took over as the new Managing Director and CEO, Göran Eklund as the new CFO and Christer Berntsson as Purchasing and Logistics Manager.

Forecast for 2010

Given that the road-marking market in Europe as a whole is expected to be weak in 2010, Geveko's turnover is expected to be lower than in 2009, when it amounted to SKr 1,435 million. The operating result is expected to be negative, in line with last year's or lower.

Comments by Stefan Tilk, Managing Director

Contracting business area

During 2010 conditions on the road-marking market in Europe have been extremely weak, except for the Nordic markets where the contracts performed during the spring resulted in the expected volume growth. The business in the Nordic countries has continued to make good progress during the year and profitability is satisfactory. The effects of the global financial crisis continue to be felt on the Central European markets, which is reflected in weak public finances in most countries. Budget deficits and rising government debt have compelled countries to postpone both investments in the planned building of new roads as well as day-to-day maintenance. Geveko, which is established in Central Europe, has been adversely affected by the prevailing market situation, which has resulted in a weak trend in the contracting business in all Central European countries. The exception is the Hungarian business, which has a broader product and service offering and which is showing healthy growth.

Material Sales business area

An encouraging factor during the year has been that the Material Sales business area has noted satisfactory volume and profitability trends in the Premark® and Viatherm® thermoplastic product groups with sales expanding primarily in Western Europe. We can see attractive opportunities for the development of new products in the Intelligent road markings segment. System solutions based on Geveko's LedMark and Led Guide road sensors are currently being developed in cooperation with Luleå University. The purpose of the project is to create technology for the intelligent road, which will lead to a safer road environment. A LedMark product designed for footpaths and cycle paths has been launched in October.

Action plan

It is our assessment that the volatile market conditions will persist. Our focus is now on forceful measures that will lead to cost adjustments in accordance with the approved plan. A detailed assessment will be made in the fourth quarter of 2010. The decision to reduce the number of production units will gradually lead to more effective plant utilisation and lower operating costs. One step towards the new plant structure is the disposal of the factory property in Moss, Norway, which was sold in July. Based on the business- and market-oriented strategy that has been introduced we will take advantage of the operative synergies between the business areas. We will continue to focus on consolidating our market leadership and taking advantage of our positions in order to achieve more efficient distribution of the Group's product range.

Outlook

Despite low profits and a market situation which is likely to continue in 2011, I, as newly appointed CEO, am positive to our future opportunities. The performance improvement programmes that have been drawn up and implemented in 2010 and 2011 are expected to gradually have positive effects on the result. With a new plant structure and coordination of the contracting business as well as a continued focus on our position of leadership in product development my judgement is that Geveko is moving in the right direction.

Group

Business concept

Geveko's business concept is to participate actively in improving road safety in Europe by providing road marking products and contracting services, thereby contributing to a safe road environment.

Business model

Geveko's business model is based on a position of market leadership on prioritised markets in Europe and focuses on the production and sale of environmentally friendly road marking products and contracting. The business model is based on close cooperation with customers and authorities, which provides valuable development capabilities and increases the potential to create added value for the customer. Both operational and financial synergies and economies of scale are created by way of international collaboration between the various units in the group.

Strategy

Geveko's strategic direction is to focus on environmentally friendly road marking products and contracting services where the group has competitive advantages. The previous strategy of growth by acquisition has evolved into a process of consolidation of the established positions and a greater focus on organic growth by means of development of existing units. With an improved business-oriented organisation, a newly created purchasing function to coordinate purchasing volumes, and a new production structure for the future, the Group will become more efficient, improve its profitability and raise its capital utilisation.

Value drivers

In addition to positions of market leadership in the Nordic countries, Geveko has strategically located units in Central Europe. On these markets planned and ongoing infrastructure projects are creating a long-term foundation for future growth in the road marking market. In order to sharpen the focus on the business, a highly decentralised structure has been reorganised into a more centralised, integrated organisation model, which generates operative synergies and thereby greater efficiency. During the spring a decision was made to gradually reduce the number of production units in order to create a more efficient plant structure allowing for more flexible utilisation of production capacity. When implemented, this will result in lower operating costs. Geveko's development of new road marking products and services is focused on high quality, function and economy for our customers. Higher added value will create a solid foundation for increased profitability and greater competitiveness.

Nature of business

Geveko is Europe's leading road-marking enterprise. The business is divided into two business areas: Material Sales and Contracting, and is conducted in the Nordic countries, Poland, Romania, Russia, Switzerland, Slovakia, Great Britain, the Czech Republic, Turkey, Germany, Ukraine and Hungary. Geveko also exports products to another 15 countries. Geveko has production units in Sweden, Norway, Denmark, Finland, Germany and Great Britain.

