Lindab
Annual Report
2013

We simplify construction

www.lindab.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.

Lindab was the first company in Sweden to produce circular duct systems.

We have been simplifying construction for more than 50 years. Now, we are making changes to better meet the growing demand for airtight, energy-efficient buildings with low operating costs and good indoor climate.

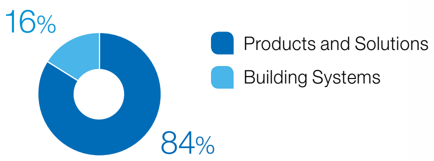
Lindab's solutions in tomorrow's buildings.

Lindab simplified

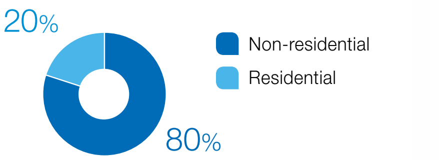
Lindab's business concept is to develop, manufacture, market and distribute products and system solutions for simplified construction and improved indoor climate. The products are characterised by their high quality, ease of assembly, energy efficiency and environmentally-friendly design and are delivered with high levels of service. Altogether, this increases customer value.

Distribution 2013

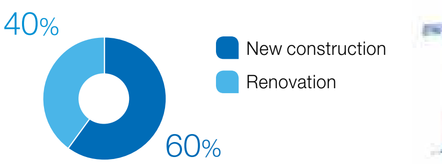
Sales, operations

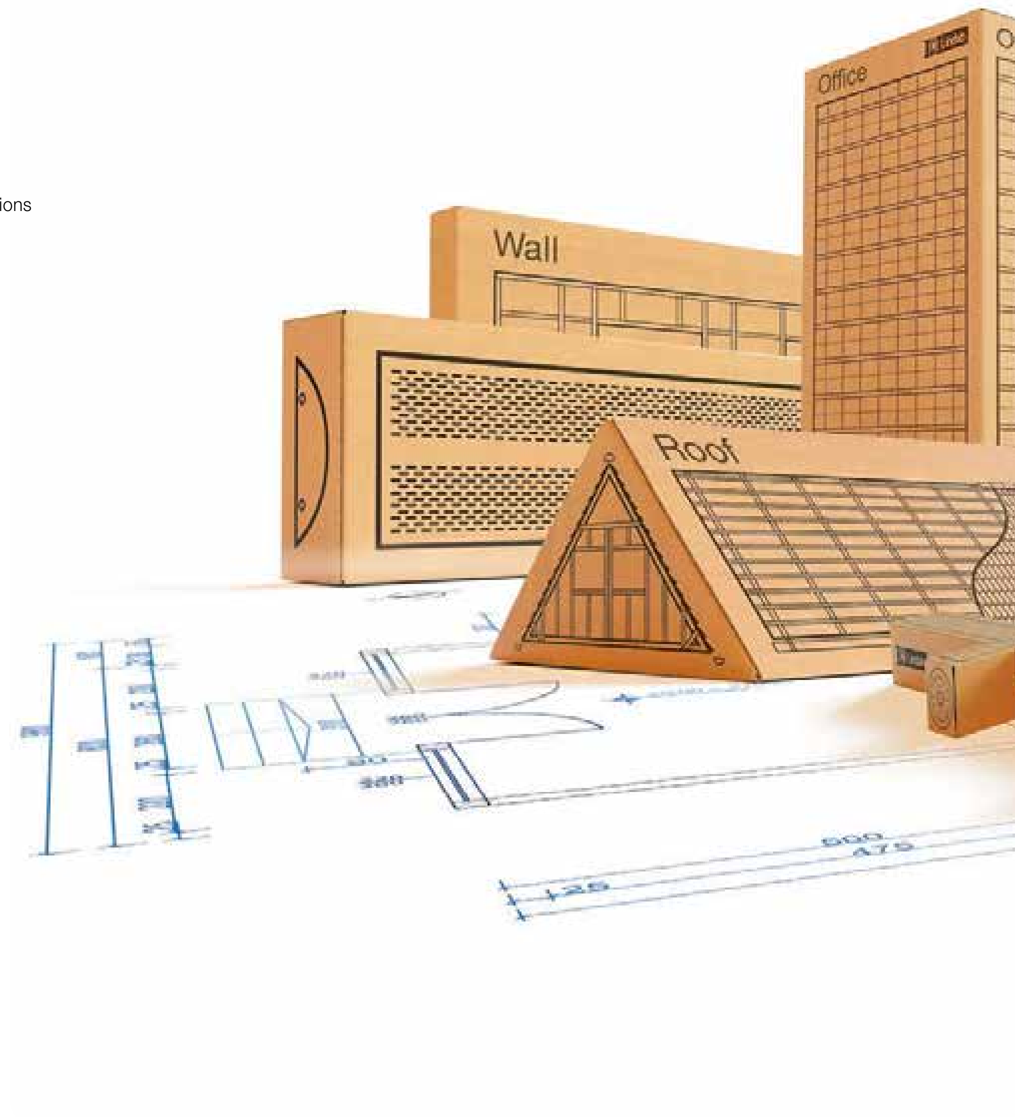


Market segment



New construction and renovation





Year **1959**

In 1959 AB Lidhults Plåtindustri was registered as a company in the village of Grevie on the Bjäre peninsula, where Lindab's headquarters remain today.

32 countries

Since being formed in Grevie more than 50 years ago, Lindab has expanded across the world and is currently represented at 157 locations in 32 countries.

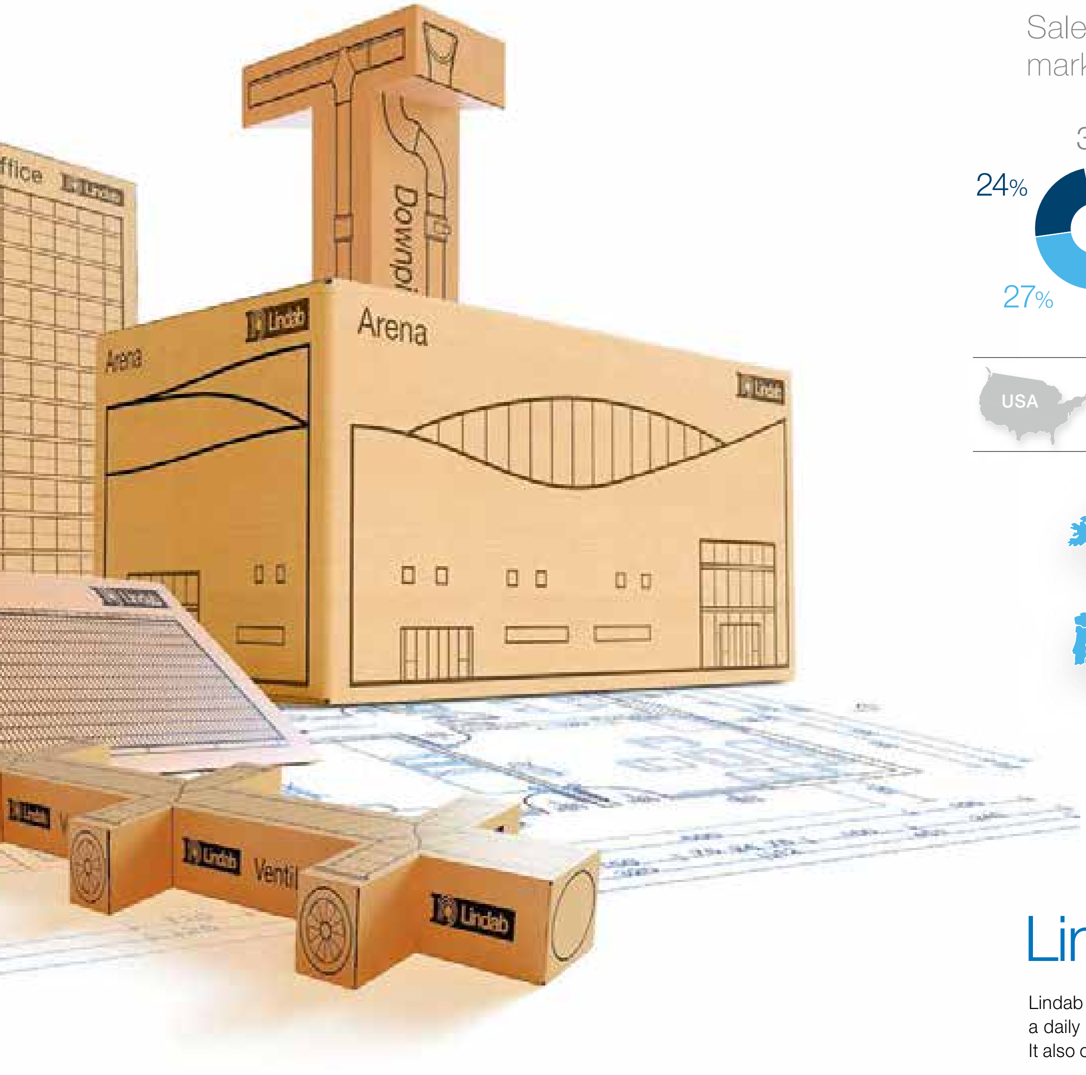
SEK **6.5** billion

In 2013, the Group's sales revenue amounted to SEK 6,523 m, which is a decrease of 2 percent compared with the previous year. Profitability increased however.

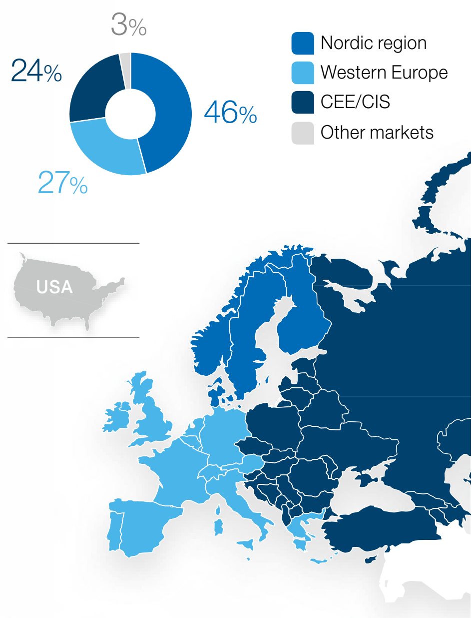
Back to basics – into the future is Lindab's concept that focuses on activities across the Group in order to create growth, increase operating leverage and boost the rate of innovation.

The Lindab brand is a leading and well-known brand throughout Europe and can be summarised by three strong core values:

- Customer success
- Down to earth
- Neatness and order



Sales distribution, market



Lindab Life summarises how Lindab should act on a daily basis and towards its various stakeholders. It also covers all key environmental issues.

120 branches

The majority of the Group's sales are made through its 120 branches, which sell ventilation and/or construction products. Lindab's long-term strategy is to widen the offering available in the branches.

4,371 employees

At the year-end, 77 percent of the Group's 4,371 employees were employed outside Sweden. The Czech Republic is the country with the most employees after Sweden.

47 percent

The Lindab share, which is quoted on the Mid Cap list on the NASDAQ OMX Nordic Exchange in Stockholm, rose by 47 percent in 2013. The largest shareholders were Systemair AB and the investment company Creades.

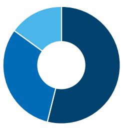
The Year in brief

Sales revenue decreased by 2 percent to **SEK 6,523 m** (6,656). Adjusted for currency and structure the decrease amounted to 1 percent. Excluding one-off costs of SEK 46 m (126), operating profit (EBIT) increased by 8 percent to **SEK 498 m** (460) and the operating margin increased to **7.6 percent** (6.9). The one-off costs include structural measures and the dismissal of the Business Area Managers. Cash flow from operating activities increased to **SEK 620 m** (222). This is mainly due to an increase in the underlying profit and lower working capital. No dividend is being proposed for the financial year.

Key events

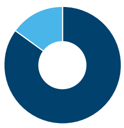
- Anders Berg, new President and CEO
- New business concept, ”Back to basics – into the future”
- Higher profitability and increased cash flow
- Several new important distribution agreements
- Workplace injuries continued to fall, the LTIF (number of accidents per million hours worked) fell to 12.3 (14.9)
- New organisational structure

Lindab 2013



Ventilation
Building Components
Building Systems

Lindab 2014



Products and Solutions
Building Systems

Financial key figures

SEK m unless otherwise indicated	2013	2012*	%
Sales revenue	6,523	6,656	–2
Distribution of growth, of which:			
Organic, %	–1	–5	
Acquired/divested, %	1	3	
Currency effect, %	–2	–1	
Operating profit (EBITDA)	609	490	24
Operating profit (EBITA)	452	334	35
Operating profit (EBIT), excl. one-off items[1)]	498	460	8
Result before tax (EBT)	329	178	85
Profit for the year	233	122	91
Cash flow from operating activities	620	222	179
Operating margin (EBITA), %	6.9	5.0	
Operating margin (EBIT), excl. one-off items, %[1)]	7.6	6.9	
Equity	2,967	2,683	11
Net debt	1,612	2,106	–24
Return on equity, %	8.5	4.6	
Return on capital employed, %	9.1	6.8	
Net debt/equity ratio, times	0.5	0.8	
Average number of employees	4,368	4,509	–3

1) For one-off items see table on page 61.
** Restated due to standard amendments, IAS 19R.*

Q1

Sales decreased by 9 percent to SEK 1,341 m (1,479) and the operating margin was 1.0 percent (2.0). Anders Berg appointed new President and CEO.

Q2

Sales decreased by 5 percent to SEK 1,643 m (1,737) and the operating margin was 8.0 percent (7.8). Important new distribution agreements signed.

Q3

Sales decreased by 1 percent to SEK 1,753 m (1,737) and the operating margin was 11.1 percent (10.7). New organisational structure launched.

Q4

Sales increased by 7 percent to SEK 1,786 m (1,667) and the operating margin was 8.8 percent (6.3). Mild winter conditions favoured sales.

Performance by business area

2013 was the final year that Lindab reported the performance by the following business areas. In the new organisation, Ventilation and Building Components have been merged while Building Systems is now a separate division. Reporting in accordance with the new structure will take effect from the start of the first quarter 2014.

Ventilation business area

Key figures	2013	2012
Sales revenue, SEK m	3,506	3,591
Operating profit (EBIT), SEK m	261	263
Operating margin (EBIT), %	7.4	7.3
Gross investments in fixed assets	42	48
Number of employees	2,635	2,597

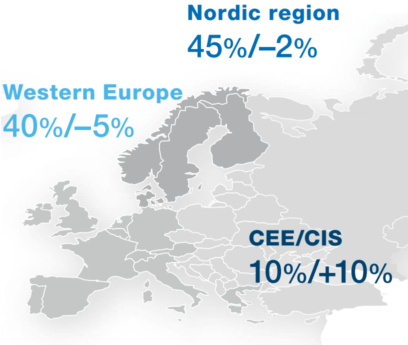
Share of the group

Sales revenue | Operating profit

54% | 52%

Ventilation

Share of sales per market/
sales performance in 2013



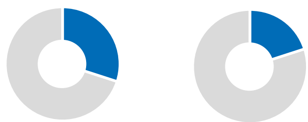
Other markets*
5%/0%
* Whereof USA 4%/0%

Building Components business area

Key figures	2013	2012
Sales revenue, SEK m	1,990	2,052
Operating profit (EBIT), SEK m	99	135
Operating margin (EBIT), %	5.0	6.6
Gross investments in fixed assets	20	41
Number of employees	911	932

Share of the group

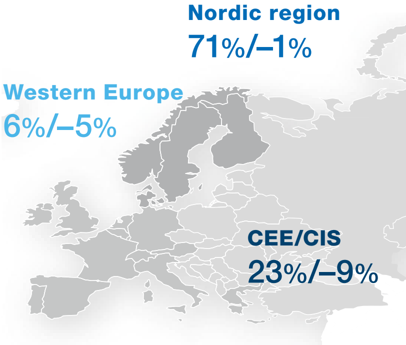
Sales revenue | Operating profit



30% | 20%

Building Components

Share of sales per market/
sales performance in 2013



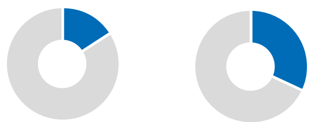
Other markets
0%/—

Building Systems business area

Key figures	2013	2012
Sales revenue, SEK m	1,027	1,013
Operating profit (EBIT), SEK m	159	100
Operating margin (EBIT), %	15.5	9.9
Gross investments in fixed assets	26	68
Number of employees	718	720

Share of the group

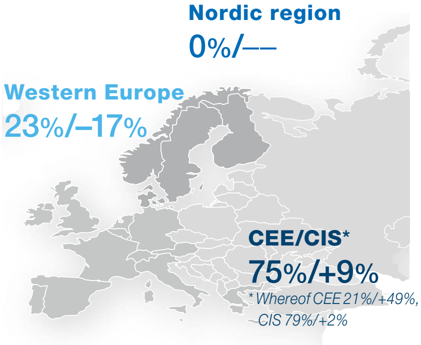
Sales revenue | Operating profit



16% | 32%

Building Systems

Share of sales per market/
sales performance in 2013



Other markets*
2%/+12%
* Whereof USA 0%/—


Lindab

A word from the CEO

Small, rapid steps **into the future**

At the time of writing, I will soon have been at Lindab for a year. It has been a most enjoyable and eventful year. We concluded 2013 with increased sales, boosted by mild winter weather and somewhat better markets toward the end of the year. At the same time, I perceive a clear sense of purpose among our more than 4,000 employees to demonstrate that Lindab is a company that can once again grow and capture market shares. This is accompanied by pride in what Lindab is and stands for. We provide our customers with a broad offering of leading solutions, we have several strong brands, our distribution network is the most comprehensive in Europe and we have efficient production and logistics. This position is the result of more than 50 years of sound work, in which such values as neatness and order, customer success and being down to earth have permeated the operations. Preserving this corporate culture and entrepreneurial spirit as we take the next step in our development is perhaps my most important task.