Contracting business area

Geveko is engaged in contract road marking through wholly or partly owned companies in 11 countries in Europe. The contracts vary in scope from one year to long-term functional contracts. The principal customers are road authorities, aviation authorities and municipalities as well as county councils and large road maintenance companies. Given the weather conditions, the level of activity in the Contracting business area is low at the beginning and end of the year; consequently it displays wide seasonal variations. Contract road marking accounts for about 65% of the Group's turnover.

Material Sales business area

Sales of road-marking materials comprise thermoplastic materials, water- and solvent-based paints, 2-component products and Premark® prefabricated thermoplastic products, as well as glass beads for use as components in road-marking materials. Differences in road standards, geographical conditions and application methods in Europe influence the choice of road-marking material. Material sales go to 25-30 countries, that is to say also to markets where Geveko does not at present have its own established contracting activities.

Market development

Contracting business area

In the Nordic region the market situation has been stable. The contracting business has won contracts during the year that have resulted in satisfactory volume growth. In Great Britain the road marking market has been affected negatively by a sharp cut in funding for road marking in relation to 2009. The Central European markets have been badly affected by the countries' weak public finances and subsequent financial squeeze in the road sector, which has resulted in weak volume growth in Poland, the Czech Republic, Slovakia and Romania. Romania and Poland were also hit by severe flooding during the spring and summer. The Hungarian business reports healthy growth. In Hungary continuous efforts are being made to create safe environments for road users, which is to the advantage of the Hungarian business, which has developed and markets numerous road-safety related products.

During the period turnover in the Contracting business area amounted to SKr 673.0 million (756.3). The operating result was a loss of SKr 35.3 million (profit 35.4). The deterioration in the result is mainly attributable to the Polish and Romanian businesses whose turnover declined by 35% and 42% respectively in relation to the previous year. The result has also been adversely affected by rapidly rising raw material prices, which could not be passed on to customers. Costs are currently being adjusted, but it has not been possible to do this at the same pace as the decline in turnover.

Material Sales business area

In the Material Sales business area the volume situation has been satisfactory and in line with developments in 2009 despite major supply side problems on commodity markets, which has resulted in rising raw material prices. In Western Europe sales have improved in the prefabricated products and thermoplastic materials' product areas.

All product groups have show stable volume growth in the Nordic region. In Central Europe sales were adversely affected by weak public finances, which is compelling countries to tighten their budgets for the infrastructure. The turnover of the Material Sales business area amounted to SKr 344.8 million (314.5) and the operating profit to SKr 30.1 million (8.4).

Net turnover

Turnover for the January-September 2010 period amounted to SKr 1,023.5 million (1,128.6). The order intake and volume growth showed a healthy trend in the Nordic region, whereas the markets in Central Europe experienced much weaker conditions as a result of public finance problems which compelled governments to cut spending on road maintenance and in other areas.

Seasonal effects

The road-marking business is highly seasonal. Road markings must be laid on dry surfaces, which makes the business dependent on the weather. The second and third quarters correspond on average to 70% of turnover.

Result

The consolidated result after tax for the first nine months of 2010 was a loss of SKr 16.2 million (loss 1.9). The Group's cash flow improved by SKr 66.8 million in relation to the corresponding period in 2009 and amounted to a negative flow of SKr 3.9 million (neg. 70.7). The operating result for the first nine months of the year was a loss of SKr 8.8 million (profit 15.2).

For the twelve-month period 1 October 2009-30 September 2010, net turnover was SKr 1,329.9 million (1,465.3) and the operating result was a loss of SKr 64.0 million (profit SKr 1.7). The operating margin was a negative 4.8% (0.0). (For the full-year 2009, net turnover was SKr 1,435.0 million, the operating loss was SKr 40.0 million and the operating margin a negative 2.8%).

Financing

Net debt amounted to SKr 377.3 million (509.1) on 30 September 2010. The rights issue carried out in the spring had a positive effect on net debt and the equity ratio. The equity ratio was 36.4% (29.2) on 30 September 2010. The Group's liquidity requirements have been secured by means of agreements with Geveko's main banks. As an effect of the weaker result, Geveko breached as of 30 September 2010, one of the covenants (the net debt ratio) agreed with the banks. Negotiations on the temporary waiver of this covenant are in progress.

Third quarter

In the third quarter of 2010 turnover declined by 6.4% in relation to the previous year and amounted to SKr 471.0 million (503.2). The operating profit improved slightly and amounted to SKr 48.4 million (47.7) after a net cost of some SKr 5 million for the closure of the factory in Norway. The third quarter EBITA amounted to SKr 51.1 million (51.6).

Net financial items

The net deficit on interest and other financial items amounted to SKr 8.3 million (deficit 21.7). The improvement is explained by positive currency effects and a reduction in net debt.

Five-year review – full year

SKr million	2009	2008	2007	2006	2005
Net turnover	1,435.0	1,427.5	1,078.8	1,035.0	991.2
Operating profit/loss ¹⁾	-40.0	24.3	18.6	38.6	51.0
Operating margin, %	-2.8	1.7	1.7	3.7	5.1
EBITA	-8.4	46.4	32.7	54.3	62.8
Profit/loss after tax	-57.0	-53.6	-24.6	116.3	162.9
Balance sheet total	1,089.3	1,294.7	1,276.9	1,378.1	1,275.5
Equity	326.3	401.9	472.6	830.1	768.3
Return on equity, %	-15.7	-12.5	-3.8	14.6	23.1
Return on operating capital, %	-4.9	3.3	6.8	6.9	9.6
Net debt	411.8	429.1	216.0	239.7	255.8
Equity ratio, %	30.0	31.0	37.0	60.2	60.2
<i>Per share data</i>					
Earnings/loss per share, SKr ²⁾	-5.55	-5.19	-1.90	11.10	14.85
Cash flow per share, SKr ²⁾	-6.20	0.35	-2.90	2.90	6.70
Listed price, Geveko Series "B", SKr	26.13	27.65	51	65.70	63
Total return, %	-2.5	-41.0	-3.0	10.0	25.0
SIX Return Index, %	52.5	-39.0	-4.0	26.0	36.0
Number of employees	884	832	638	611	602

¹⁾ Including cost of Management of Securities ²⁾ Adjusted for rights issue during second quarter of 2010

Quarterly review 2008-2010 (past 8 quarters)

SKr million	2010				2009			2008	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Net turnover	471.0	414.1	138.4	306.4	503.2	510.2	115.2	336.7	
Operating profit/loss	48.4	37.3	-94.5	-55.2	47.7	74.9	-107.4	-13.5	
Profit/loss after tax	32.2	26.9	-76.0	-55.1	29.1	55.1	-86.1	-21.6	
Earnings/loss per share, SKr ¹⁾	1.91	1.64	-7.10	-5.14	2.72	5.15	-8.04	-2.02	
Cash flow per share SKr ¹⁾	0.53	0.75	-2.37	0.36	1.32	-3.81	-4.11	3.52	
Equity per share share, SKr ¹⁾	23.94	22.73	21.67	30.45	35.76	34.64	28.25	37.50	
Equity	404.1	383.6	232.2	326.3	383.3	371.3	302.8	401.9	
Balance sheet total	1,111.4	1,143.5	997.9	1,089.3	1,313.1	1,419.0	1,145.8	1,294.7	
Net debt	377.3	425.6	630.5	411.9	509.1	630.5	476.9	429.1	
Equity ratio, %	36.4	34.4	23.8	30.0	29.2	26.2	26.4	31.0	
<i>Moving 12-month figures</i>									
Turnover, moving 12-month	1,329.9	1,362.1	1,458.2	1,435.0	1,465.3	1,494.9	1,418.0	1,427.5	
Operating profit/loss, moving 12-month	-64.0	-64.6	-27.1	-40.0	1.7	27.8	-1.3	24.3	
Operating margin, moving 12-month, %	-4.8	-4.7	-1.9	-2.8	0.0	1.9	-0.1	1.7	
EBITA, moving 12-month	-36.4	-35.9	2.5	-8.4	18.3	46.2	19.8	46.4	
EBITA, moving 12-month, %	-2.7	-2.6	0.2	-5.9	1.2	3.1	1.4	3.3	
Return on equity, %	-22.9	-25.1	-26.4	-15.7	-5.8	-4.4	-18.2	-12.5	
Return on operating capital, %	-8.7	-8.4	-3.4	-4.9	0.2	3.4	-0.2	3.3	