One Lindab

During the year, we conducted a comprehensive and necessary reorganisation. The earlier division into three separate business areas resulted in "three companies in one." With the new organisational structure, we will have shorter and more rapid paths of decision-making and a closer proximity to the market. Naturally, that is where we should always be. Close to the market. Sensitive to our customers' needs – both today and tomorrow. The contribution of our solutions in simplifying construction must be tangible throughout the chain – from product development via logistics and purchasing to the customer. With a flatter and more cohesive organisation, it is easier to think as One Lindab and for whom we actually exist. The level of activity increased in all of our operations in 2013 – with new distribution agreements, project sales, product launches and many large orders – this signifies an optimistic company that wants to take the lead in development of energy-efficient buildings with healthy indoor climate.

Strong finances

The ability to successfully implement proactive measures requires access to strong finances. In addition to implementing the final phase of a comprehensive cost-saving programme of SEK 200 million during the year, we are undertaking ongoing efficiency-enhancements of the operation, including the launch of Lean methods throughout the Group. The successful effort of recent years in keeping costs down has enabled us to increase profitability despite weak sales. The trend in 2013 was no exception. The operating margin reached 7.6 percent and we improved cash flow to SEK 620 million. This resulted in a debt/equity ratio of 0.5 at year-end, the lowest level since 1999, which provides scope for flexibility. At the same time, through a new internal financial target, return on capital employed, we are placing focus on profitability in all new activities. This enhances our possibilities for creating sustainable and profitable growth.

Leading solutions

The market outlook is somewhat brighter for 2014, driven by the residential segment, where in Sweden and other countries, there is a major need for new construction and the renovation of existing portfolio. Of our sales in 2013, only 20 percent comprised residential. But with the market's best solutions for, for example, ventilation, indoor climate and building systems in the non-residential construction segment, we have many opportunities to also compete successfully for more residential projects, particularly in respect of the EU directive on reduced energy consumption in new buildings. We have said it before, but it is worth repeating: when the demand for energy-efficient industrial and residential buildings with a good indoor climate gathers momentum, we have an excellent launching pad with the best solutions.

Into the future

We did very well in 2013. Now we need to increase the pace, continue to capture business and develop new solutions that simplify construction and increase our customers' competitiveness. The same applies to other parts of our operations, such as the focused sustainability work and our ambition to establish the best work environment in the industry, with fewer workplace accidents. There is strong confidence throughout the organisation in our possibilities to strengthen our position. By focusing on the right activities and investing wisely, we will create profitable growth even if market recovery takes time. What we need to take with us as we step into the future is that we must not sit still and count on the market doing our job – we need to do it ourselves. Energy and entrepreneurial spirit are Lindab's strengths today, tomorrow and in the next 50 years. I believe in evolution, rather than revolution. Many small steps at a rapid pace – in the same direction.

Grevie, March 2014

Anders Berg
President and CEO

Our products and solutions

Lindab's broad product portfolio with simple intelligent solutions, combined with service, support and availability, creates an offering that simplifies the construction of airtight, energy-efficient buildings.

Ventilation products

Within ventilation products, Lindab has solutions and systems that are energy-efficient, easy to install and well-documented. A wide range that includes both circular and rectangular systems, plus a large selection of accessories.



Main products

- Lindab Safe – the original
- Lindab Inside for residential ventilation, including the InDomo and InCapsa systems
- Suspension systems
- Smart Tools – helping customers in their daily work

Share of the Group's sales

Building products

Covering everything from systems for roofs, walls and floors to specially designed components such as gutters, rivets and screws. For whatever is needed – a roof construction or a hook for a roof drainage system – there is always a solution.



Main products

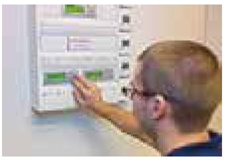
- Rainline (roof drainage)
- Coverline (roof and wall cladding) under 45 mm
- Seamline (standing seam roofing)
- Roof safety products
- Tools and other equipment

Share of the Group's sales

Lindab's ventilation products and indoor climate solutions at Simonsland, Borås, Sweden.

Indoor climate solutions

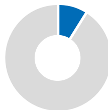
The product range includes three areas – air diffusers, water-borne climate systems and acoustics – designed to create a comfortable, healthy and productive indoor environment. The solutions are some of the most simple and energy-efficient the market has to offer.



Main products

- Lindab Pascal
- Lindab Solo
- VAV and other control equipment
- Chilled beams
- Silencers
- Project planning software
- Marine solutions

Share of the Group's sales



Indoor climate solutions

Building solutions

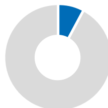
An extensive range of economic, functional, simple and environmentally-friendly building solutions for both residential and commercial properties. Delivered as either customised or standard solutions, according to requirements.



Main products

- Systemline (hall constructions)
- Construline (lightweight steel construction products for walls, roofs and beams)
- Coverline (roof and wall cladding) 45 mm and over
- Sandwich panels
- Doorline (garage and industrial doors)
- Software such as Lindab Roofer

Share of the Group's sales



Building solutions

Complete steel building systems

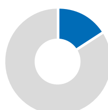
Complete pre-engineered steel building systems and software that simplifies the work of both designers and contractors. The leading offering is an effective concept for the construction of large buildings for industry and storage.



Main products

- Industrial buildings
- Commercial buildings
- Leisure facilities
- EcoBuild small-building concept
- Energy calculation and optimisation software

Share of the Group's sales



Complete steel building systems

Our market

Lindab's main market, Europe, accounted for 97 percent of the Group's total sales in 2013. Construction activity in Europe's economies has been low in recent years, despite the pressing need in many countries for new modern homes and offices. A slight improvement was observed during the year but the recovery is expected to be slow.

The construction market, comprising new construction and renovation, is generally divided into the segments non-residential, residential and facilities/infrastructure. Lindab is active in the first two segments in both new construction and renovation, and has Europe as its main market. Over time, the construction market generally follows GDP growth, but with greater fluctuations. The residential market is often early in the cycle as sales are made directly to consumers, while the market for non-residential properties experience a greater delay as these depend on the investment plans of other industries and projects have longer lead times. In recent years, the market for renovation has benefited from various government subsidies, including initiatives to improve the energy efficiency of buildings.

Positive signals from low levels

In many countries, there is a pressing need for renovations and new industrial buildings and homes, but investment is being hampered by difficulties in obtaining funding and uncertainty about the future. In 2013, European construction activity fell within both residential and non-residential construction.

Some stabilisation of Europe's economies, partly resulting from the stimulus measures introduced by the European Central Bank (ECB), have contributed to several construction related market indicators beginning to rise again following several years of decline. This indicates an increase in construction activity going forward, a welcome feature since construction activity for residential and non-residential construction for Europe as a whole was 23 percent lower in 2013 compared to the peak year of 2007.

Great need for housing in the Nordic cities

There is a great need for residential property in large metropolitan areas in the Nordic region, especially in Sweden where urbanisation is happening more rapidly than elsewhere in the EU. Despite the fact that the need has existed for a long time, getting major construction projects under way has been difficult. The reasons for this include the expense of new construction and slow approval processes. To counter this, there is debate over having a greater degree of standardisation in residential construction. Residential construction in Sweden increased substantially in 2013 but from historically low levels. The development of non-residential construction continued to show low activity in all the Nordic countries.

Substantial differences remain in Western Europe

In Western Europe, the construction of new industrial buildings, offices and commercial premises continued to fall in 2013. Industrial capacity utilisation remains too low to justify the investment in new production capacity and therefore new industrial buildings.

Lindab's 10 largest markets

- Sweden
- Denmark
- UK
- Norway
- Germany
- Russia
- France
- Belarus
- Poland
- Finland

Lindab's sales distribution/ sales development 2013

Nordic region 46%/–2%

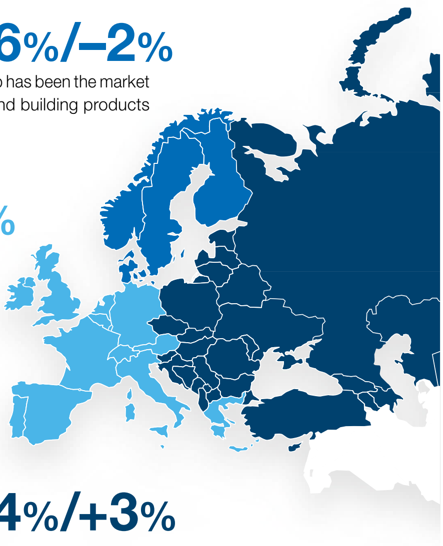
In the Nordic region, Lindab has been the market leader within ventilation and building products for many years.

Western Europe 27%/–7%

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

Other markets 3%/+2%

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



CEE/CIS 24%/+3%

Lindab has been established in CEE/CIS since the early 1990s.

1 **Lindab is the European market leader** within circular duct systems, steel roof drainage products and complete steel building systems.

Publicly funded construction also continued to decline, affected by the strict austerity measures implemented in several countries in the region. The residential market also indicated a decline for the full year, but a slight recovery began at the end of the year, particularly in Switzerland and Germany.

Signs of recovery in CEE/CIS

There is a great need for functional new properties in CEE/CIS. The emphasis is initially on the construction of new non-residential property and infrastructure. In the longer term, residential construction is also expected to see strong growth resulting from increased welfare. In recent years, growth in CEE/CIS has shown large variations by region and by country. Stronger Western European economies are now seen as a prerequisite for enabling construction to grow in countries with weak public finances, such as Hungary and Romania. The slightly more positive outlook in the West in 2013 contributed to an increase in activity at the end of the year in both Hungary and Romania, but from low levels. In countries with more stable government finances, such as Russia and Poland, relatively strong domestic demand contributed to more stable growth in recent years, primarily in the non-residential segment, although activity decreased slightly in Russia in 2013.

Demand for better ventilation provides great potential

By 2020 all new buildings in the EU must consume almost zero energy, i.e. to be virtually self-sufficient in terms of energy, according to the EU directive from 2010. Accomplishing this calls for tight building solutions and efficient ventilation. Because buildings account for nearly 40 percent of Europe's energy consumption, it is important to implement improvements in existing buildings as well in order for the EU to achieve its climate goals for 2020. Requirements have therefore been introduced for the renovation of buildings that currently consume a great deal of energy, including many of the large properties that were built in the main metropolitan suburbs in the 1960s and 70s. As a result of this, the market for residential ventilation in Europe, which in 2013 was estimated at more than EUR 1 billion, is expected to grow considerably more than the general construction market in the coming years. For Lindab, with its industry-leading expertise and one of the most comprehensive ventilation product ranges, this means enormous potential for growth within a new segment for the Group.

Market drivers

Market segment	Group's share	Common drivers	Specific drivers
Non-residential	80%	– GDP growth – Energy saving trend – Credit conditions – Government incentives	– Business confidence – Office vacancies – Industrial capacity utilisation
Residential	20%		– Consumer confidence – Disposable income – Demographics

Competitors

Lindab's offering ▷	Ventilation products	Indoor climate solutions	Profile Products Profile Solutions	Complete steel building systems
Geographical main markets	– Nordic region – Western Europe	– Nordic region	– Nordic region – CEE/CIS	– Western Europe – CEE/CIS
Main competitors	– Ahlsell – Bevego – Fläkt Woods – Local suppliers	– Swegon – Fläkt Woods – Trox – Halton	– Ruukki – Tata Steel – Arcelor Mittal – Kingspan – Marley – Local suppliers	– Ruukki – Goldbeck – Llentab – Atlas Ward – Zamil – Local suppliers

Our business model

Lindab's business model is based on quality, speed and availability throughout the value chain – from concept and purchasing to production and delivery to the end customer – with the important objective of simplifying construction.

Project sales or distribution

Lindab encounters customers either by participating as a partner in major projects or through an extensive distribution network of its own branches and external retailers. The various driving forces in each sales channel influence the development of the offering and determine whether the products will be manufactured in the company's own facilities or if they will be purchased. The products and solutions that are developed 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. In addition, the focus is on being able to satisfy all of the customer's professional needs.

Project sales

Influencers/Specifiers

Property owners, architects, HVAC and ventilation consultants as well as designers

- calculation and project planning
- software

Key Accounts

Building contractors, ventilation contractors, steel building contractors, multinational corporations

- system solutions
- building solutions
- indoor climate solutions
- complete steel building systems

Lindab's three strong core values provide the foundation for the entrepreneurial culture and drive that exists throughout the Group for continuously creating improvements for customers.

Customer success

We believe that our customers' success contributes toward Lindab's success. Through our efforts to simplify construction, we help to make our customers' businesses more efficient. This is realised by leading the development of solutions in our core segments.

Down-to-earth

We strive for long-lasting relations built on an uncomplicated, humble and trustworthy approach. An important part is effective and quick decision-making, avoiding bureaucracy as well as being cost-conscious.

Neatness and order

Neatness and order throughout the company positively affects efficiency as well as the overall impression and contributes to a sense of pride when presenting the company.

Distribution

Own branches
Builders' merchants
Distributors
E-commerce

- building products
- ventilation products
- tools and equipment

Construction firms
Private customers

Ventilation installers
Tinsmiths

Lindab's vision is to be "The preferred partner for building professionals in Lindab's core products".

Non-residential and Residential buildings

Simplifying the construction of airtight, energy efficient buildings with a good indoor climate

Low operating costs and long life cycle

Productive environment for people

■ Lindab's offering

How we create value

We have been simplifying construction for our customers since 1959. Now we are simplifying and changing the way we work.

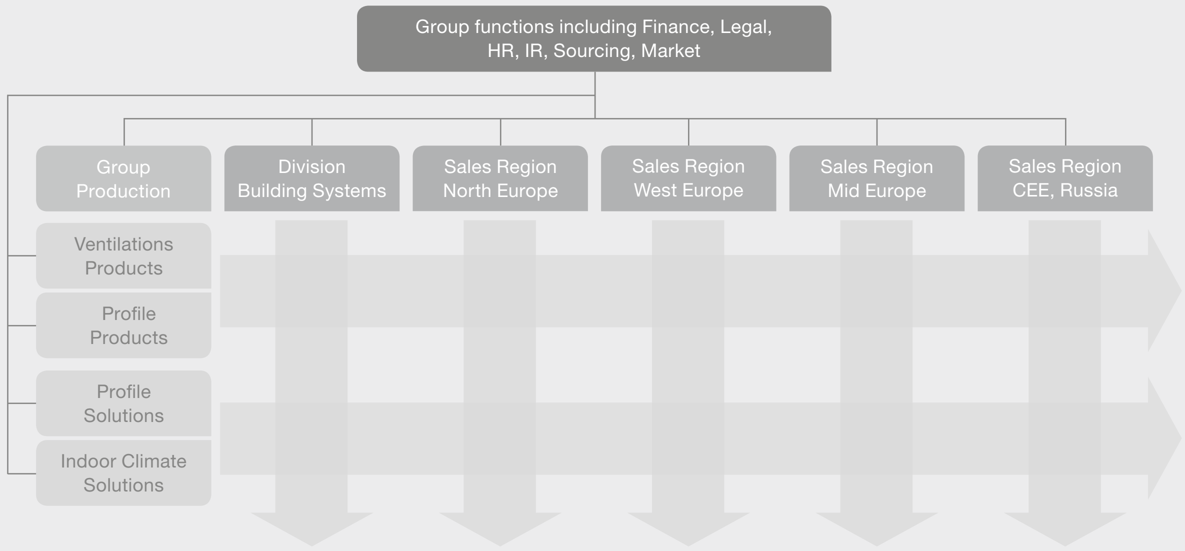
In recent years, Lindab has successfully kept costs down and created a profit despite weak sales. But more has to be done in order to maintain the company's position in a market that is highly competitive and in a constant state of change. Growth must also increase.

A number of initiatives are needed in order to do this. The new concept, "Back to basics – into the future" puts the focus on activities that increase sales, improve operating leverage and boost the rate of innovation. Merging the Building Components and Ventilation business areas and making Building Systems into a division frees up resources and creates synergies. A new, flatter organisation – with four geographical sales regions, one division and four product areas – also makes Lindab faster, more customer-focused and more adept at harnessing the full offering tailored to the local markets.

With all of the changes and simplifications that have been implemented, Lindab will now:

- develop the **customer offering** one step further | page 16
- invest more in strong **brands** | page 20
- increase product **availability** | page 24
- increase **production** efficiency | page 30
- create the best **work environment** in the industry | page 34
- increase returns and create **profitable growth** | page 36

New organisational structure from 1 October 2013.



The new organisational structure means that Lindab can now get even closer to customers and make better use of the synergies and expertise within the Group.

How we create value

How we develop the **customer offering**

Lindab is continuing to develop products and solutions that simplify construction in all phases of the construction process and thereby enhance customer productivity. In 2013, a number of innovations were launched, from mobile apps to an energy-efficient concept for smaller hall constructions.

Proximity to customers has been one of the success factors behind ground breaking innovations such as Lindab Safe, the Snäppkupa easy-fix nozzle, Lindab Solo and Lindab Pascal launched by Lindab over the years, which have helped to simplify construction.

Leading solutions

The construction market still faces many challenges. For example, to overcome various demographic challenges, the construction of residential and non-residential construction must become more cost effective, while in new and existing buildings, energy efficiency must increase in order to satisfy different climate targets and EU directives. As market leader, Lindab is driving development toward construction that is more efficient and utilises fewer resources. The Group is focusing on solutions that increase standardisation in construction projects, contribute to a reduction in the use of resources in all phases and improve indoor climate. This also includes the development of software and new technologies to facilitate the planning of customer construction projects and installations.

Higher tempo in a new organisation

In the new organisation, by using shared resources more effectively and with closer proximity to customers, an even stronger offering of innovative products and solutions will be developed. Contributions to the development of the customer offering are arriving from many different parts of the Group. The various needs throughout the market are identified centrally to decide which solutions to develop. These solutions are then tested and evaluated in close cooperation with customers and product managers in the different sales regions.

Close customer dialogue

In order to identify the needs of the market, close contact is maintained between those responsible for the product areas and representatives from sales regions. A large number of Lindab's ideas for new products and solutions result from the close cooperation with customers and other stakeholders. Regular meetings with them provide fast and effective feedback on product development. The development of Lindab Smart Tools is one example

Profile for cold climates

The LHP130 decking profile is a seemingly simple innovation, but this unique profile, based on millions of calculations, is optimised for Nordic conditions and is rapidly winning market share. Besides its technical properties, customers can also choose which direction the metal sheet should face on delivery. This makes working easier for installers by eliminating the risk involved when turning the metal sheet around at the workplace.

of this. Work has begun to create specific product councils where sales company representatives or end-users, such as sheet metal workers and property owners, take part in order to discuss how existing products work and if there are any gaps in the market. The product councils will also be used to test new products or solutions before they go into production and are launched.

Improved indoor climate

A top priority for product development is to develop solutions that provide a better indoor environment. Lindab is devoting considerable resources to developing the market's leading indoor climate systems and is also working on various aspects of sustainability in areas such as coatings, soundproofing and solutions for passive and plus-energy housing. Research and development projects are conducted in-house and with suppliers in areas such as strength as well as health and environmental aspects.

Quality-assured products

The products developed are tested and assessed continually to ensure quality and functionality. They are delivered together with the documentation requested by the various markets such as user manuals, certificates and building product declarations. Lindab's products are also CE marked in accordance with EU regulations. For many of the core products, the Carbon Footprint is shown from raw material extraction through to the product leaving Lindab's factories. The high quality and functionality of Lindab's products help to lower the risk of adverse effects on health and safety. During the year, no breaches have been identified in the Group's provision of products or in the health and safety impacts of the products.

Own laboratories

In order to maintain the high quality of the Group's ventilation systems and indoor climate solutions, Lindab has access to some of the industry's largest and most advanced laboratories for performing tests and measurements. Knowledge is acquired into how the products will work once they are installed in a real system, and full-scale experiments are conducted in collaboration with customers to develop new solutions and advance development further. In Farum, just outside Copenhagen, there is an indoor climate laboratory for air diffusers, chilled beams and silencers. In Grevie outside Båstad there is a duct-system laboratory where the market's most airtight duct system is developed and tested.

Innovative products and solutions in 2013

New generation Pascal

Lindab's VAV solution, Pascal, has been updated with new functions to make the system more intelligent, more efficient and more reliable.

Full-scale tests

Full-scale laboratory testing resulted in Lindab's largest order in Norway to date, for a ventilation system in the construction of new offices outside Oslo.

Lindab Wall Selection App

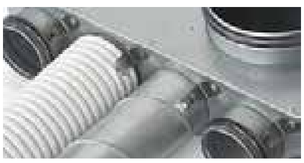
An iPhone app that helps construction professionals and planners to easily and quickly select the wall construction in accordance with the acoustic and fire requirements.

Lindab Solo

A system that makes it possible to cool and heat using the same water circuit. In combination with free cooling, for example, Solo can provide energy savings of up to 45%.

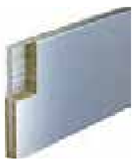
Aesthetic Atrium Plana

A new, discreet panel solution whose superior cooling and heating capacity provides the basis for a comfortable indoor climate. Extremely lightweight and smart assembly ensures simple and quick installation.



Better home environment with InDomo

Home ventilation is a rapidly growing segment. Lindab's new solution for integrated ventilation (ceiling, wall or floor), InDomo, has been launched in nine European countries in 2013.



Integrated theft protection

Lindab's new security-rated sandwich panel has a patented system with integrated reinforcement, which makes it very difficult for an experienced burglar to break through a wall.

Economic EcoBuild

Lindab's new economic and resource-saving concept for smaller hall constructions, under the Astron brand. An iPad app has been developed to simplify the pre-selection and ordering possibilities.

Case

New solutions for new housing in Denmark

By adapting its products and solutions, Lindab is exploiting its leading position within ventilation and indoor climate for non-residential construction in order to win market share in the rapidly expanding residential ventilation segment. In 2013, a number of major projects have been completed in the Danish market.

The Lindab Inside concept has been promoted across European markets since 2011. The concept acts as an umbrella for Lindab's offering within residential ventilation. It consists of solutions for better indoor climate and lower energy consumption for energy renovation of existing buildings, such as InCapsa, and InDomo, the new solution for integrated ventilation in new buildings, launched in 2013. A number of projects completed in Denmark during the past year have used solutions incorporating InDomo.

"About a year ago, we conducted a market survey in which we asked the hundred largest Danish property companies about their plans for new builds and restoration projects in the coming two to three years. From this, we realised that many of them were planning major projects totalling as much as DKK 40 billion," says Puk Spencer, Lindab Denmark.

In order to reduce energy consumption, Denmark has introduced stricter residential ventilation requirements that utilise heat recovery. As a result of this, Lindab produced a catalogue that presented solutions such as InCapsa, InDomo and Lindab Safe.

"We sent it to almost a thousand consultants, and within a few weeks we could see that there was tremendous interest in our products," continues Puk.

Strato Ventilation was among the ventilation installers to express their interest in Lindab's solutions. The company was facing a challenge in its major housing project, Magretheholm in Copenhagen: the installation of duct systems in 458 newly built apartments with varying under-floor constructions on a tight schedule.

"We needed a quick and flexible solution, and that's what we got with InDomo. This meant we were able to perform the installation work quickly and with limited waste, thanks partly to simplified logistics to and from the construction site," says a satisfied Marc Stuhr Christensen from Strato Ventilation.

40 billion Danish kroner will be invested in housing projects in the coming 2–3 years.

> We sent the catalogue to almost a thousand consultants, and within a few weeks we could see that there was tremendous interest in our products.
>
> **Puk Spencer, Lindab Denmark**

How we create value

How we work with our **brands**

Lindab is a premium brand. This positioning is based primarily on trust in Lindab and the company's ability to provide customers with quality products with high levels of personal service.

Building confidence in Lindab as a brand is a process that has been ongoing since the company was formed in 1959 and has demanded strong commitment from the entire Group. Today, Lindab works objectively with the brand throughout the value chain – from contacts with purchasers to distribution to end users. The company's research shows that when customers buy from Lindab, this is determined mainly by the high quality of the products, followed by the ability to deliver and personal service. This is a sound basis on which to build an even stronger brand in Lindab's markets and be able to expand the offering.

Important branding work

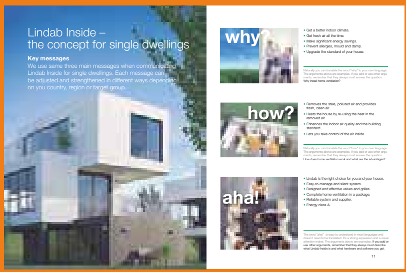
A strong brand is important for creating new business. The strength of the Lindab brand varies from market to market and it is often known for different product areas in different markets. There is a need to build One Lindab everywhere, regardless of region and product group. In some markets, the value proposition also needs to be developed and expanded in order to maintain the premium position. Today the brand is generally strong among professional users such as ventilation installers and tinsmiths while among regular consumers it is relatively unknown. There are some exceptions however, such as in Romania where Lindab was recognised as a Consumer Superbrand in 2006 and 2011.

Communicate "Simplifying construction"

The aim of the new organisation is to coordinate work regarding the brand by clearly communicating to all markets that Lindab, in accordance with its business concept and vision, helps to simplify construction. All campaigns and product launches being conducted, regionally or locally, will convey the message to various audiences about how Lindab can simplify things at all levels.

Other brands in the Group

Besides Lindab, the Group holds other brands that are specific to a market or product. Lindab's brand strategy includes providing resources to strong brands in the Group that have the potential to grow within their segment and that complement the Lindab brand.



Clear campaign message

The campaign for residential ventilation, Lindab Inside, communicates Lindab's recognised strengths including its wide range of quality products, expertise and experience adapted to the residential segment so as to broaden the positioning of the brand.

Astron is a leading brand for complete steel buildings that are marketed and sold primarily in Western Europe and Russia/CIS within the Building Systems division.

The **Spiro** brand consists of two product groups. Spiro is both a premium brand for the machinery that is used to manufacture circular duct systems, and also a brand in the mid-price segment for duct fittings sold to local producers in European markets. The biggest growth potential exists in new markets such as Russia and Turkey.

Centrum Klima is a brand that covers wide range of ventilation accessories in the volume segment. These products are sold primarily to manufacturers and distributors in most markets in Europe apart from Scandinavia. Poland is the domestic market and the biggest market in terms of sales.

Unite is a premium brand for screws and other fasteners for sheet metal, steel, plaster and wood products. The market mainly comprises Sweden and the other Nordic countries. Outside these markets, the Lindab brand is often used for marketing and selling these products.

Regardless of which product and price segments the Group's brands are used for, they should reflect Lindab's focus on quality and the important core values: Customer Success, Down to Earth and Neatness and Order, which form the basis of the entrepreneurial culture that permeates the entire Group.

Brands in the Group:

The Lindab box

Profiling products and packaging in a powerful way raises brand awareness and the value of the products.

89%

In the 2013 Swedish Brand Barometer survey, 89 percent of respondents said that they knew the Lindab brand and in which industry the company operates.

Case

Roofing boosts the Lindab brand in Romania

In Romania, an important market in CEE, Lindab is by far the strongest brand for roofing. The products are manufactured locally while distribution and service are well established in the country – factors that have helped to make Lindab into a premium brand among Romanian customers.

The Group's activity within the residential segment and a leading position in the market for metal roofing has made Lindab into a household name in Romania. This recognition as a market leader with a brand that is associated with quality, availability and high levels of service, is used continuously to develop new solutions and generate more business.

"Ever since we first started in 1994, the focus has been on adapting to market conditions and customer needs by developing better solutions with existing products, or by adding completely new products, such as the successful Roca roof," says Ioan Farcas, Product Development Manager, Lindab Romania.

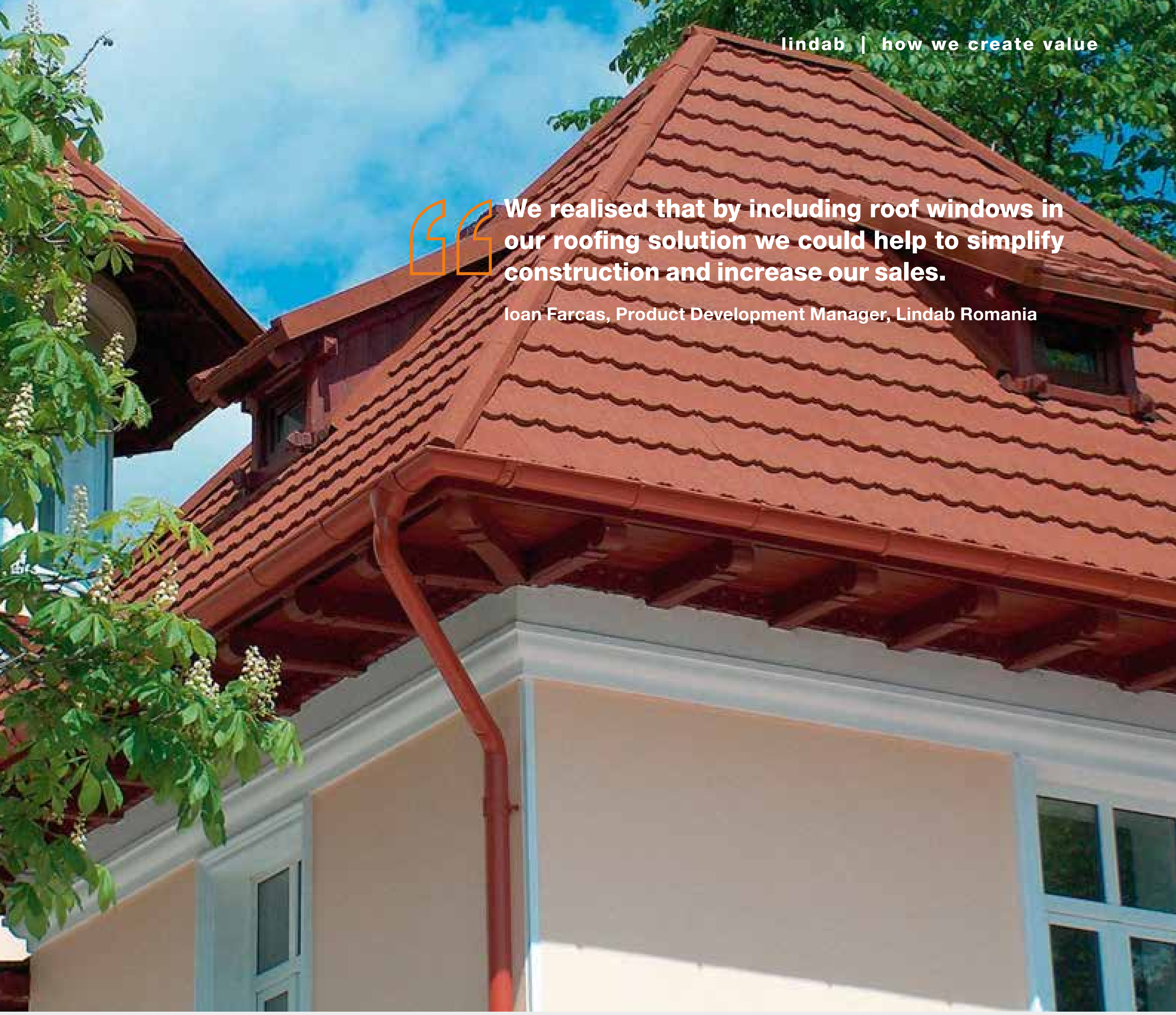
In recent years, it has become more common for residential properties to convert loft spaces in new builds and renovations. To make the loft space habitable, the installation of roof windows is often needed. While the roof is supplied by Lindab, the customer or contractor has had to buy windows solutions from elsewhere.

"We realised that by including roof windows in our roofing solution we could help to simplify construction and increase our sales. Customers should basically be able to get a complete roofing package from just one supplier – Lindab," continues Ioan.

The new product range launched in the autumn of 2013 has been well received by customers and after a few months there was a discernible increase in volume and offers to participate in new projects. An already strong brand, both for professional users and consumers, has become even stronger.

"Our latest customer survey revealed more than 90 percent customer satisfaction while a clear majority of customers would recommend our products and solutions to others. This is a strong endorsement of our business and strengthens our leading position as a premium roofing solution supplier," says Ioan.

90 percent satisfaction in the most recent customer survey.



> We realised that by including roof windows in our roofing solution we could help to simplify construction and increase our sales.
>
> Ioan Farcas, Product Development Manager, Lindab Romania

How we create value

How we increase **availability**

Lindab's ambition is to continue to improve availability and make life easier for busy customers. To do so requires more branches and retail outlets as well as a focus on online sales. Another aim is to increase project sales with more Lindab solutions in the same package.

Lindab reaches customers with its products and solutions either through the Group's extensive distribution network or directly in association with larger projects. The focus is on local availability and on being able to satisfy all of the customer's professional needs. During the year, several initiatives have been launched aimed at further developing and adapting the distribution and project sales for each individual market.

In-house production close to customers

With in-house production, Lindab enjoys strong competitive advantages in terms of quality, delivery precision and customisation. The ability to produce close to customers enables fast, flexible and reliable deliveries. Proximity to the market is particularly important in the production of bulky and locally adapted products.

Extensive distribution network

Lindab's sales network in Europe includes its 120 branches, with related online retail expanding into more countries, retailers such as builders' merchants in the Nordic region and Lindab Centers in CEE. Distribution is adapted to the specific circumstances in each market. The aim is to maintain complete control over the distribution at all times and to satisfy all of the customer's needs in terms of solutions for their work. Since 1982, construction and ventilation products have been sold in 36 branches throughout Sweden and Norway. This successful concept is being developed in other locations across Europe. Distribution, however, is about more than just selling products to customers. It is about the right products at the right price, efficient logistics throughout the supply chain and always being close to the customer.

Builders' merchants

Major retailers such as Wolseley, Jewson, Stark, BauXpert XL Bygg, Hornbach and K-Rauta are common in the Nordic countries, the UK and Germany. Lindab has several partnerships with enormous sales potential, especially in the Nordic region, and is selling more and more products through this channel.

Lindab Centers

In CEE, construction products are mainly sold

Lindab mobile shop

Lindab is constantly striving to make life easier for its customers. In 2013, the availability of Lindab's range has been expanded through the opportunity to order, purchase or receive product information simply and conveniently via smartphone.

via smaller retailers. For many years, Lindab has been cooperating closely with retailers throughout the region and has a clear strategy for developing them. The strategy includes the launch of Lindab Centers and loyalty schemes in order to enhance Lindab's position. A Lindab Center is an independent retailer with Lindab being the main supplier.

Increased share of project sales

In a project deal, demand is based on performance, functionality and design – often in order to meet a specific need for a particular property. Lindab's counterpart is normally a consultant, architect or building contractor who requires a customised solution where there may be a need for several product areas within Lindab. Sales of sandwich panels, indoor climate solutions and complete pre-engineered steel building systems normally take place in project form. The share of project sales has increased in recent years, particularly in Russia and the CIS where Lindab mainly supplies complete steel buildings for industry and storage. For example, buildings are delivered under the brand name Astron which can then be supplemented with Lindab's indoor climate systems customised for specific needs.

Builder-dealers

In emerging markets in CEE/CIS, knowledge of the local market is vital when it comes to effective implementation of major industrial construction projects. Via the Building Systems division, Lindab works with 280 builder-dealers, 44 of whom are in Russia and other CIS countries, who have overall responsibility for construction projects. In 2013, approximately 70 percent of the division's sales were made through this channel. In addition to supplying pre-engineered building systems, Lindab helps the builder-dealers develop their service, trains them in various construction solutions and provides assistance with promotion and marketing.

Key Accounts

Lindab collaborates with major national and international companies, maintaining a close and long-term dialogue regarding various projects. Building Systems, for example, collaborates with Western corporations wishing to expand into Russia with new production and warehouse buildings. In the Nordic countries, Lindab is working with major installation companies, construction companies and retail chains for both ventilation and building products. The Key Account ensures that partnerships are continuously monitored and developed.

There are several different ways to contact and buy from Lindab, including over the counter at a branch, from self-service branches, the mobile shop and online shop.

Project sales Tele2 Arena, Stockholm

Activities in 2013 for increased availability

- Mobile shop launched in Denmark and Sweden.
- Agreements with two major Nordic ventilation installation companies.
- Cooperation agreement in Denmark regarding the sale of Lindab's partition wall solutions.
- Distribution agreement with a large installation company for the Danish market regarding duct systems and indoor climate solutions.
- Major distribution agreement for the Swiss market regarding duct systems.
- Agreements in Russia with two Moscow-based ventilation distributors.
- A three-year Nordic distribution agreement with the largest home-improvement chain, XL Bygg, regarding the Rainline roof drainage system plus roof and wall cladding.
- Launch of an app for the Construline lightweight construction system in Sweden, Norway and Denmark to help the builder select the right solution.