1) Adjusted for rights issue during second quarter of 2010

Five-year review, third quarter

SKr million	Q3, 2010	Q3, 2009	Q3, 2008	Jan-Sept 2010	Jan-Sept 2009	Jan-Sept 2008
Net turnover	471.0	503.2	532.1	1,023.5	1,128.6	1,090.8
Operating profit/loss	48.4	47.7	73.9	-8.8	15.2	37.8
Operating margin, %	10.3	9.5	13.9	-0.9	1.3	3.5
Profit/loss after tax	32.2	29.1	36.1	-16.2	-1.9	-32.0
Equity	404.1	383.3	427.2	404.1	383.3	427.2
Balance sheet total	1,111.4	1,313.1	1,289.2	1,111.4	1,313.1	1,289.2
Net debt	377.3	509.1	406.0	377.3	509.1	406.0
Return on equity, %	36.4	29.2	33.1	36.4	29.2	33.1
<i>Moving 12-month figures</i>						
Turnover, moving 12-month	1,329.9	1,465.3	1,357.9	-	-	-
Operating profit/loss, moving 12-month	-64	1.7	33.1	-	-	-
Operating margin, moving 12-month, %	-4.8	0.0	2.4	-	-	-
EBITA, moving 12-month	-36.4	18.3	55.8	-	-	-
EBITA, moving 12-month, %	-2.7	1.2	4.1	-	-	-
Return on equity, %	-22.9	-5.8	-17.2	-	-	-
Return on operating capital, %	-8.7	0.2	4.7	-	-	-
<i>Per share data</i>						
Earnings/loss per share, SKr ¹⁾	2.39	2.72	3.37	-1.20	-0.18	2.89
Cash flow per share, SKr ¹⁾	0.66	1.32	0.16	0.29	-6.60	-3.17
Equity per share, SKr ¹⁾	23.94	35.76	39.86	23.94	35.76	39.86
Listed price, Geveko Series "B", SKr ²⁾	15.30	26.84	30.90	15.30	26.84	30.90
Number of shares ¹⁾	16,878,132	10,717,613	10,717,613	16,878,132	10,717,613	10,717,613
Number of employees	-	-	-	890	1,007	846

The Group has outstanding equity warrants, but no outstanding convertible loans.

¹⁾ Adjusted for rights issue during second quarter of 2010

²⁾ The number of shares has been adjusted for the rights issue during the second quarter of 2010 and between 2008 and 2009 was 10,717,613. As of 1 June 2010 there were 16,878,132 shares in issue.

Significant events during the third quarter

As part of the new plant structure whereby the number of production units will be reduced, the factory property in Moss, Norway was sold for a capital gain of SKr 4.2 million. A sum of SKr 9 million to cover the cost of the closure was taken against the result in the third quarter.

During the third quarter Stefan Tilk took over as new Managing Director and CEO, Göran Eklund as new CFO and Christer Berntsson as Purchasing and Logistics Manager.

Significant events after the end of the period

No significant events have occurred since the end of the period.

Outlook for 2010

Given that the road-marking market in Europe as a whole is expected to be weak in 2010, Geveko's turnover is expected to be lower than in 2009, when it amounted to SKr 1,435 million. The operating result is expected to be negative, in line with last year's or lower.

Risks and uncertainties

The risks and uncertainties to which the Group's companies are exposed comprise credit risks and market risks in the form of political risks, changes in plans for infrastructure investments, competition, rising raw material costs and weather conditions. In 2009 and 2010 many countries in Europe have been compelled to make extensive spending cuts in the public sector owing to large budget deficits. Among Geveko's markets in the countries in Central Europe in particular, as well as in England, such effects have had an unfavourable impact on demand. In view of these uncertainties, there is a risk that the value of the Group's assets in these countries may have to be written down. A detailed assessment will be made during the fourth quarter of 2010. Geveko also faces financial risks, including the effect of interest rate changes and currency fluctuations. During the third quarter of 2010 the Group's financial risks did not change in relation to 2009. For a more detailed description of the risks and uncertainties to which Geveko is exposed, see pages 100-102 and Note 35 on page 81 in Geveko's Annual Report for 2009.

Transactions with related parties

There were no transactions with related parties during the third quarter of 2010 that had a significant effect on the company's financial position or result. Transactions with related parties in 2009 are stated in Note 36 on pages 81-82 of Geveko's Annual Report for 2009.

Contingent liabilities

In connection with the discontinuation of production at the plant in Göteborg, soil studies are being prepared in consultation with the municipality. Geveko currently has no obligations as a result of the closure.

Employees

On 30 September 2010 the Group had 890 (1,007) employees, of whom 133 (131) were female. The number of employees in foreign Group companies was 734 (843). In the 2009 financial year an average of 884 people were employed by the Group (including seasonal employees).

Parent Company

The activities of AB Geveko (the parent company) mainly comprise Group management and the administration of central functions. The assets mainly consist of shares in subsidiaries and liquid investments.

Result

The net effect of financial income and costs was a surplus of SKr 7.2 million (surplus 2.6). The parent company's result after tax for the January-September 2010 period was a loss of SKr 22.1 million (profit 40.5). The corresponding figure for the third quarter was a loss of SKr 7.7 million (loss 5.4).

Accounting principles

This interim report is made up for the Group in accordance with the Annual Accounts Act, IAS34 Interim Reporting and RFR1.3, and for the parent company in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3 Reporting by Juridical Persons. The accounting principles applied to the Group and the parent company are unchanged in relation to those applied in the latest annual report, except where otherwise stated below.

New accounting principles**IAS 3 (Amended) Company Acquisitions**

The amended standard still stipulates that the purchase method be applied to company acquisitions but with some significant changes. The Group applies the amended standard post hoc to all company acquisitions taking effect from 1 January 2010, which means that the costs associated with the acquisition of a subsidiary are not stated as part of the acquisition value but are recognised as a cost in their entirety.

Next report

The year-end communiqué for 2010 will be published on 23 February 2011.

Göteborg, 29 October 2010
AB GEVEKO (publ)

Stefan Tilk
CEO and Managing Director

Auditors' review

We have carried out a review of the interim report for AB Geveko (publ) org 556024-6844 for the period 1 January to 30 September 2010. The board of directors and the Managing Director have responsibility for making up and presenting this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim financial information on the basis of our review.

We have carried out our general review in accordance with the Standard for the General Review of Financial Reports 2410, General Review of Interim Financial Information by the Company's Elected Auditor. A general review requires that we question, in the first instance, those individuals who have responsibility for financial and accounting issues; that we perform analytical tests and take such other measures as our review requires. A general review has a different purpose and is significantly narrower in scope than the purpose and scope of an audit in accordance with Auditing Standards in Sweden and generally accepted auditing standards otherwise. The measures taken when making a general review make it impossible for us to acquire such a degree of certainty regarding all the important circumstances that could have been identified had a full audit been performed. The opinion expressed on the basis of a general review therefore does not have the same degree of certainty as an opinion based on an audit.

On the basis of our general review no circumstances have emerged that give us any grounds for stating that this interim report is not in all essentials made up, insofar as the consolidated financial statements are concerned, in accordance with IAS 34 and the Annual Accounts Act and in the case of the parent company in accordance with the Annual Accounts Act.

Göteborg, 29 October 2010

Birgitta Granquist
Authorised public accountant

Bror Frid
Authorised public accountant

Summary consolidated profit and loss account

SKr million	July-Sept 2010	July-Sept 2009	Jan-Sept 2010	Jan-Sept 2009	Jan-Dec 2009
Net turnover	471.0	503.2	1,023.5	1,128.6	1,435.0
Cost of sold products	-353.3	-388.2	-837.2	-918.8	-1,202.9
Gross profit	117.7	115.0	186.3	209.8	232.1
Development costs	-3.6	-5.5	-13.0	-18.7	-20.9
Selling costs	-22.3	-22.0	-61.3	-72.8	-117.9
Administrative costs	-38.6	-37.2	-111.7	-109.0	-139.9
Interest in earnings of associate companies	-0.3	-1.0	-3.5	-1.0	-0.6
Other operating income and costs	-4.5	-1.6	-5.6	6.9	7.2
Profit/loss before financial items	48.4	47.7	-8.8	15.2	-40.0
Dividend income	0.2	0.0	0.3	0.3	0.3
Change in value of Securities	0.0	-0.3	-0.2	5.7	5.0
Interest income and similar profit/loss items	1.3	1.0	3.6	7.3	8.6
Interest costs and similar profit/loss items	-4.0	-7.1	-11.9	-29.0	-35.3
Profit/loss before tax	45.9	41.3	-17.0	-0.5	-61.4
Tax	-13.7	-12.2	0.8	-1.4	4.4
Net profit/loss for the period	32.2	29.1	-16.2	-1.9	-57.0
Attributable to:					
parent company shareholders	33.1	27.9	-17.3	-2.2	-59.6
minority interests	-0.9	1.2	1.1	0.3	2.6
Earnings/loss per share after dilution, SKr (attributable to parent company shareholders)					

The Group has outstanding equity warrants, but no outstanding convertible loans.

The number of shares in issue has been adjusted during the second quarter and was 10,717,613 in 2009.

As of June 1, 2010 the company had 16,878,132 shares in issue.