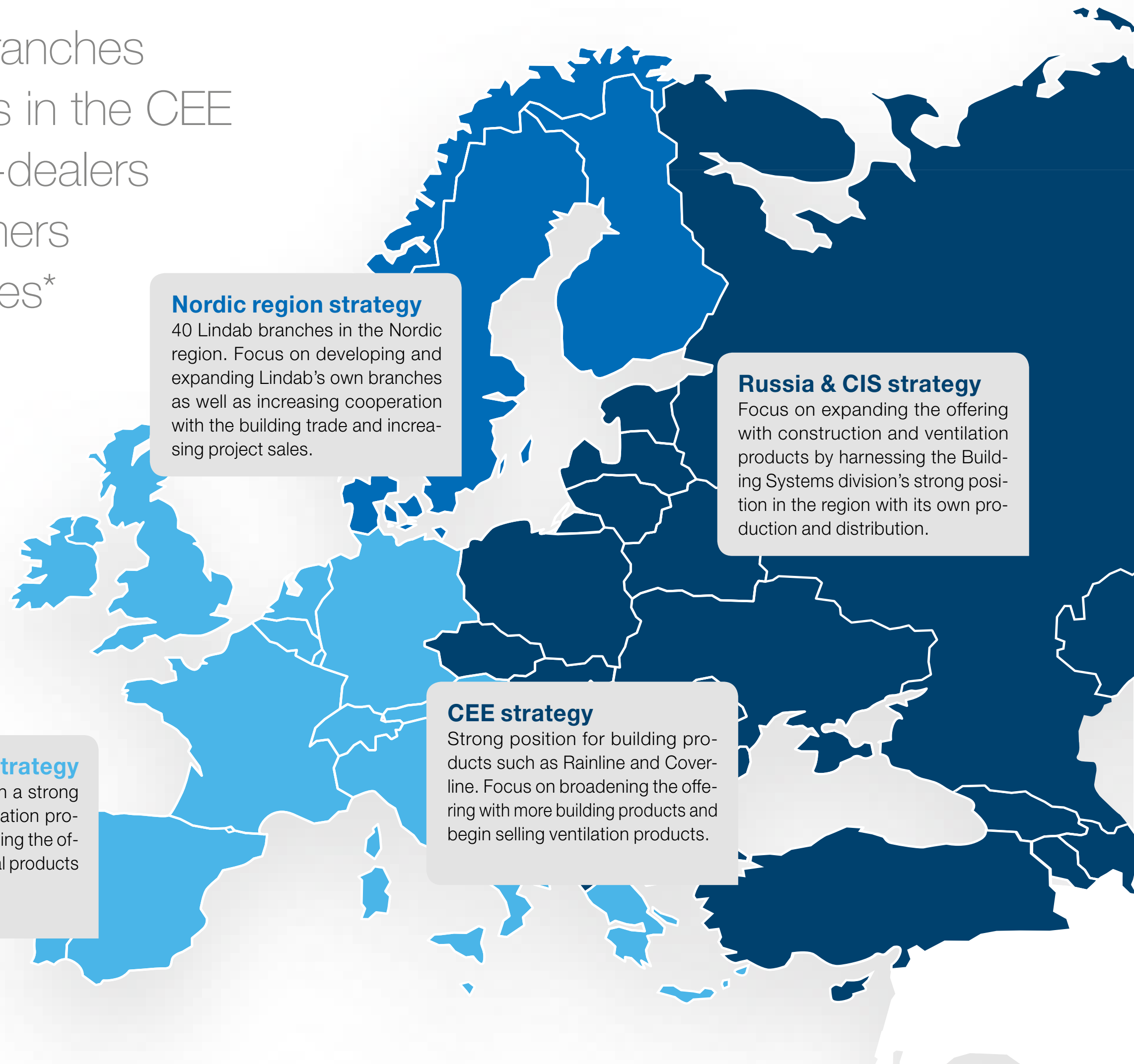
Lindab's branch strategy

The Group's strategy for expanding its distribution in Europe includes developing the company's network of branches by increasing the local availability and creating an even better and broader offering. The goal is that each branch will become a One Stop Shop, offering products and services that cover all of the customer's needs. The branch strategy includes:

- Opening new branches or growing through acquisitions
- Considering new locations for existing branches in some metropolitan areas
- Integrating the sale of construction and ventilation products
- Introducing Flexi shop (self-service branches) in more locations
- Expanding the offering through more external suppliers
- Finding the right balance of own and external products in each local market
- Developing tools for more efficient and easier purchasing for customers
- Using new technologies to increase availability
- Introducing a range of core products in each branch that meets the local need
- Learning from each other, through best practice, in order to develop the branch concept

Always close to customers

120 own branches
2,000 retailers in the CEE
280 builder-dealers
20,000 customers
60 countries*



Nordic region strategy
40 Lindab branches in the Nordic region. Focus on developing and expanding Lindab's own branches as well as increasing cooperation with the building trade and increasing project sales.

Russia & CIS strategy
Focus on expanding the offering with construction and ventilation products by harnessing the Building Systems division's strong position in the region with its own production and distribution.

Western Europe strategy
80 Lindab branches with a strong position regarding ventilation products. Focus on expanding the offering of own and external products to increase sales.

CEE strategy
Strong position for building products such as Rainline and Coverline. Focus on broadening the offering with more building products and begin selling ventilation products.

*Sales are made to approximately 60 countries. Subsidiaries or representative offices in 32 countries.

Case

Increased offering for more French customers

In France, despite the weak underlying market, Lindab has increased sales by an average of 10 percent annually over the last four years. Behind this strong performance lies an effective approach for increasing the offering and availability in the region

Lindab's customer base in France consists primarily of small and medium-sized ventilation installers and producers, plus a number of major retailers and nationwide building contractors. Customers are accessed primarily through 15 Lindab branches. Sales to retailers and Key Accounts are managed by a central sales team based at the head office on the outskirts of Lyon. There have been plenty of business opportunities in France, despite the weak economy in recent years.

"We have been able to take market share by adjusting and adapting the business model. We have focused on selling more Lindab Safe, bringing in more products for resale, launching new products and solutions, training and developing the sales teams, defining a clear customer segmentation and adapting the sales force to this," says Pascal Gelugne, Manager for Lindab in France and the Mid Europe Sales Region.

Currently, the branches only sell ventilation products. The plan now is to increase the number of branches. The goal is to have 20 by the end of 2015 and to use them in efforts to also sell building products such as roof drainage and roof panels.

"Lindab's new organisational structure makes it easier to take advantage of Lindab's entire product range and skills in order to broaden the range and reach more customer segments," continues Pascal.

Opening new branches requires a great deal of expertise – within sales administration and logistics. The branches are managed as separate independent operations, in order to optimally satisfy customers' needs in a vast country with local differences. Availability will also increase by working more with other sales channels such as professional retailers, builders' merchants, manufacturers of prefabricated homes and e-commerce.

"It is important not to restrict opportunities for reaching customers. By adjusting the business model, having skilled teams at branches and offices, and an expanded offering will all contribute toward the continued successful development of Lindab's French operations," concludes Pascal.

10 percent annual increase in sales on average for the last four years.

Lindab's new organisational structure makes it easier to take advantage of Lindab's entire product range and skills in order to broaden the range and reach more customer segments.

Pascal Gelugne, Manager for Lindab in France and Mid Europe

How we create value

How we streamline **production**

Manufacturing excellence and efficient purchasing are important parts of Lindab's value chain. In the new organisation, the responsibility for all production has been centralised. The aim is to use resources more effectively and steer investment toward areas where it does the most good.

To strengthen competitiveness, Lindab's production structure has undergone major changes in recent years with acquisitions, mergers and rationalisation. Based on the needs of each market, products are today manufactured at the company's own plants or they are purchased externally. The goal is to ensure access at all times to high-quality products that rapidly satisfy demand.

New organisation for more synergies

In Lindab's new organisation, the responsibility for all production has been centralised. This creates opportunities for a broader and deeper cooperation between the former business areas, which will contribute to improvements and synergies within operations management, utilisation of materials, working capital and automation – thereby creating the conditions for increased operational leverage and freeing up resources for investment in product development and marketing. The new organisation also helps to accelerate the spread of Lean to the entire Group.

Highly-automated production

The Group currently has ten central production units, which are strategically located at Lindab's main markets and have a large-scale and often highly automated production of highly refined products. These units also act as logistics centres for other units in the Group. In addition, there are approximately 50 regional and local production units that have been adapted to meet local customer requirements in each market with a great deal of speed and flexibility. All of the major production units are certified under the ISO 9001 quality management system and the 14001 environmental management system.

Extensive supplier base

Lindab works with a large number of suppliers, which provides numerous advantages. This enables production to be supplied with raw materials in the most cost-effective way and it also helps to satisfy all of the customers' needs for products and solutions. Through acquisitions and expansion in new markets, the supplier base has grown in recent years, increasing the potential for synergies. Lindab also actively works with social responsibility and encourag-

Own production of rubber gaskets

In 2013, Lindab transferred all external rubber gaskets production into its own factory in Warsaw, Poland, where new machinery was invested in. The measure has been a great success, not only providing significant savings but also contributing to better quality, shorter lead times and greater delivery precision.

es its suppliers and other business partners to strengthen their work regarding these issues. Furthermore, all major suppliers must adopt Lindab's Code of Ethics and thereby commit to meeting the associated requirements.

Continuous improvements with Lean

Continuous improvement work is conducted in all production facilities in order to boost productivity. In the early 1990s, inspired by the auto industry, Lindab introduced Lean working methods at its factories on the Bjäre peninsula, becoming one of the first Swedish companies to do so. Since then, systematic work has been carried out to identify and eliminate any factors that do not create value for the end customer. Lindab's Lean Work has been specially adapted to the Group's manufacturing and is focused on continuously improving approaches, procedures and methods as well as reducing the consumption of resources. At many units, this has shown clear results in terms of increased production efficiency, increased delivery precision and a faster turnover of the stock of finished items. The success of Lean means it is now spreading throughout the Group. A Lean Leadership has also been developed, in order to create a clear approach for enabling managers and employees to abide by the Lean criteria.

Other benefits of Lean

Lean is also beneficial in terms of acquisitions. By having access to a proven effective method for increasing productivity, Lindab can quickly integrate new operations. For instance, Lean has been successfully introduced in the production of sandwich panels and decking profiles in Luleå, acquired from Plannja. The introduction of Lean has also generated positive effects for employees. Work attendance has increased, the proportion of work-related injuries has decreased and more standardised work, with an improved indoor climate, has resulted in more dedicated staff.

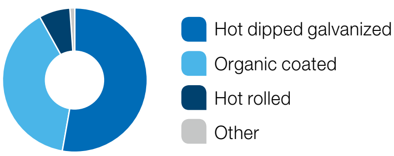
Lindab's work with Lean includes:

- introducing a process of continuous improvement
- creating good flows and minimising wastage
- increasing the utilisation rate
- turning over stock more quickly
- introducing a greater degree of standardisation
- streamlining steel purchasing.

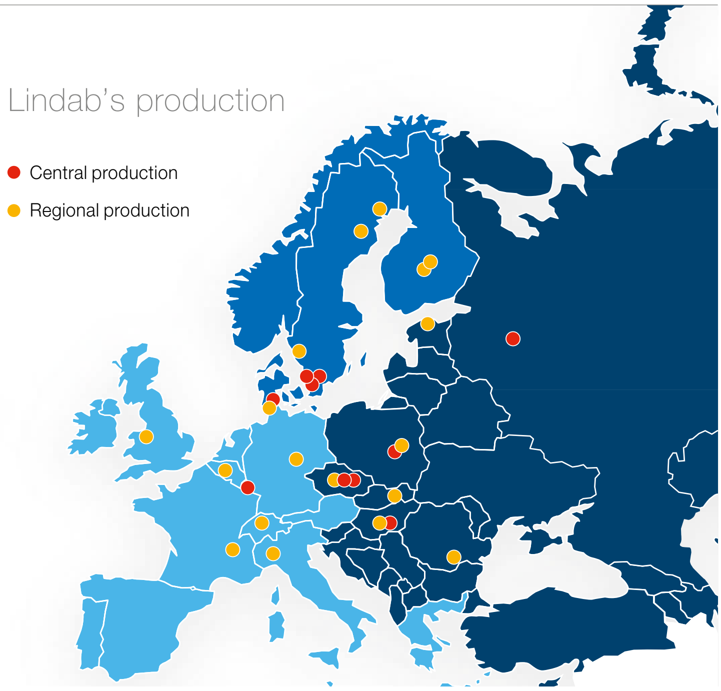
Efficient steel purchasing

Increasing the utilisation of material is a top priority in the Group. In 2013, approximately 185,000 metric tonnes of steel products and other direct materials were used, corresponding to 48.7 percent of Lindab's total costs. By purchasing and producing large quantities, economies of scale are generated throughout Lindab's value chain. Of the steel consumed, approximately 20 percent comes from recycled sources.

Raw material exposure



Lindab's production



Case
Building Systems

Success built on a different business model

Building Systems' business model is unlike Lindab's other operations. All sales are project-based and are made via two channels, builder-dealers and Key Accounts.

"Building Systems has contributed considerably to the group's development and Astron is today a leading brand within the select non-residential buildings construction segment", says Hans Berger, Manager of Building Systems.

The building components, such as the primary and secondary framing elements and the roof and wall systems are manufactured at the Company's modern and efficient production facilities in Diekirch, Luxembourg, and Yaroslavl, Russia. The two plants have a combined capacity of 70,000 tonnes per year. The focus is on simplifying construction through competitive and complete building systems solutions with minimal time between order placement and on-site installation. Each building is tailored to the customer's requirements and specifications. Sales are made throughout Europe and CIS as well as parts of Africa, supported by 13 individual sales and support offices.

"Approximately 70 percent of the Company's sales are made through a network of more than 280 builder-dealers, known as Astron Builders. In a construction project, we receive an order in which all building requirements are specified. In addition to delivering our systems, we also conduct joint marketing efforts," continues Hans.

Buildings Systems' Key Account Division works with international corporations that typically have multi-site construction programmes and often in different countries. Since the production unit in Yaroslavl, Russia, was opened in 2009, Lindab has worked directly with more than 20 international corporations, including Guardian Glass, Oriflame and Tarkett, helping them expand their facilities into Russia and other CIS countries.

"We are implementing key strategic initiatives to accelerate sales growth and strengthen our competitiveness in all markets. In 2013, for example, we successfully launched the economical and environmentally-friendly building concept, EcoBuild. We also introduced a mobile app for EcoBuild that has generated many leads for larger construction projects," concludes Hans.

70 percent of sales are made via just over 280 builder-dealers.

We are implementing key strategic initiatives to accelerate sales growth and strengthen our competitiveness in all markets.

Hans Berger, Manager, Building Systems

How we create value

How we develop our **employees**

Lindab's operations include approximately 4,400 employees at 157 locations in 32 countries. In addition to continuing to build a successful corporate culture based on strong core values, the focus is on simplifying and facilitating local employee development through various central initiatives.

In the new organisation, with its emphasis on One Lindab, centralised guidelines have been introduced together with principles for various HR processes such as recruitment, induction training and performance reviews. These initiatives will facilitate local efforts to recruit and retain the best employees. Additionally, there are existing initiatives such as Talent Review and Succession Planning, which support the identification and development of potential replacements in key positions. These initiatives were key factors behind the internal recruitment of the new operational management, in conjunction with the reorganisation in autumn 2013.

Provision of key skills

In addition to the internal recruitment above, key skills are provided to many areas of the Group, in order to satisfy various needs depending on the market. In Yaroslavl, Russia, where the Building Systems has a major production plant, 184 people have been recruited in recent years, including engineers within various functions. The expansion is due to the favourable long-term growth opportunities for the Group in Russia and CIS. To be able to grow with new, own branches, it is important to find the right skills in areas such as sales and logistics. In the coming years, as Lindab intends to expand its branch network in countries such as Sweden, Norway and France, continuous recruitment efforts will be undertaken to find the best employees. One area where expertise is critical for successful development is within the company's own product development. Continued training of Lindab's R&D organisation helps strengthen the company's expertise in key product areas.

Strong leadership is crucial

Strong, dedicated leaders contribute to an environment that facilitates the identification and development of new, successful managers. This approach is central to Lindab's future commitment to make the Group's leadership the best in the industry through various initiatives. Several units within the Group have a Lindab Academy where the company's employees and customers are trained in Lindab's products, technologies and systems.

Strong leadership is crucial

"I am absolutely convinced that good safety is linked to strong leadership. Strong and dedicated leaders not only bring about good business, they also contribute to a safe and good work environment, a positive work atmosphere, and in particular an LTIF trending toward zero."

Anders Berg, President and CEO

Preventative health care

Lindab is actively working with preventive health care on an individual, team and company level. To support a healthy and safe working environment, employees are offered health profiles, ergonomic aids and traditional health checks. Emphasis is placed on encouraging employees to lead an active and healthy lifestyle. This is supported with coaching, some financial support and includes physical activity, balanced diet and balance between work and leisure.

Safe working environment is a top priority

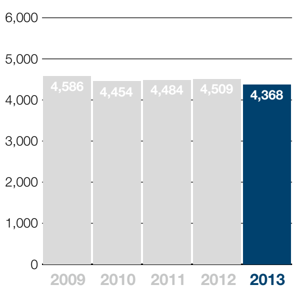
Lindab has a clear vision that there should be zero accidents at work. Efforts to create a safe working environment are given top priority and there is strong commitment to this throughout the Group. The areas that are being focused on include changing attitudes, clarifying responsibilities and establishing order in all production-related processes. The effectiveness of health and safety is measured using the international metric LTIF, which specifies the number of accidents per million hours worked. LTIF is measured continuously for each business and production unit, making it simple to monitor improvements and make comparisons. Units with low or declining LTIF serve as good examples. The last two years of extensive work to improve the Group's work environment has resulted in an LTIF decrease from 17.1 to 12.3.