Total result	July-Sept 2010	July-Sept 2009	Jan-Sept 2010	Jan-Sept 2009	Jan-Dec 2009
Net profit/loss for the period	32.2	29.1	-16.2	-1.9	-57.0
Other components of total result					
Hedging of net investments	0.0	-1.1	0.0	-5.4	-7.5
Currency fluctuations	-11.7	-15.9	-55.7	-2.8	-2.6
Net other components after tax	-11.7	-17.0	-55.7	-8.2	-10.1
Total result for the period	20.5	12.1	-71.9	-10.1	-67.1
Total result attributable to:					
Parent company shareholders	20.4	14.7	-69.4	-4.4	-63.6
Minority interests	0.1	-2.6	-2.5	-5.7	-3.5

Consolidated Balance Sheet

Summary, SKr million

	30 Sept 2010	30 Sept 2009	31 Dec 2009
Fixed assets			
Intangible fixed assets	96.0	113.2	103.6
Tangible fixed assets			
Land and buildings	121.2	157.3	157.2
Machinery and plant	199.5	245.8	230.1
Fixed plant under construction	4.1	6.1	4.6
Total tangible fixed assets	324.8	409.2	391.9
Financial fixed assets			
Interests in associate companies	26.9	29.9	33.3
Other shares and securities	14.3	15.3	14.5
Other long-term receivables	10.3	12.4	13.0
Deferred tax receivables	21.4	17.3	20.9
Total financial fixed assets	72.9	74.9	81.7
Total fixed assets	493.7	597.3	577.2
Current assets			
Stocks	142.8	138.3	103.2
Accounts receivable	352.6	396.0	280.9
Other current receivables	85.1	135.3	76.2
Securities	0.0	5.1	5.4
Liquid funds	37.2	41.1	46.4
Total current assets	617.7	715.8	512.1
Total assets	1,111.4	1,313.1	1,089.3
Equity			
Capital and reserves attributable to parent company shareholders			
Share capital	202.6	105.5	105.5
Other injected capital	82.5	30.0	30.0
Reserves	-36.0	19.1	16.9
Retained earnings	94.0	155.2	98.2
	343.1	309.8	250.6
Minority interests	61.0	73.5	75.7
Total equity	404.1	383.3	326.3
Long-term liabilities			
Interest-bearing long-term liabilities	91.0	157.5	126.5
Deferred tax liabilities	11.4	23.4	14.3
Pension provisions	7.0	11.2	6.6
Other provisions	14.7	3.2	7.6
Total long-term liabilities	124.1	195.3	155.0
Current liabilities			
Interest-bearing current liabilities	338.4	433.0	363.7
Other current liabilities	244.8	301.5	244.3
Total current liabilities	583.2	734.5	608.0
Total equity and liabilities	1,111.4	1,313.1	1,089.3

Consolidated Cash Flow Analysis

Summary, SKr million

	Jan-Sept 2010	Jan-Sept 2009	Jan-Dec 2009
Cash flow from continuing operations before changes in working capital	54.4	57.6	29.8
Cash flow from changes in working capital	-139.9	-101.9	43.6
Cash flow from continuing operations	-85.5	-44.3	73.4
Acquisition of intangible fixed assets, net	-11.0	-	-11.6
Acquisition of tangible fixed assets, net	-14.1	-47.6	-48.9
Divestment of lines of business	-	13.6	13.6
Acquisition of shares in subsidiaries	-	-	1.8
Divestment of shares in subsidiaries	-	-	-0.2
Purchase and sales of securities, net	-	27.7	27.7
Change in other fixed assets	13.4	-11.1	2.0
Cash flow from investment activities	-11.7	-17.4	-15.6
Change in interest-bearing liabilities	-56.4	-0.6	-116.2
Dividends paid to parent company shareholders	0.0	-8.4	-8.4
Rights issue	149.7	-	-
Cash flow from financing activities	93.3	-9.0	-124.6
Cash flow for the period	-3.9	-70.7	-66.8
Opening liquid funds	46.4	115.6	115.6
Currency differences, liquid funds	-5.3	-3.8	-2.4
Closing liquid funds	37.2	41.1	46.4

Change in equity, SKr million	30 Sept 2010	30 Sept 2009	31 Dec 2009
Opening balance	326.3	401.9	401.8
Total result for the period	-71.9	-10.2	-67.1
Rights issue	149.7	-	-
Dividend paid by Geveko AB	0.0	-8.4	-8.4
Closing balance	404.1	383.3	326.3

Parent company profit and loss account, SKr million
Summary

	Jan-Sept 2010	Jan-Sept 2009	Jan-Dec 2009
Management costs	-29.1	-17.5	-19.6
Other operating costs	0.0	-1.9	-1.9
Operating loss	-29.1	-19.4	-21.5
Dividends: from subsidiaries	0.0	50.0	50.0
from other companies	0.0	0.3	0.3
Change in value of Securities	-0.2	7.0	7.2
Write-down in value of shares in subsidiaries	0.0	0.0	-8.6
Interest income and similar profit/loss items	15.3	10.7	14.8
Interest costs and similar profit/loss items	-8.1	-8.1	-9.8
Profit/loss before tax	-22.1	40.5	32.4
Tax	-	-	-
Net profit/loss for the period	-22.1	-40.5	32.4