Training collaborations

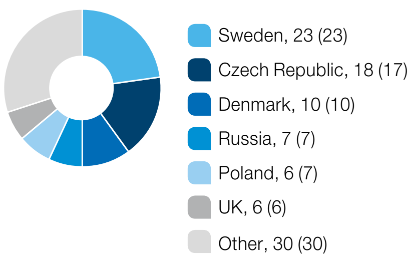
Lindab has a long history of successful partnerships with schools and universities in many of the countries where the Group operates. Employees participate as guest lecturers, while students are offered internship placements at Lindab and assisted in their thesis work. In Biatorbagy in Hungary, active efforts are under way to increase contact with universities in the region through student visits, contributions to the curriculum and collaborations with various research programmes and professorships. In Sweden, through the employers' organisation Teknikföretagen, Lindab is involved in "Teknikcollege", which is aimed at boosting the appeal and quality of technically-oriented courses. During the year, Lindab has started promoting itself more actively at technical institutes and participates in many career fairs.

Linside is Lindab's new internal magazine.

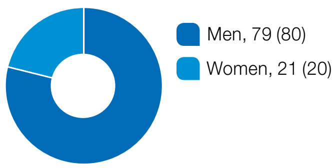
Average number of employees



Geographical distribution of employees, %



Gender distribution, %



LTIF 12.3

Lindab measures and monitors its safety efforts using the international metric LTIF, which specifies the number of accidents per million hours worked. Since January 2012, the LTIF has fallen from 17.1 to 12.3.

How we create value

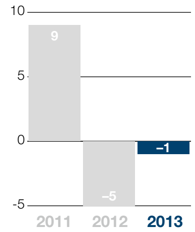
Our objective: **profitable growth**

The change process now being implemented at Lindab will improve the potential to create long-term profitable growth. In 2013, operating profit increased for the fourth year in succession and the rate of growth accelerated at the end of the year. A strong cash flow and low investments helped reduce the net debt/equity ratio to the lowest level since 1999. None of the Group's financial targets were achieved in 2013.

Financial targets for 2013

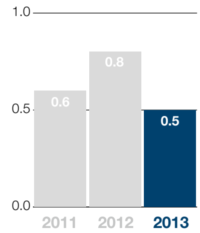
Organic sales growth/year, %

Target, 2–4 percentage points above market growth
The annual organic growth will exceed relevant construction market growth by 2 to 4 percentage points. According to Lindab's estimates, the underlying market shrank by 1 percent in 2013.



Net debt/equity ratio, times

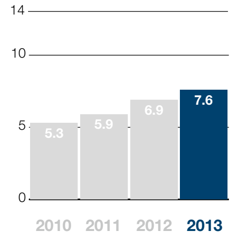
Target, 0.8–1.2 times
The capital borrowed by Lindab will correspond to 0.8–1.2 times the recorded equity of the Group. The capital will be used to maintain a high degree of flexibility and to finance acquisitions.



Operating margin (EBIT), %

Target, 10% (short term)
The short-term target is to achieve an annual rate of at least 10 percent before the end of 2013 and for the full year 2014.

Target, 14% (long term)
The long-term target of 14 percent is deemed to be achievable in a favourable economic climate.



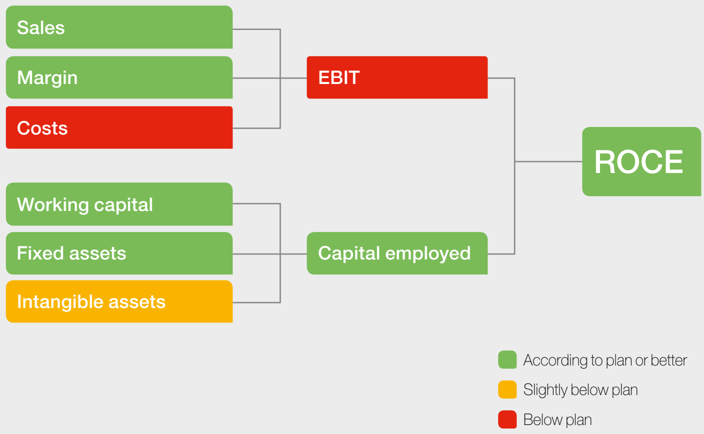
Dividend policy, %

40–50% of net profit
The Board's established dividend policy states that a dividend of 40–50 percent of the net profit may be paid out, with consideration to Lindab's long-term financial needs. The Board of Directors proposes no dividend for the financial year 2013. Since Lindab was introduced to the stock market in 2006, 38 percent of the net profit has been paid out each year on average.

Concerted efforts for higher returns

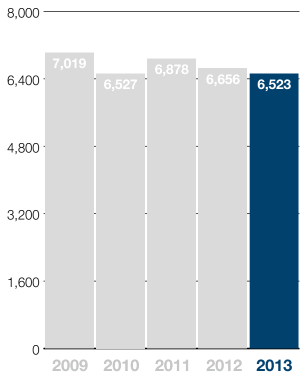
To create even more activities in the organisation that contribute toward profitable growth, a new internal target has been introduced – higher return on capital employed (ROCE). This is a measure that takes the entire value chain into consideration, thereby creating an overall picture of the Group's profitability. The focus is on commercial capacity, cost control and capital management. A scoreboard, which is presented to all employees after each quarterly report, provides clear information about what must be done in order for the Group to achieve its profitability targets. The low ROCE in recent years is primarily due to weak sales and too much capital tied up in stock and accounts receivable.

Scoreboard 2013



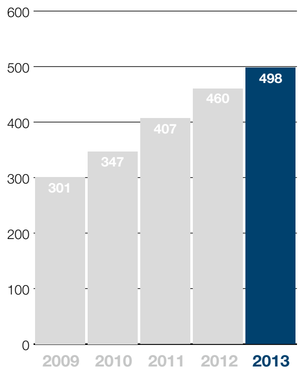
Five-year overview

Sales revenue, SEK m



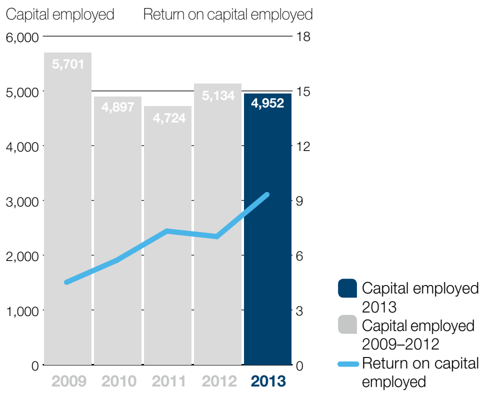
Building activity in Europe fell considerably during the crisis in 2009 and 2010, and this was reflected in Lindab's sales development. In 2011, the construction market recovered slightly before declining again in 2012 and 2013 in the wake of the worsening debt crisis. Lindab's sales decreased by 2 percent in 2013, mainly due to weakened Western European markets.

Operating profit (EBIT), excl. one-off items, SEK m



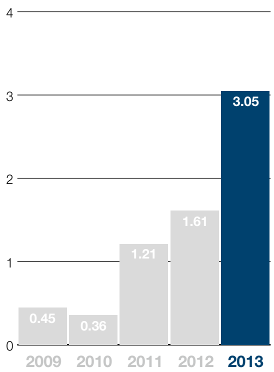
The operating profit (EBIT) has now improved for the fourth year in succession. The improved profit in 2013 is mainly due to a decrease in fixed costs and improved gross margins as a result of the implemented cost reduction programme and efficiency measures.

Capital employed, SEK m and return on capital employed, %



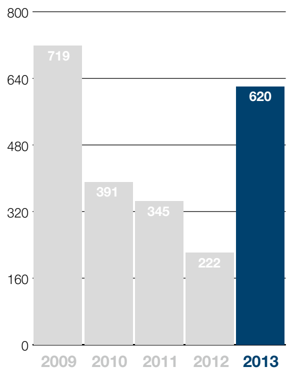
Return on capital employed improved in 2013. Capital employed decreased slightly due to lower total assets and slightly higher non-interest bearing liabilities.

Diluted earnings per share, SEK



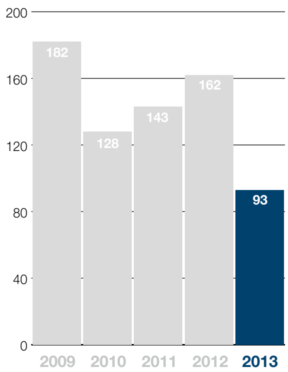
Diluted earnings per share have not been adjusted for one-off items. Dilutive effects have not been calculated for outstanding incentive programmes as no shares were subscribed for since the share price during the subscription period was below the conversion rate.

Cash flow from operating activities, SEK m



The average cash flow for the last five years is SEK 459 m per year.

Gross investments in fixed assets, excl. acquisitions and divestments, SEK m



Gross investment remained at a low level in 2013 through a deliberate lower rate of investment, with a focus on efficiency investments and necessary reinvestment. Gross investments relative to sales during the last five years averaged 2.1 percent.

Our key responsibilities

Creating sustainable development and taking social responsibility have always been fundamental to Lindab. The current priorities for this work are based on a dialogue with the company's stakeholders. In 2013, Lindab has continued to focus its efforts within areas concerning the working environment, business ethics, energy-efficiency, climate and environmental impacts.

The basis for Lindab's work with social responsibility is to achieve positive outcomes for the business and its employees as well as for the environment and society. Guidelines regarding daily conduct within this field are combined under the Lindab Life concept. It summarises how Lindab will act and behave towards customers, suppliers and other partners. Lindab Life also governs its behaviour towards employees and the communities in which the company is present. Furthermore, it covers every significant environmental issue from a process and a product perspective.

Throughout the Group, Lindab has implemented a clear regulatory framework – Code of Ethics – dealing with perceptions regarding sustainable business ethics. The code is based on the UN Convention on Human Rights and describes the principles regarding how employees should behave in their relations with other employees, shareholders, business partners and other stakeholders. No violations of the Group's ethical rules have been reported in 2013.

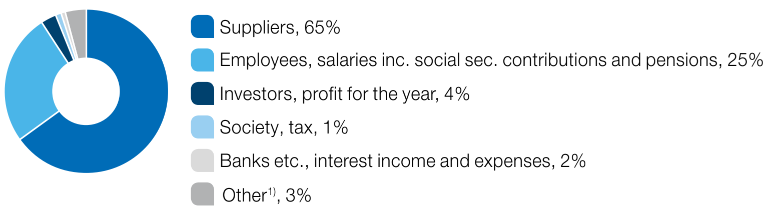
The Code of Ethics and the company's core values play a central role in Lindab's organisation and its operations. Together with the UN's Global Compact, the sustainability reporting in accordance with GRI and ISO 26000 comprise the cornerstones necessary for building a strong brand.

The risk of violations regarding factors such as oppression, child labour and forced labour is considered to be low for the Group. No violations have been reported for the Group in 2013. Lindab does not tolerate abuse and discrimination and strives for diversity and equality. Every employee also has the right to form, join or refrain from participation in trade unions or other organisations that engage in collective bargaining.

Lindab receives various government grants for its operations. In 2013, these amounted to SEK 25 m. The majority, 53 percent, was state support in Russia in the form of establishment grants. In Luxembourg, investment support of SEK 3.5 m was received. The remainder consisted mostly of training and transport subsidies.

Distribution of revenue by stakeholder

Lindab's sales revenue in 2013 amounted to SEK 6,523 m (6,656), comprising sales of the company's products and services. Most of this distributed among the company's stakeholders.



1) Other consists of items that cannot be attributed to individual stakeholders. This items mainly comprises depreciation, write-down of goodwill, exchange rate differences and capital gains on the sale of assets.

WE SUPPORT

Lindab's social responsibility and Lindab Life are 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, GRI** – Sustainability reporting guidelines. Lindab reports under GRI level C.
- **Greenhouse Gas Protocol** – Guidelines for calculating greenhouse gas emissions.
- **Lindab Code of Ethics** – Comprehensive internal policy document specifying the approach.
- **Lindab's core values**, see page 12.

Whistleblower

It is important that all employees respond and act when deviations occur from the principles of Lindab Life. Part of Lindab's Code of Ethics therefore describes the "whistleblower" function – the opportunity for all employees to anonymously report abuses that are contrary to Lindab Life. No notifications have been received in 2013.

For information about Lindab's reporting in accordance with GRI level C, see the index on page 112.

Business
Environment
Employees
+ Society

Lindab Life

Lindab Life consists of four areas – Business, Environment, Employees and Society – which also act as a framework for reporting the company's sustainability work.

Business

Solutions that simplify

Lindab delivers solutions and systems for ventilation, construction and interior climate that are energy efficient and easy to install.

Environment

Continuous environmental improvements

In Lindab's facilities, the production is continuously optimised, meaning reduced material consumption and lower energy consumption. Read more about Lindab's environmental work on page 113.

Employees

Focus on leadership

Strong and dedicated leaders contribute to an environment that facilitates the identification and development of new, successful managers. Leadership is an important area where Lindab will intensify its efforts.

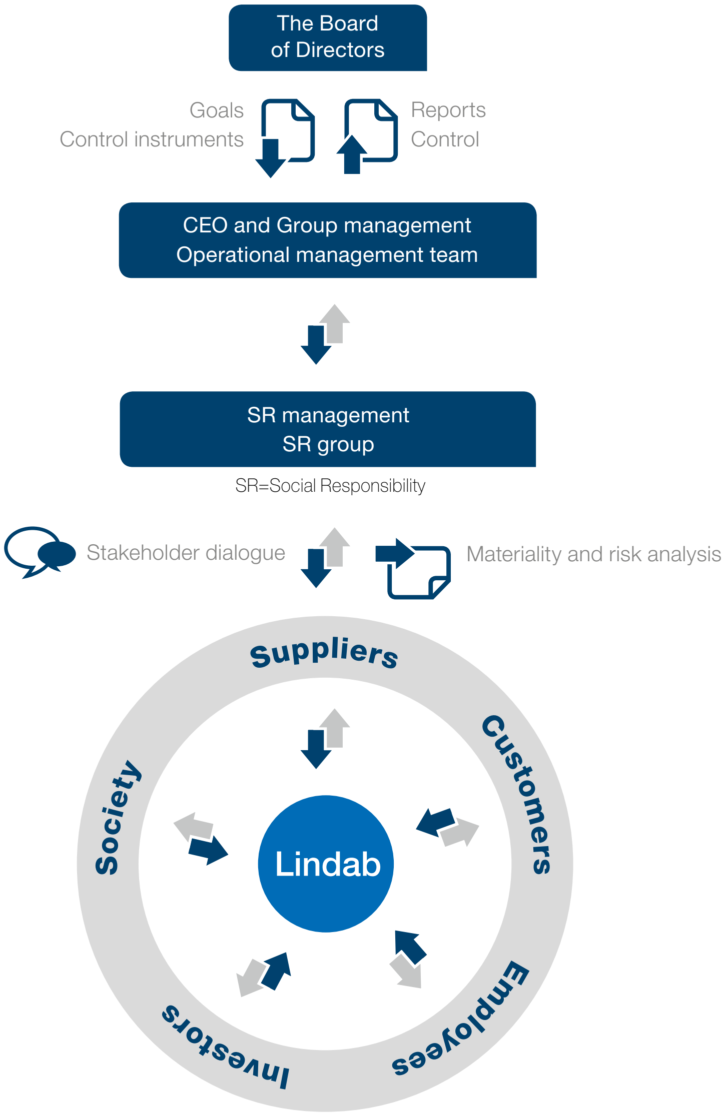
Society

Strong local commitment

Lindab has operations in 32 countries in a total of 157 locations. Collaboration takes place locally with various organisations in order to boost the appeal and competitiveness of the local community.

Work in practice

Social responsibility (SR) is fundamental to Lindab's entire business. The CEO and Group management are responsible for all work within the SR, which is then pursued continuously by a group of employees from the Legal, Finance, Purchasing, HR and Communication functions. The priorities for the work are based on a dialogue with the company's stakeholders.



Priorities determined through stakeholder dialogue

Lindab's stakeholders primarily consist of customers, suppliers, investors, employees and society. During the year, dialogue has taken place with representatives for these groups aimed at discussing the issues deemed most important for the company. Based upon the exchanges in these stakeholder dialogues, a materiality analysis has been completed in which Lindab's priorities have been decided.

Priority issues

Safe work environment

Creating a safe working environment for employees is a top priority and the result is reported externally in quarterly reports. New rules have been introduced for reporting workplace injuries. In the event of a serious accident, the CEO must be contacted within 24 hours. LTIF is measured and evaluated continuously for the entire Group. This indicates the number of accidents per million hours worked. In 2013, the LTIF was 12.3 and the long-term target is for the LTIF to be 0.

Business ethics

Work regarding business ethics is described in detail in Lindab's Code of Ethics and the recently updated anti-corruption policy. Lindab has zero tolerance with regard to corruption. In 2013, all managers signed a document to indicate their support for the anti-corruption policy and in all business units, a risk assessment has been conducted to indicate the current status. In addition, a review was undertaken for all of Lindab's partners.

Climate and environmental impact

Lindab is continually working to enhance the efficiency of its own production, purchasing organisation and supply chain. This applies to all aspects such as time, materials and energy. The introduction of Lean throughout the organisation is an important step in this process and contributes to lower resource consumption thereby reducing the environmental impact. The Group's streamlining work meant that emissions of greenhouse gases per tonne continued to decrease in 2013 despite an increase in emissions in absolute terms as a result of newly acquired production units.

Energy efficiency

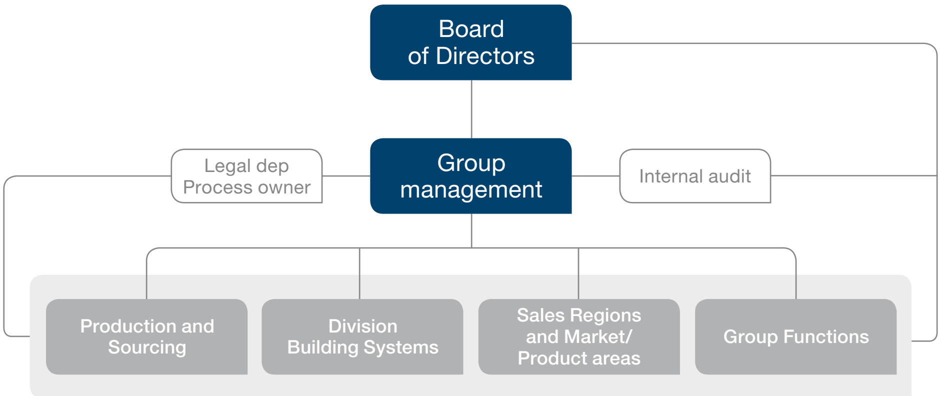
In its product development, Lindab always strives to help simplify construction in every phase of the construction process, in terms of the design phase as well as the actual product, its installation and delivery. The focus is primarily on developing new solutions for better indoor climate and energy consumption for both renovation and new builds. In 2013, a number of new successful solutions have been launched such as InDomo, EcoBuild and Lindab Solo.