Parent company balance sheet, SKr million
Summary

	30 Sept 2010	30 Sept 2009	31 December 2009
Fixed assets	224.8	80.8	75.2
Current assets	291.7	395.8	299.0
Total assets	516.5	476.6	374.2
Equity	356.1	236.7	228.6
Provisions	0.0	0.0	0.0
Long-term liabilities	8.6	5.0	8.6
Current liabilities	151.8	234.9	137.0
Total equity and liabilities	516.5	476.6	374.2

Reporting by segment July-September 2010

SKr million	Contracting	Material Sales	Unallocated	Eliminations	Group
Net turnover	337.2	140.2	-7.1	-	471.0
Operating costs	-302.3	-125.7	5.4	-	-422.6
Interest in earnings of associate companies	0.0	-0.3	0.3	-	-
Profit /loss before financial items	35.6	14.2	-1.4	-	48.4
Dividend income	-	-	0.2	-	0.2
Change in value, Securities	-	-	-	-	-
Financial income	-	-	1.3	-	1.3
Financial costs	-	-	-4.0	-	-4.0
Profit/loss before tax	35.6	14.2	3.9	-	45.9

Reporting by segment July-September 2009

SKr million	Contracting	Material Sales	Unallocated	Eliminations	Group
Net turnover	367.5	125.3	10.4	-	503.2
Operating costs	-316.4	-116.1	-22.0	-	-454.5
Interest in earnings of Associate companies	-1.3	-2.1	2.4	-	-1.0
Profit /loss before financial items	49.8	7.1	-9.2	-	47.7
Dividend income	-	-	0.0	-	0.0
Change in value, Securities	-	-	-0.3	-	-0.3
Financial income	-	-	1.0	-	1.0
Financial costs	-	-	-7.1	-	-7.1
Profit/Loss before tax	49.8	7.1	-15.6	-	41.3

Reporting by segment January-September 2010

SKr million	Contracting	Material Sales	Unallocated	Eliminations	Group
Net turnover	673.0	344.8	5.7	-	1,023.5
Operating costs	-709.1	-310.5	-9.3	-	-1,028.9
Interest in earnings of associate companies	0.8	-4.2	-	-	-3.4
Profit/loss before financial items	-35.3	30.1	-3.6	-	-8.8
Dividend income	-	-	0.3	-	0.3
Change in value, Securities	-	-	-0.2	-	-0.2
Financial income	-	-	3.6	-	3.6
Financial costs	-	-	-11.9	-	-11.9
Profit/Loss before tax	-35.3	30.1	-11.9	-	-17.0
Fixed assets	314.0	8.7	171.0	-	493.7
Current assets	282.6	191.7	143.4	-	617.7
	596.6	200.4	314.4	-	1,111.4
Equity	-	-	404.1	-	404.1
Liabilities	170.7	47.7	488.9	-	707.3
	170.7	47.7	893.0	-	1,111.4

Reporting by segment January-September 2009

SKr million	Contracting	Material Sales	Unallocated	Eliminations	Group
Net turnover	756.3	314.5	57.8	-	1,128.6
Operating costs	-720.9	-302.6	-86.4	-	-1,109.9
Interest in earnings of associate companies	-	-3.5	-	-	-3.5
Profit/loss before financial items	35.4	8.4	-28.6	-	15.2
Dividend income	-	-	0.3	-	0.3
Change in value, Securities	-	-	5.7	-	5.7
Financial income	-	-	7.3	-	7.3
Financial costs	-	-	-29.0	-	-29.0
Profit/Loss before tax	35.4	8.4	-44.3	-	-0.5
Fixed assets	371.2	27.7	198.4	-	597.3
Current assets	361.5	173.4	180.9	-	715.8
	732.7	201.1	379.3	-	1,313.1
Equity	-	-	383.3	-	383.3
Liabilities	156.7	21.4	751.7	-	929.8
	156.7	21.4	1,135.0	-	1,313.1

Reporting by segment January-December 2009

SKr million	Contracting	Material Sales	Unallocated	Eliminations	Group
Net turnover	1,002.8	370.7	-	61.5	1,435.0
Operating costs	-1,000.6	-381.0	-31.4	-61.5	-1,474.4
Interest in earnings of associate companies	1.7	-2.3	-	-	-0.6
Profit/loss before financial items	3.9	-12.6	-31.4	0.0	-40.1
Dividend income	-	-	0.3	-	0.3
Change in value, securities	-	-	5.0	-	5.0
Financial income	-	-	8.6	-	8.6
Financial costs	-	-	-35.3	-	-35.3
Profit/Loss before tax	3.9	-12.6	-52.8	0.0	-61.5
Fixed assets	363.7	15.6	197.9	-	577.2
Current assets	246.6	74.4	191.1	-	512.1
	610.3	90.0	389.0	0.0	1,089.3
Equity	-	-	326.3	-	326.3
Liabilities	173.1	28.2	561.7	-	763.0
	173.1	28.2	888.0	0.0	1,089.3

Comment: Changes in unallocated items and eliminations are an effect of changes in the organisation of the Group and subsequent change in the principles for internal pricing and allocation of costs.