How we manage the Group's risks

To ensure that various risks can be identified and prevented in a structured way, Lindab works with Enterprise Risk Management (ERM), a comprehensive programme that involves all business units and Group functions. Throughout the year, efforts within the ERM framework – under the name LindRim – have been focused on further refining and developing risk management tools.

Maintaining order with regard to the risks that affect operations to various degrees is vitally important for enabling Lindab to create profitable growth that is long-term and sustainable. Enterprise Risk Management (ERM), which Lindab introduced in 2012, provides a structured and efficient framework for managing the Group's risks. It helps to raise awareness throughout the organisation, from operational decision-makers to the Board of Directors, about the risks that are present and the impact that they have. It also increases the understanding of how various risks interact. The risks that have been identified are divided into four main areas of risk – operational risks, strategic risks, financial risks and compliance risks. The various risks are reported, monitored and controlled through formally established procedures and processes. Each risk has a sponsor assigned from the Group management. Furthermore, each risk has an owner who ensures that there are activities linked to the risks, that these activities are being implemented, that the risk status is up to date and that the sponsor is kept informed. A clear structure for reporting risks provides the foundation for a common approach throughout the Group in terms of what should be prioritised and addressed. A report is submitted to the Board of Directors once a year.

Risk management structure, LindRim



In focus 2013

Efforts have been continuing to refine and develop risk management tools. The activities associated with each risk have been monitored closely. Particular focus has been placed on those risks that have the greatest impact on the Group's operations, such as taxation and financial risks. Risks relating to the work environment and business ethics have been prioritised. An updated anti-corruption policy has been signed by all senior managers throughout the Group.

Priorities in 2014

The risk management process will be intensified further. Work environment and business ethics remain priority risks. In addition, the focus is on managing risks regarding purchasing and supplier control, on avoiding credit losses, on continuing efforts to reduce the likelihood of major risks occurring and on maintaining efforts to monitor all risks.

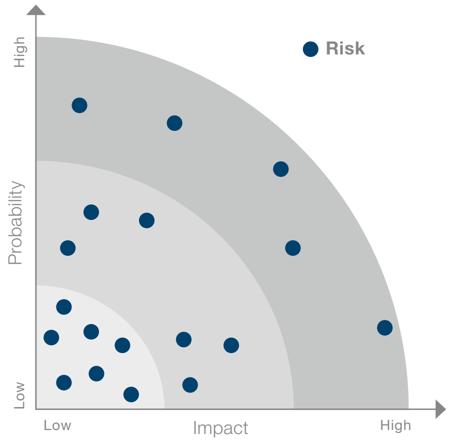
For a more comprehensive description of the Group's risks and risk management, see note 3 on pages 81–85.

Areas of risk

Operational risks	Strategic risks	Financial risks	Compliance risks
Steel price development Stoppages Bad debt losses Disputes IS/IT Product responsibility	Competition Customer behaviour Macro-economy/market	Tax Financing Liquidity Interest rate Currency	Environment Business ethics Work environment Internal control

Risk matrix

For each risk identified, Lindab assesses the probability of the risk occurring and the impact on the Group's operations. The risks are then placed into a matrix to give an overall picture of the risk situation for the Group. Risks are divided into three levels that determine the current risk management. For each risk, regardless of its position in the matrix, a number of activities are developed in order to minimise both the short-term and long-term impact.



High – a current example is taxes.

Medium – a current example is currency.

Low – a current example is environmental risk.

The chart is only for illustration purposes.

Our share

Since 1 December 2006, the Lindab share has been listed on the NASDAQ OMX Nordic Exchange and is included in the Building Products sector. In 2013, the share price rose by 47 percent and the number of shareholders continued to rise.

At the end of 2013, the Lindab share was quoted at SEK 63.40, an increase of 47 percent compared to the same time last year. The market capitalisation at the year end corresponded to SEK 4,839 m (3,384). Shares with a total value of SEK 1,515 m (2,338) were traded during the year. On average, 111,758 Lindab shares were traded each day. The turnover rate was 35 percent (62), compared to the average for the entire Stockholm Stock Exchange of 67 percent (74).

Share capital and voting rights

The share capital amounted to SEK 78,707,820 divided between 78,707,820 class A shares only, including 2,375,838 (2,375,838) shares repurchased by the company. 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.

Shareholders

Interest in the Lindab share continued to rise in 2013. At the year-end there were 7,036 shareholders (6,328), which represents an increase of just over 11 percent. The proportion of foreign ownership increased to 28 percent (21), notably following the increased holdings of major international investors. At the year-end, the ventilation group Systemair AB and the investment company Creades were Lindab's biggest shareholders with 12.0 and 10.3 percent of the share capital respectively. Systemair are considered to be a related party to the company and transactions with them are reported in note 29. At the year-end, Lindab's own holding amounted to 2,375,838 shares, corresponding to 3.0 percent of the share capital.

Dividend and dividend policy

The Board of Directors proposes that no dividend will be paid for the financial year 2013. No dividend was paid either for the financial year 2012. Lindab's dividend policy is that the dividend should correspond to 40–50 percent of the net profit, but with Lindab's long-term financial needs always taken into consideration. Since being introduced to the stock market in 2006, 38 percent of the net profit has been paid out on average.

Incentive programme

The Annual General Meetings in 2011 and 2012 decided to introduce long-term incentive programmes for senior executives at Lindab in the form of performance-based share savings programmes for each year. Participation in the programme, which requires and initial investment in Lindab shares, entitles the holder to receive new shares provided that certain requirements are met. Performance is measured in the financial years for 2013 and 2014 and compared with 2010 and 2011 respectively. There are 58 people remaining in the initial programme, who have acquired a total of 39,341 shares. The allocation of 39,341 matching shares will be transferred to the participants. The total cost of the programme is estimated at around SEK 3 m and settlement will take place during the second quarter of 2014. In the second programme there are 52 people remaining, who have acquired a total of 56,350 shares. Upon maximum allocation, 242,200 shares will be transferred to the participants. The total cost of the programme is estimated at around SEK 4 m and settlement will take place during the second quarter of 2015.

Meeting with investors at Lindab's branch in Gothenburg on 30 October.

Close dialogue with the market

Throughout the year, Lindab maintains a close dialogue with various stakeholders in the financial market in order to provide relevant, reliable, accurate and timely information about the Group's performance and financial position. Contact is made in the form of presentations and Q&A sessions in connection with each of the quarterly reports and in meetings with analysts, investors and journalists at investor days, conferences, shareholders' association meetings and seminars. Dialogue with the market is coordinated by the Group function Investor Relations (IR).

For more information visit Lindab's website www.lindabgroup.com.

For more and up to date information about the share visit www.lindabgroup.com

Why the Lindab share rose by 47 percent in 2013

Share price movement 1 January–31 December 2013, SEK

The strong increase in the price of the Lindab share in 2013 is primarily attributable to the following factors:

- Low valuation at the start of the year
- A strong underlying stock market
- More stable outlooks for Europe's economies
- Positive response to the new business concept
- Expectations of increased profitability

At the year-end, Lindab was being monitored by eight analysts, four of whom recommended Buy, three recommended Hold and one recommended Sell/Decrease with regard to Lindab shares.

Lindab's largest shareholders

	2013		2012
	Shares	Capital & votes, %	Capital & votes, %
Systemair AB*	9,150,000	12.0	12.0
Creades AB	7,870,782	10.3	12.2
Livförsäkringsaktiebolaget Skandia	6,540,460	8.6	8.8
Lannebo fonder	5,936,063	7.8	9.0
Swedbank Robur fonder	4,009,786	5.3	8.5
CBLDN-IF Skadeförsäkring AB	3,890,055	5.1	5.1
Handelsbanken Fonder AB RE JPMEL	3,697,220	4.8	1.4
Other	35,237,616	46.1	43.0
Total number of shares outstanding	**76,331,982**	**100.0**	**100.0**

** In addition, Gerald Engström, President of Systemair, controls an additional 814,500 Lindab shares.*

Shareholder structure

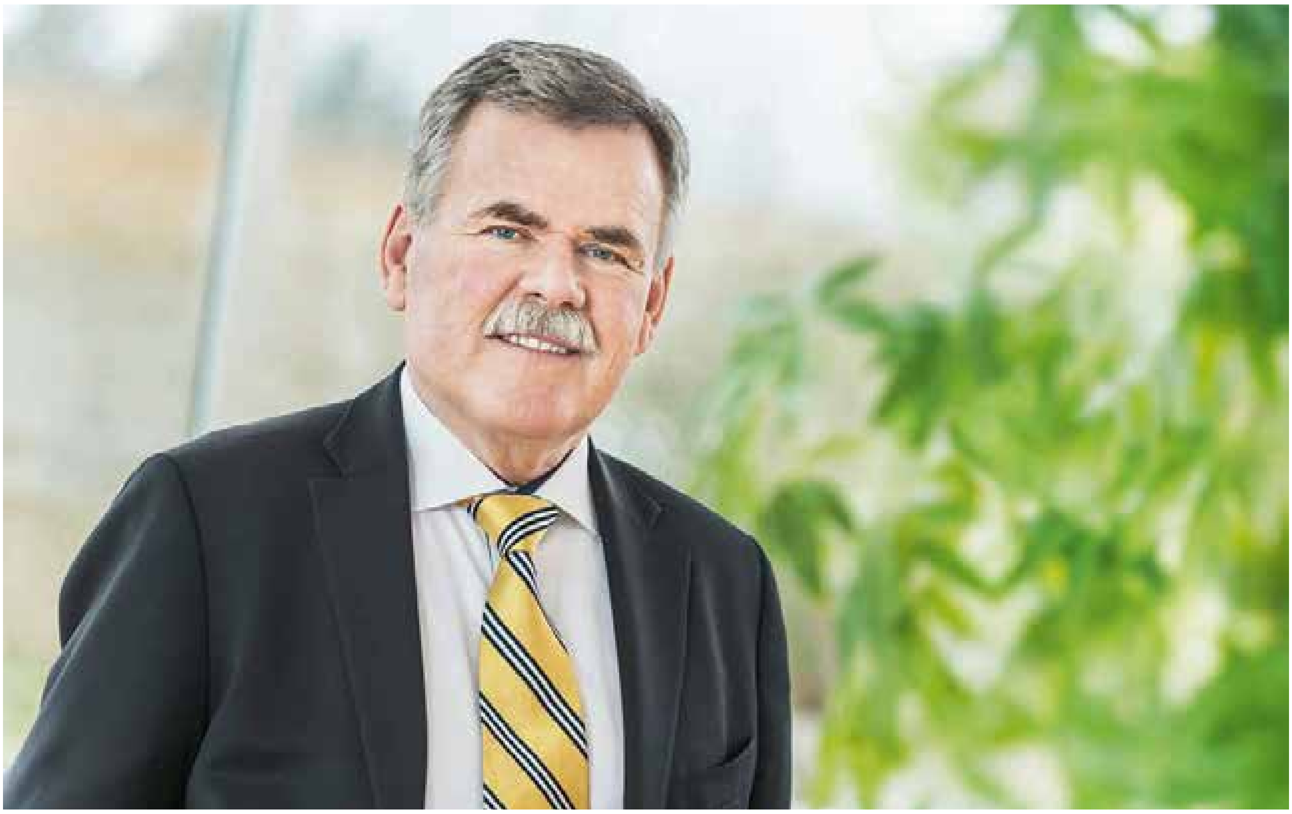
Holding	Number of shareholders	Number of shares	Holding, %
1–500	4,764	966,735	1.3
501–1,000	1,028	891,493	1.2
1,001–5,000	857	2,086,776	2.7
5,001–10,000	151	1,159,327	1.5
10,001–15,000	46	580,584	0.8
15,001–20,000	33	591,301	0.8
20,001–	157	70,055,766	91.7
Total number	**7,036**	**76,331,982**	**100.0**

Data per share

SEK/share unless otherwise stated	**2013**	2012	2011	2010	2009	2008	2007	2006	2005
Diluted earnings per share (EPS)	3.05	1.61	1.21	0.36	0.45	9.32	11.45	6.29	2.86
Earnings per share[1]	3.05	1.61	1.21	0.36	0.45	9.67	11.45	7.43	-
Dividend	-[2]	-	1.00	1.00	-	2.75	5.25	3.25	-
Dividend yield, %[3]	N/A	N/A	2.67	1.13	N/A	5.7	3.6	2.5	-
Dividend in %[1]	N/A	N/A	82.4	277.8	N/A	28.4	45.9	43.7	-
Quoted price at end of period	63.40	43.00	37.40	88.25	73.50	48.50	147.25	130.25	-
Highest quoted price	65.20	57.95	95.80	105.00	91.00	163.00	205.00	132.00	-
Lowest quoted price	42.17	37.17	31.84	61.25	40.00	36.50	125.00	111.00	-
Shareholders' equity, after dilution	38.87	35.15	35.83	36.57	40.16	44.75	37.72	27.82	23.21
Diluted number of outstanding shares	76,331,982	76,331,982	75,331,982	75,331,982	74,772,429	74,772,429	78,707,820	78,707,820	122,940,000

1) Based on the current number of outstanding shares at the end of the year. 2) Proposed dividend. 3) Dividend as a percentage of the quoted price at the end of the period.

The Chairman's comments



We can look back on an eventful and important year. In close cooperation with the management, the Board of Directors resolved on changes to the business concept and the organisation that will give Lindab enhanced conditions for creating sustainable and profitable growth. Lindab's financial development in 2013 resulted in increased profitability and a strong improvement in cash flow. There is now a favourable financial foundation for implementing the aggressive steps required to generate profitable growth.

At our Board meetings, there is always an intensive and constructive discussion about what we can do to consolidate and strengthen Lindab's leading position. Naturally, the focus is on measures that contribute to further clarity and organisation, and, in particular, success for our customers. The implementation of the new model for integrated risk management is a key component of this work. Another is the introduction of an internal financial target in the Group – return on capital employed. Using this as a basis, we will have the right focus on each activity and, as always, support the overall target of profitable growth.

Short and rapid decision-making paths are a key factor in achieving success in a competitive and changing market. The new organisational structure creates these conditions, but equally important is the close dialogue between company management and the Board. This is facilitated by the entire Group management always being in attendance at Board meetings. We on the Board also take our responsibility by continuously improving our own work and procedures. As stated in the Corporate Governance Report, the Board in its entirety now comprises the Audit and Remuneration Committees. Since these committees decide on issues of high priority for Lindab, we believe this solution to be beneficial for both the company and its shareholders.

The ability to rapidly adapt, change and simplify the operations is often a crucial success factor regardless of company or industry. In 2013, Lindab took many important steps that are evidence of this ability. Now the task for those of us on the Board is to support a continued high pace, while managing all of the challenges that face us in an increasingly complex world.

Grevie, March 2014

Kjell Nilsson
Chairman of the Board

Corporate Governance Report

Lindab International AB (publ) is a Swedish public limited company, which under 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 Code"). The corporate governance report, including the remuneration of senior executives and the report on internal control is reviewed by the company's auditors.

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 on the Articles of Association, the Companies Act, the Annual Accounts Act, the Board's rules of procedure, the regulations of Stockholm Stock Exchange, the Code and other applicable Swedish laws and regulations.

Deviations

Companies that apply the Code may deviate from individual rules. In 2013, Lindab has applied the Code with the following exception:

The Code states, for example, that Board members may be included in the Nomination Committee, but they must not constitute a majority of the Nomination Committee's members. Lindab's Nomination Committee consists of five members, three of whom are Board members. Consequently this is a deviation from the Code. One of these members is the Chairman of the Board and two of the members represent Lindab's two largest shareholders. Lindab deems it appropriate for these representatives to contribute to the work of the Nomination Committee as well as that of the Board.

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 the number of shares, only one class of shares, is 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. Lindab holds 2,375,838 treasury shares. The number of outstanding shares is therefore 76,331,982. Lindab has no voting rights for the repurchased shares. There were 7,036 shareholders (6,328) at 31 December 2013. The four largest shareholders in relation to the number of outstanding shares were Systemair AB with 12.2 percent (12.0), Creades with 10.3 percent (12.2), Lannebo fonder with 7.8 percent (9.0) and Livförsäkringsaktiebolaget Skandia with 8.6 percent (8.8). Systemair are considered to be a related party to the company and transactions with them are reported in note 29. More information about Lindab's shareholders and the share development in 2013 can be found on pages 44–45.

Annual General Meeting 2013

The Annual General Meeting for the financial year 2012 was held on 15 May 2013 at the Lindab Arena in the municipality of Ängelholm. There were 220 shareholders in attendance. The minutes from the 2013 Annual General Meeting have been available on the company's website since 29 May 2013.

In addition to ordinary matters, the 2013 Annual General Meeting adopted decisions regarding:

- Re-election of the Chairman of the Board, Kjell Nilsson, and re-election of the Board members Sonat Burman-Olsson, Stefan Charette, Erik Eberhardson, Gerald Engström and Birgit Nørgaard.
- Guidelines for the appointment of the Nomination Committee.
- Guidelines for remuneration for senior executives.
- Election of the auditors.
- Authorisation for the Board to decide upon the transfer of treasury shares.

Annual General Meeting 2014

The annual General Meeting for the financial year 2013 will be hosted at 14:00 on 29 April 2014 at the Lindab Arena, Ishallsvägen, in the municipality of Ängelholm. In accordance with the Articles of Association, notice to attend the Annual General Meeting will be published in Post och Inrikes Tidningar and on the company's website. It will be announced in Dagens Industri that the notice to attend has been given. Shareholders wishing to participate in the meeting must be entered into the company's share register five working days before the meeting, i.e. 23 April 2014, and must notify the company of their wish to participate as specified in the notice to attend the 2014. 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 matters to the Chairman of the Board no later than 11 March 2014.