Financial information 2011

Year-end communiqué 2010	25 February 2011
Annual Report 2010	April 2011
AGM 2011	28 April 2011
Interim Report January-March 2011	28 April 2011

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Definitions

Balance sheet total

Total assets.

Cash flow per share

Cash flow for the year divided by weighted average of the number of shares in issue during the year.

Earnings/Loss per share

Profit/Loss as defined below divided by the average number of shares in issue during the year.

EBITA (Earnings before interest, tax and amortisation)

Operating result before depreciation attributable to intangible fixed assets arising from company acquisitions.

EBITA, %

EBITA as percentage of net turnover.

Equity ratio

Stated equity as a percentage of the balance sheet total.

Net debt

Interest-bearing liabilities less interest-bearing receivables and liquid funds excluding listed shares. Up until 31 December 2007 listed shares were stated as fixed assets and did not reduce the net debt.

Operating margin

Operating profit as a percentage of the year's net turnover. The operating margin shows how much of the net turnover is left to cover interest, taxation and profit.

Profit/Loss

Net profit/loss after tax.

Profit/loss/EBIT (Earnings before interest and tax)

Profit/loss after depreciation.

Return on equity

Net profit/Loss as a percentage of average equity.

Return on operative capital

Operating result as a percentage of the average operative capital. Shows the return on the business independently of financial assets and financing.

Share price

Latest transaction price of Geveko's Series "B" shares at the end of the reporting period.

SIX Return Index

An equity index for NASDAQ OMX Stockholm AB calculated on the basis of changes in prices including dividends.

Share price –The price paid for Geveko’s Series “B” share at the end of the reporting period.

Return on operating capital – Operating profit/loss as a percentage of the average operating capital. Shows the operating result separately from financial assets and financing.

Return on equity – Net profit as a percentage of average equity.

Balance sheet total – Total assets.

EBITA (Earnings before interest, tax and amortisation) – Operating result before depreciation attributable to intangible fixed assets arising from company acquisitions.

EBITA, % - EBITA as percentage of net turnover.

Cash flow per share - Cash flow for the year divided by weighted average of the number of shares in issue during the year.

Net debt – Interest-bearing liabilities less interest-bearing receivables, liquid funds and securities. Up until 31 December 2007 Securities were stated as fixed assets and did not reduce the net debt.

Profit/Loss – Net profit/loss after tax.

Earnings/Loss per share - Profit/Loss as defined above divided by the average number of shares in issue during the year.

Operating result/EBIT (Earnings before interest and tax) – Result after depreciation.

Operating margin – operating profit as a percentage of the year’s net turnover. The operating margin shows how much of the net turnover is left to cover interest, taxation and profit.

SIX Return Index – An equity index for NASDAQ OMX Stockholm AB calculated on the basis of changes in prices including dividends.

Equity ratio - Equity as a percentage of total assets.

Glossary/Industry-specific definitions**CEN** (European Committee for Standardisation)

Draws up specifications and recommendations at EU level for road safety, including road-marking standardisation .

BOO (Build, Own, Operate)

A private company finances, builds and operates infrastructure for an unlimited period of time.

Functional contract

The contractor undertakes to maintain the functionality of road markings for the period of the contract that extends over several years. The customer makes regular inspections during the period of the contract to ensure the right quality.

Embedding pearls

Glass beads that are embedded within road-marking materials to reflect light.

Luminance coefficient (daylight visibility)

A road-marking property that describes the relative quantity of light that is reflected towards the driver if the source of light is the sky on a cloudy day.

Prefabricate – To manufacture in advance

PREMARK®

Prefabricated thermoplastic products.

Retroreflection – reflects light rays

Glass beads are embedded in the road-marking material in varying percentages and applied to the surface layer of the road material as a means of creating higher retroreflection values.

Thermoplastic

Becomes plastic when heated.

Truck Mantle Attenuator (TMA protection)

TMA protection can be fitted to contracting vehicles to make them safer for employees.

Road marking paint

Water-based product consisting of one or more components that is sprayed onto roads in a thin layer.

Surface beads

Light-reflecting glass beads that are applied on a road-marking surface at the time of application.