Nomination Committee

At the 2013 Annual General Meeting, it was decided that the company shall have a Nomination Committee consisting of at least five members, one of whom will be the Chairman of the Board. At the end of the third quarter in 2013, the Chairman of the Board was instructed to contact the four largest identified shareholders in the Company to request the immediate appointment of their representative to the Nomination Committee. The Nomination Committee shall be chaired by the member appointed by the largest shareholder in the event that the Nominating Committee does not agree otherwise. The mandate period for the Nomination Committee runs until a new Nomination Committee has been appointed.

A Nomination Committee was formed on 3 October 2013 consisting of:

- Caroline af Ugglas, representative for Livförsäkringsaktiebolaget Skandia, Chairwoman
- Stefan Charette, representative for Creades AB
- Gerald Engström, representative for Systemair AB
- Kjell Nilsson, Chairman of the Board
- Peter Rönström, representative for Lannebo fonder

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 2014 Annual General Meeting with regards to:

- election of Chairman for the 2014 Annual General Meeting
- election of the Board of Directors and Chairman of the Board of Directors
- election of auditors
- fees for the Board of Directors and auditors
- Composition of the Nomination Committee ahead of the 2015 Annual General Meeting.

The Nomination Committee has held three minuted meetings in 2013. In 2014, the Nomination Committee has held one minuted meeting prior to the 2014 Annual General Meeting.

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

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

The Board of Directors

It was decided at the Annual General Meeting on 15 May 2013, that the Board of Directors will consist of six members without deputies. The company's CEO is the presenter to the Board of Directors. The composition and the members' various appointments are detailed on page 55 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 CEO, the duties of the Chairman, the Board's meeting procedures and decision-making procedures together with instructions and policies. All documents have been adapted to Lindab's business and organisation. The company's CFO, Per Nilsson, has been present at Board meetings, as well as the secretary of the Board of Directors, General Counsel Carl-Gustav Nilsson, who has taken the minutes.

In 2013, the Board of Directors met fourteen times, including five additional meetings. At each scheduled meeting, the financial performance was reported and followed up. The Board held one meeting with the auditors, without the executive management present, to review the co-operation with the executive management regarding implementation of the audit process and other related matters. Key issues raised at Board meetings are shown separately.

An evaluation of the work of the Board of Directors and the CEO was undertaken in 2013. The evaluation determined that the CEO and Board of Directors perform their duties well.

Remuneration of the Board of Directors

At the Annual General Meeting on 15 May 2013, fees totalling SEK 2,200,000 were established, allocated as follows: SEK 650,000 to the Chairman of the Board, SEK 300,000 to each of the other elected Board members and SEK 25,000 to each of the Employee representatives.

Remuneration Committee

The duties of the Remuneration Committee are fulfilled by the Board of Directors as a whole since this is deemed appropriate with regard to their importance. No separate fee is paid for the Remuneration Committee as it consists of Board of Directors in its entirety.

Key issues at each Board meeting:

– 5 February	Organisational change
– 12 February	Year-end report, auditors' report (present), financing issues, proposals for the Annual General Meeting
– 7 March	Annual Report
– 18 March	Organisational change
– 5 April	Notice to attend the Annual General Meeting
– 25 April	Interim report, investments, properties
– 15 May	Performance review, acquisitions issues, forecast, remuneration issues
– 15 May	Post-electoral Board meeting
– 25 June	Performance review, auditing matters, strategy, investments, properties, sustainability issues
– 18 July	Interim report
– 5 Sept	Performance review, forecast, organisational change, acquisitions
– 17 Sept	Organisational change
– 28 Oct	Performance review, interim report, internal control, financing matters, remuneration issues, Board evaluation
– 12 Dec	Performance review, budget, market review, investments, remuneration issues, financing matters

Audit Committee

Furthermore, the issues assigned to an Audit Committee are exercised by the Board of Directors in its entirety. The Board of Directors therefore ensures the quality of the financial statements, maintains ongoing contact with the auditors, evaluates the auditing work, assists the Nomination Committee during its preparations for the election of auditors, ensures that the company has a proper system for internal control, risk management and manages other related issues. Sonat Burman-Olsson is an independent expert regarding accounting and auditing matters. No separate fee is paid for the Audit Committee as it consists of Board of Directors in its entirety.

Auditors

At the 2013 Annual General Meeting, Ernst & Young were appointed to be the company's auditors. The authorised public accountant Staffan Landén was appointed lead auditor. Staffan Landén is also commissioned by other listed companies, but this does not encroach on the time necessary to carry out his work for Lindab. The auditors and the lead auditor Staffan Landén do not perform any services that could bring their independence into question. Nor have the services performed by the auditors for Lindab over and above the auditing services altered this opinion.

The Board of Directors and the breakdown of its fees

Name	Function	Presence 14 meetings	Elected Year	Company	Ownership	Board fees
Kjell Nilsson	Chairman	14	2012	Independent	Independent	650,000
Pontus Andersson[1)]	Member	14	1995			25,000
Sonat Burman-Olsson	Member	12	2011	Independent	Independent	300,000
Stefan Charette	Member	13	2012	Independent	Dependent	300,000
Erik Eberhardson	Member	11	2009	Independent	Independent	300,000
Gerald Engström	Member	13	2012	Independent	Dependent	300,000
Markku Rantala[1)]	Member	14	1998			25,000
Birgit Nørgaard	Member	12	2012	Independent	Independent	300,000
Total						**2,200,000**

1) Employee representatives replaced by deputies when absent.

Auditors' fees

For 2013, the auditors' fees paid to Ernst & Young amounted to SEK 0.4 m for the parent company and SEK 6.6 m for the Group. In addition, their fees for other services in the Group amounted to SEK 2.1 m. Services have included advice on tax matters plus investigations into certain accounting matters.

Rules of procedure

At the Annual General Meeting on 15 May 2013, the Board of Directors adopted rules of procedure for determining the distribution of duties between the Board of Directors and its members, the Chairman's role, decision-making procedures and issues regarding financial reporting and internal control. The rules of procedure include the CEO's instructions for the clarification of the CEO's duties and responsibilities.

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

Code of Ethics

For Lindab and all employees, it is important that laws, regulations and ethical values are respected and followed. Lindab has insured itself of this through Lindab's Code of Ethics, which is monitored continuously.

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 to the market.

IPR Policy

Intellectual property rights, consisting of registered rights such as patents, trademarks and designs, plus other rights such as copyrights, trade secrets and know-how, are valuable assets for Lindab. The policy describes the strategy and guidelines for Lindab's management and protection of intellectual property rights.

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 established to enable the business to be run effectively. It includes rules about how the data centres are to be organised, including the management of critical IT equipment, access to support, backup procedures, and system administration.

Anti-corruption Policy

Lindab has zero tolerance for corruption. The policy is the framework that supports Lindab's zero tolerance concerning this issue.

Competition Law Policy

It is important that the Group and its employees observe competition legislation. The adopted Competition Law Policy prevents violations of competition law.

Environmental Policy

An international Environmental Policy governs environmental issues, which is reported on page 113.

Occupational, Safety and Health Policy

The work environment policy is in line with Lindab's efforts to provide a good and safe working environment. The policy provides a clear message regarding the issue of responsibility and that prevention is the key to maintaining a safe work environment.

Treasury Policy

The policy is intended to define the framework for the Lindab Group's financial risk management and transactions. These issues are managed centrally by the Group's treasury function in order partly to minimise costs.

SR Policy

Lindab has adopted a number of policies and guidelines concerning social responsibility under the collective name Lindab Life.

The CEO and Group management

David Brodetsky resigned as President and CEO on 6 February 2013. Anders Berg became the new President and CEO on 18 March 2013. The General Counsel, Carl-Gustav Nilsson, was appointed acting President and CEO from 6 February 2013 until 18 March 2013. In addition to the President and CEO, the Group management for the whole of 2013 included the General Counsel, Carl-Gustav Nilsson, and Chief Financial Officer, Per Nilsson. In September 2013, Lindab implemented an extensive reorganisation that partly involved the abolition of the Ventilation and Building Components business areas. In the period prior to that, the Business Area Managers, Nils-Johan Andersson, Peter Andsberg and Hans Berger were also included in the Group management.

Since the reorganisation the Group management has comprised the President and CEO, Chief Financial Officer and General Counsel. There is also an operational management team, which in addition to Group management comprises the functions: Production, Purchasing, the Building Systems division, market/product areas, capital efficiency/lean plus four sales regions. The company's organisation ensures that the decision-making paths are short.

Overview of Governance in the Lindab Group

Shareholders

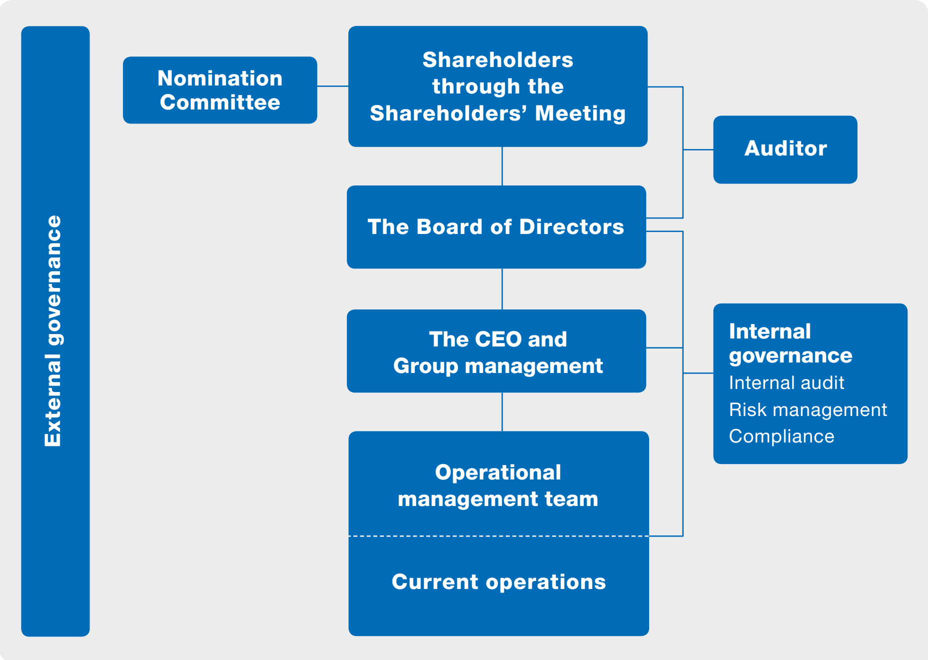
Shareholders' right to decide about Lindab matters is exercised at the Annual General Meeting or, where appropriate at the Extraordinary General Meeting, which is Lindab's highest decision-making body. The Annual General Meeting usually takes place during April or May in Ängelholm. The meeting decides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

Nomination Committee

The Nomination Committee submits proposals to the Annual General Meeting regarding the election of the Chairman of the Meeting, the Board of Directors, the Chairman of the Board, the auditors, fees for the Board and auditors as well as the composition of the Nominating Committee for the next Annual General Meeting.

Auditor

Lindab's elected auditors review the company's Annual Report and accounts as well as the management of the Board of Directors and the CEO. The auditors work according to an audit plan and report their findings to the Group management throughout the year and at least once annually to the Board of Directors. The auditors also participate at the Annual General Meeting to deliver the auditors' report, describing the review process and the observations made.



Operational management team

The CEO and Group management has appointed an operational management team of twelve people with ongoing responsibility for various parts of the business.

External governance

The external rules concerning Lindab's corporate governance include the Companies Act, the Annual Accounts Act, other relevant legislation, regulations for issuers for the NASDAQ OMX Stockholm plus the Code.

Internal governance

The internal corporate governance includes the adopted rules of procedure together with instructions and policies.

Internal audit

Lindab has an Internal Control function which reports regularly to the Group management, which in turn reports to the Board of Directors. The Internal Control is intended to ensure that the Group's objectives are met in terms of appropriate and effective processes, and that the financial statements are prepared in accordance with applicable laws and regulations.

Risk management

Lindab's risk management is conducted in accordance with Enterprise Risk Management, which is a structured and effective way of working with the Group's risks. The various risks are reported, monitored and controlled through established procedures and processes and this is of great importance for creating sustainable and profitable growth. Read more about the risk management process on page 42.

Compliance

An important aspect of the management of the Group is Lindab's work within social responsibility under the name Lindab Life. Lindab Life summarises how Lindab should behave towards customers and other partners, employees and society. Lindab Life also concentrates on Lindab's initiatives and focus on continuous environmental improvements. Lindab's values have been translated into various policies and regulations that Lindab must follow, with Lindab's Code of Ethics as the principal policy document addressing business ethics among other issues. Read more about Lindab Life on page 38.

The Board of Directors

Composition of the Board of Directors

The Board of Directors consists of six elected members plus two employee representatives. The employees have also appointed two deputies to the Board of Directors. The CEO is the spokesperson for the Board of Directors. The Group's CFO participates in Board meetings, as does the Group's General Counsel who is also secretary to the Board of Directors. The Board as a whole constitutes both the Remuneration Committee and the Audit Committee.

The Chairman's responsibilities

The Chairman leads the Board's work and follows its activities in dialogue with the CEO 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 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 CEO's work through continuous monitoring of operations.

The Board's responsibility for the financial statements

The Board of Directors ensures the quality of the internal financial statements through directing the CEO, 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 detailed discussion of interim reports, Annual Report and year-end report at Board meetings and during reviews with the auditors.

Remuneration to senior executives

Remuneration principles

At the 2013 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, facilitate recruitment and motivate 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 aforementioned and on the specific skills of the post holder. The variable salary will be based on clear goals, awarded as a percentage of the fixed salary and will therefore have a fixed ceiling not exceeding 50 percent of the fixed salary. The pension will be a defined contribution plan and shall be based on the same principles as for the fixed and variable salaries. In special cases, the Board of Directors has the right to waive the guidelines. The Board of Directors has not exercised this mandate in 2013.

Remuneration and other benefits for the Group management are shown in the table on the right. A further SEK 4.4 m has been recorded relating to social security contributions including special employer's contributions on pensions.

Remuneration of the CEO

For the period from 18 March 2013 to 31 December 2013, Anders Berg's fixed salary in 2013 was SEK 2,850,000. Anders Berg may also receive a variable salary of up to 50 percent of the fixed salary. The right to pension contributions amounts to 30 percent of the fixed salary. In addition, Anders Berg has the right to free flat near the office, a free car and certain other benefits. What Anders Berg received in 2013 is shown in the separate table. The employment runs with a notice period of one year from the company and six months from Anders Berg. During the notice period, Anders Berg is entitled to retain his salary and employee benefits excluding variable salary. Anders Berg is bound by a non-competition clause for two year from the termination of employment, during which he is entitled to remuneration of up to 60 percent of the fixed salary.

Remuneration to Group management in general

For the full-year 2013, the Group management included the General Counsel, Carl-Gustav Nilsson, and Chief Financial Officer, Per Nilsson with Anders Berg included since 18 March 2013. Nils-Johan Andersson, Peter Andsberg and Hans Berger were included in the Group management until September 2013. The remuneration to Group management follows the guidelines adopted by the Annual General Meeting. The employment contracts contain notice periods of 12–18 months for the company and six months for the employees and are bound with non-competition clauses. The costs for the dismissal of Nils-Johan Andersson and Peter Andsberg as a result of the reorganisation are shown in a separate table.

Incentive programme

The Annual General Meetings in 2011 and 2012 decided to introduce long-term incentive programmes in the form of performance-based share savings programmes for each year. Participation in the programmes required participants to make a personal investment in Lindab shares. Participation entitles the holder to receive new shares, provided that certain requirements are met. Performance is measured in the financial years for 2013 and 2014 and compared to the outcomes for financial years for 2010 and 2011 respectively. There are 58 participants

Remuneration and other benefits for the Group management 2013

SEK	Anders Berg*	Remuneration of other Group management**	Total
Fixed salary incl. holiday pay	2,876,482	8,992,970	11,869,452
Variable salary	378,000	901,325	1,279,325
Pension expenses	810,006	2,528,210	3,338,216
Benefits	169,099	471,366	640,465
Total	**4,233,587**	**12,893,871**	**17,127,458*** **

**) Expenses attributable to Anders Berg relate to the period from 18 March until 31 December.*
***) Remuneration to Hans Berger, Peter Andsberg and Nils-Johan Andersson relates to the period up to 16 September.*

Costs relating to the dismissal of Peter Andsberg and Nils-Johan Andersson are not included in the remuneration of Group management stated in the above table.

Costs resulting from the dismissal of Business Area Managers Peter Andsberg and Nils-Johan Andersson

SEK	Total
Fixed salary incl. holiday pay	12,075,912
Variable salary	660,526
Pension expenses	2,352,945
Benefits	364,039
Total	**15,453,422*** **

****) The above amount does not include social security contributions or special employer's contributions.*

remaining in the initial programme, who have invested in a total of 39,341 shares. The allocation of 39,341 matching shares will be transferred to the participants. The total cost for the programme is estimated at approximately SEK 3 m. Settlement will take place during the second quarter of 2014. There are 52 participants remaining in the second programme, who have invested in a total of 56,350 shares. On maximum allocation, 242,200 Lindab shares will be transferred to the participants. The total cost for the programme is estimated at approximately SEK 4 m. Settlement will take place during the second quarter of 2015. The incentive programme initiated in 2010 included share warrants entitling the holder to subscribe for one share in Lindab International AB between the period 01/06/2012 and 31/05/2013. No shares were subscribed for as the share price during the conversion period was lower than the conversion rate.

The Board proposed no incentive programme for the Annual General Meeting in 2013.

Evaluation

The Board has monitored and evaluated the company's programmes for variable remuneration to the Group management, the application of the guidelines for remuneration to senior executives and the relevant remuneration structures and levels in the company. The variable remuneration to the executive management has been found to be appropriate and in accordance with the guidelines established by the Annual General Meeting. The application of the guidelines for remuneration to senior executives has also been correct and it is the Board's verdict that remuneration for senior executives provides a good balance for motivating employees and providing compensation in a competitive manner. The remuneration structures and levels in the company are therefore well balanced and market-based.

The Board of Directors' Report on Internal Control

The Board of Directors' Report on Internal Control for the Financial Year 2013

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 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.

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 of Directors has established a number of fundamental documents that are important for the financial statements. These specifically include the Board of Directors' rules of procedure, instructions for the CEO and the committees. The primary responsibility for enforcing the Board's instructions regarding the control environment resides with the CEO. He reports regularly to the Board of Directors as part of established procedures. 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 to which Lindab is exposed to are managed in accordance with determined policies, instructions and established follow-up procedures. 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 that 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 for major decisions such as acquisitions, other types of larger investments, divestments, contracts, analytical follow-ups etc.

An important task for Lindab's staff is also to implement, further develop and enforce the Group's control procedures 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 perform an evaluation of their own reporting. The continual analysis made of the financial statements and the analysis 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 governed notably by the Information Policy, which describes Lindab's general principles for the release of information.

Follow up

The Group's compliance with the adopted policies and guidelines is followed-up by the Board of Directors and the Group 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 statements and internal control. The Board as a whole constitutes both the Remuneration Committee and the Audit Committee.

Before the publication of Interim Reports and Annual Reports, the Board of Directors reviews the financial statements. Lindab's management conducts monthly performance reviews with analyses of deviations from budget, forecasts and previous years. All monthly accounts are discussed with the management of each business area. The external auditors' tasks include an annual review of the internal control in Group companies. The auditors normally attend Board meetings twice a year and report their findings from the review of internal control, the review of the third quarter financial statements and the review of the annual accounts.

Internal audit

Lindab has an internal audit function that is integrated within Group Finance. The function reports continuously to Lindab's Group management, which in turn reports to Lindab's Board of Directors in its capacity as the Audit Committee. The direction and scope of the internal audit is determined by the Board of Directors. In 2013, the function has continued to develop the internal controls through audits in accordance with 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. Where control measures involve visits to subsidiaries, these activities are carried out according to an established and developed control process, which has been continuously developed during the year in order to optimise the approach and the provision of worthwhile reports. Within Lindab, the internal audit function aims to create added value for each operating unit by providing independent and objective scrutiny of the processes, and to identify and recommend improvements.

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

Båstad, 17 February 2014

The Board of Directors of Lindab International AB

Auditor's Report on the Corporate Governance Statement

To the Annual General Meeting of
Lindab International AB,
corporate identity number 556606-5446

The Board of Directors is responsible for the corporate governance report for the year 2013 on pages 47–53 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance report and, based upon the reading and our knowledge of the company and the Group, we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the corporate governance report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Båstad, 18 February 2014

Ernst & Young AB

Staffan Landén
Authorised Accountant

The Board of Directors

The Board of Directors consists of six members, elected by the Annual General Meeting and two employee representatives. No changes were made to the composition in 2013.

1. Kjell Nilsson
2. Birgit Nørgaard
3. Pontus Andersson
4. Erik Eberhardson
5. Gerald Engström
6. Markku Rantala
7. Sonat Burman-Olsson
8. Stefan Charette

Kjell Nilsson

Born 1948.
Elected to the Board in 2012, independent. Chairman of the Board since 2012.

Kjell Nilsson was previously President and CEO of Semcon AB, Boliden AB and Trelleborg AB. He is the Chairman of Semcon AB. Board member of Choice Hotels AS, Home Properties AB and Home Invest AS.

Main qualifications: Economics and Business Studies Graduate from the School of Business, Economics and Law, University of Gothenburg.
Holding: 10,000 shares.

Birgit Nørgaard

Born 1958.
Elected to the Board in 2012, independent.

During the period 2006–2010, Birgit Nørgaard was CEO of the engineering consultancy company Grontmij, Carl Bro A/S and COO of Grontmij N.V. From 2003–2006 she was CEO of Carl Bro Group A/S. Her experience also includes Vice President at TDC Mobile International and Executive Vice President of Danisco Distillers. Birgit Nørgaard is Chairman of the Board of NNE Pharmaplan A/S, and is Board member of, notably, IMI Plc, WSP Global inc., Danish Growth Capital, DSV A/S and Xilco Holding (CH) AG.

Main qualifications: M.Sc. Economics and MBA, INSEAD.
Holding: 0 shares.

Pontus Andersson

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.

Erik Eberhardson

Born 1970.
Elected to the Board in 2009, independent.

Vice Chairman and founder of Ferronordic Machines AB and Scandsib Holdings Ltd. Has extensive operational experience from Russia and Ukraine. President of Volvo Ukraine LLC during the period 1996–2000 and of Volvo Construction Equipment in the CIS countries from 2002 until 2005. Between 2005 and 2009, he held various positions within 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.

Main qualifications: MBA plus Engineering Physics at KTH
Holding: 0 shares.

Gerald Engström

Born 1948.
Elected to the Board in 2012, dependent of the shareholder Systemair AB.

Board member as well as President and CEO of Systemair, and Chairman of Bluefish Pharmaceuticals AB.

Main qualifications: Upper secondary school qualification in Engineering, Business studies at Stockholm University.
Holding: 14,501 shares and indirectly 800,000 shares through Färna Invest AB and 9,150,000 shares through Systemair AB.

Markku Rantala

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.

Sonat Burman-Olsson

Born 1958.
Elected to the Board in 2011, independent.

Appointed President and CEO of COOP Sverige AB commencing in May 2014. Deputy CEO and CFO of ICA Group from 2007 until 2013. Before joining ICA, Sonat Burman-Olsson was Vice President of the Electrolux Group with responsibility for Global Marketing Strategies She has also held positions as Senior Vice President, Operational Development for Electrolux Europe and Vice President, Finance for Electrolux International (Asia & Latin America). Prior to that, she held Executive Director positions at Siemens and British Petroleum.

Sonat Burman-Olsson is a member of the Boards of Tredje AP-fonden.

Main qualifications: BBA and Executive MBA.
Holding: 0 shares.

Stefan Charette

Born 1972.
Elected to the Board in 2012, dependent of the shareholder Creades AB.

Stefan Charette is CEO of the investment company Creades AB. He was previously CEO of Investment AB Öresund, AB Custos and Brokk Group.

Stefan Charette is Chairman of the Board of Athanase Capital Partners AB, Concentric AB and NOTE AB, as well as Board member of Creades AB, Haldex AB and Transcom S.A.

Main qualifications: M.Sc. Mathematical Finance, B.Sc. Electrical Engineering.
Holding: 95,453 shares.

Suppleanter

Peter Stensmar

Born 1964.
Elected to the Board in 2011.

Deputy employee representative. Employed since 1994 and currently working as an industrial sheet metal worker at Lindab Ventilation AB. Not pictured.
Holding: 400 shares.

Sandra Philipsson

Born 1982.
Elected to the Board in 2012.

Deputy employee representative. Employed since 2006 and currently working as design manager at Lindab Profil AB. Sandra is a mechanical engineer. Not pictured.
Holding: 50 shares.

Group management

In the autumn of 2013, Lindab introduced a new organisational structure to place greater focus on local business and thereby strengthen the Group's offering. Following the change, the Group management comprises the President and CEO, Chief Financial Officer and General Counsel. In addition, a new operational management team for the Group has been appointed comprising the Group management plus nine senior executives, all of whom have been recruited internally.

Anders Berg

Born 1972.
President and CEO.
Employed since 2013.
Holding: 32,700 shares.

Per Nilsson

Born 1974.
CFO.
Employed since 1999.
Holding: 4,800 shares.

Carl-Gustav Nilsson

Born 1950.
General Counsel.
Employed since 2002.
Holding: 110,700 shares.

Auditors

Ernst & Young AB

Lead auditor

Staffan Landén

Born 1963.
Authorised Public Accountant, Ernst & Young AB, Gothenburg.
Auditor to Lindab since 2010. Extensive experience of auditing listed companies.

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 2013.

Lindab International AB constitutes the parent company of the Lindab Group. The Lindab share is quoted on the NASDAQ OMX Nordic Exchange "Mid Cap", list for medium-sized companies, under the ticker symbol LIAB.

The business

Lindab develops, manufactures, markets and distributes products and system solutions in steel for simplified construction and improved indoor climate. The products are characterised by their high quality, ease of assembly, energy efficiency and environmentally-friendly design and are delivered with high levels of service, giving increased customer value.

Lindab's strategy is to focus its efforts on the most profitable market segments and where there is the greatest growth potential. The approach should be adapted to each market, based on strengths. Organic growth coupled with selective acquisitions are strategies for strengthening the company's competitiveness.

Organisational changes

Prior to the reorganisation on 1 October, Lindab's business was operated in three business areas: Ventilation, Building Components and Building Systems. Lindab introduced a new, flatter organisational structure with greater focus on local business to strengthen the Group's total product offering. The business area structure was replaced by a geographically-based sales organisation to take advantage of Lindab's strong market presence and is supported by four product and system areas plus central production and purchasing functions. As a result of organisational changes, the Ventilation and Building Components business areas have merged. The Building Systems business area has become a separate division. The Executive Management consists of the President and CEO, Chief Financial Officer and General Counsel. A new operational management team for the Group has been appointed, which in addition to the Executive Management includes nine senior executives, all of whom have been recruited internally. Reporting in accordance with the new structure will take effect from the start of the first quarter 2014. The new reporting structure consists of two segments, one of which consists of what were the Ventilation and Building Components business areas and the other comprising the Building Systems division.

Financial targets and target fulfilment 2013

Lindab's short-term targets are to achieve an operating margin of at least 10 percent for the full-year 2014. The EBIT margin for the full-year 2013, excluding one-off items, amounted to 7.6 percent (6.9). The improvement can mainly be explained by lower fixed costs. The long-term target of 14 percent is deemed to be achievable in a favourable economic climate. The annual organic growth shall exceed relevant construction market growth by 2 to 4 percentage points. Lindab's organic sales development for the year was –1 percent (–5) compared with 2012. According to Lindab's estimates, the market declined by the same proportion. The target for the net debt/equity ratio is in the interval 0.8–1.2 times, which is in line with historical levels. The capital borrowed by the company will therefore correspond to 0.8–1.2 times the recorded equity of the Group. At 31 December, the net debt/equity ratio amounted to 0.5 times (0.8).

Company acquisitions and divestments

No acquisitions were made during 2013.

Research and development

Lindab's business operations are based on simplifying construction through the development of innovative products.

The business concept "Simplifying construction" and the core value "Customer success" are at the heart of product development and lead 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 work 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.

This year's most significant product launches for each of the business areas are as follows:

- Ventilation has updated the Pascal variable air flow system with new functions to make the system more intelligent, more efficient and more reliable. Ventilation has also launched a new solution for integrated ventilation, InDomo plus a system, Solo, that makes it possible lower and increase the ambient temperature using the same water circuit.
- Building Components has introduced a version of sandwich panels that meet strict anti-theft requirements.
- Building Systems has launched a new concept for small hall constructions, Eco Build, which offers both financial and environmental benefits.

For 2013, research and development costs amounted to SEK 45 m (44), of which SEK 20 m (19) was within Ventilation, SEK 15 m (13) within Building Components and SEK 10 m (12) within Building Systems. The number of people employed within the Group's product development departments totalled 67 (64), of whom 28 (24) were within Ventilation, 19 (21) within Building Components and 20 (19) within Building Systems.

Personnel and personnel development

During the year, the average number of employees in the Lindab Group totalled 4,368 (4,509), a decrease of 141 people. The number of employees at the end of the year was 4,371 (4,363), an increase of 8 people compared with the previous year. The average number of employees in Sweden was 1,018 (1,040), corresponding to 23 percent (24) of all employees. Note 6 contains further information about personnel costs and the average number of employees.

Lindab's success depends on attracting, developing and retaining talented employees who share Lindab's core values, vision and goals. Fundamental to this are the continuing efforts being made regarding the corporate culture, employee and organisational development, and preventative health care.

Guidelines for remuneration for senior executives

The most recently decided remuneration principles 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 and are the same guidelines as for the current year.

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. A provision of SEK 6 m (6) was made for 2013, including special employers' contributions. At the end of 2013, the foundation held 88,500 Lindab shares and 584,300 Ratos shares. A profit-sharing plan also exists in our Danish company. See also note 6.

Consistent environmental work
Lindab is actively working to minimise the environmental impact created by the Group's operations and its products. Lindab's Environmental policy is a key document that forms the basis for environmental work within the Group. All of Lindab's major production units are certified under the ISO 9001 quality management system and the 14001 environmental management system. The long-term environmental and climate objectives that were adopted in 2008 have been combined with short-term objectives established by the business areas. The long-term objectives are based on the EU's objectives for 2020 and mean that, with 2008 values as a starting point, energy consumption will decrease by 20 percent, 20 percent of energy will come from renewable sources, and greenhouse gas emissions will decrease by 20 percent.

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 also improve customers' environmental performance.

Environmental permits
The majority of Lindab production units are not normally covered by specific environmental regulations or permits. Companies report to the regulatory bodies in each country in accordance with local rules.

In Sweden, operating permits are required for the production unit in Grevie. The permit relates to facilities where metalworking is performed mechanically and where the total tank volume for oils in the metalworking machines is greater than 20 cubic metres. Other Swedish operations are either obliged to declare or do not require permits.

Environmental impact
Lindab's manufacture of products from steel has a limited environmental impact. Independent measurements have been made showing that Lindab's activities do not give rise to pollution that may require decontamination of soil or water. The waste products generated during production consist of primarily scrap metal, and is recovered completely. Other waste is recycled up to 90 percent. Anything not used is sorted and dealt with according to existing laws.

Climate impact
Lindab's impact on the environment arises from energy consumption as well as from the consumption of raw materials. Several projects focusing on energy efficiency and reduced volumes of scrap are being conducted within the Group.

Risks, risk management and internal control
See the Corporate Governance Report on pages 47–53 and note 3 on pages 81–85. Appropriate provisions are made where the assessment resulted in risk.

Disputes
Group companies are involved in minor disputes that are directly attributable to the business. Appropriate provisions are made where the assessment resulted in risk.

Events after the reporting period
A property in the Czech Republic that was previously on an operating lease was acquired in January 2014 for SEK 139 m, corresponding to the current market value for the property. The property is used by the Group for the central production of ventilation products. The positive full-year effect on operating profit (EBIT) is estimated at approximately SEK 4 m.

New credit agreements have been agreed with Nordea, SEB and Svensk Exportkredit (SEK) in February 2014. The new long-term credit limits amount to SEK 1,600 m from Nordea and SEB, and SEK 500 m from SEK. The credit limit with SEB/Nordea is valid for 3 years and the credit limit with SEK is valid for 5 years. The agreements replace the previous credit agreement of SEK 2,800 m.

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

Systemair AB (publ) who has been the largest shareholder in Lindab during 2013 with 12 percent ownership has sold their entire holding per 3 March 2014.

Dividend
Dividend policy
The Group's dividend policy is to pay a dividend of 40–50 percent of the previous financial year's net profit. 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.

Proposed appropriation of profits for the financial year 2013
The Annual Report will be presented to the Annual General Meeting on 29 April 2014 with the following proposal for appropriation of profits:

At the disposal of The Annual General Meeting

SEK	
Profit brought forward	595,486,818
Net profit for the year	230,465
Profit carried forward	**595,717,283**

Lindab's Board of Directors proposes that the Annual General Meeting on 29 April resolves not to pay a dividend for 2013. The proposal is due to Lindab's Board of Directors seeing increased opportunities for continued growth through organic growth and acquisitions along with the assertion that the ratio of debt to earnings (EBITDA) shall be improved. No dividend was paid in previous year. The unappropriated retained earnings will be carried forward.

Sales revenue and profit

Sales revenue

Sales revenue amounted to SEK 6,523 m (6,656), which is a decrease of 2 percent compared with the previous year. Adjusted for currency effects and structural changes the decrease was 1 percent. Currency effects have negatively affected sales revenue by 2 percent while structural changes have positively affected sales revenues by 1 percent. Foreign sales revenue amounted to SEK 4,956 m (5,062), a decrease of 2 percent, corresponding to 76 percent (76) of the Group's total sales.

Lindab has its own operations in 32 countries and the geographical breakdown of sales in 2013 was 46 percent in Nordic region, 27 percent in Western Europe, 24 percent in CEE/CIS and 3 percent in other markets, primarily the USA.

The macroeconomic turmoil decreased in Europe in 2013 and some improvement could also be observed in the construction industry towards the end of the year. However the recovery is expected to be gradual from low levels.

Sales for the Ventilation and Building Components business areas decreased in 2013, while sales increased for the Building Systems business area. Geographically, overall sales increased in CEE/CIS, driven by strong growth within Building Systems, while sales declined in the Nordic region and Western Europe.

Seasonal variations

Lindab's operations are affected by seasonal variations in the construction industry, and the greatest proportion of sales is normally seen during the second half of the year. The most substantial seasonal variations are to be found within the Building Components and Building Systems business areas. The Ventilation business area is less dependent on seasons and the weather since the installation of ventilation systems is mainly carried out indoors. There is normally a deliberate stock build-up of mainly finished goods during the first six months, which gradually becomes a stock reduction during the second half of the year as a result of increased activity within the construction market.

Performance by business area

The Group's operations have been reported in three business areas, Ventilation, Building Components and Building Systems. The distribution of sales revenue and operating profit (EBIT) by business area are shown in the table on page 60.

Ventilation business area

The Ventilation business area offers the ventilation industry duct systems and accessories, as well as indoor climate solutions for ventilation, cooling and heating.

Sales revenue amounted to SEK 3,506 m (3,591), a decrease of 2 percent. Adjusted for currency and structure the decrease was 2 percent. The acquisition of Centrum Klima in 2012 had a positive impact on sales in 2013 of 2 percent. Sales in the Nordic region began to recover towards the end of the spring, driven especially by a good growth in Norway. During the second half of the year, the recovery became more apparent in Sweden, the largest market for the business area, but sales for the whole of the Nordic region were still lower for the full-year 2013. The demand in Western Europe was generally slightly weaker than in the Nordic region and it was not until the fourth quarter that sales began to grow.

The operating profit (EBIT), excluding one-off items, decreased by 1 percent to SEK 261 m (263). The operating margin (EBIT) amounted to 7.4 percent (7.3). The lower volume has been primarily offset by increased production efficiency, which has contributed to a higher gross margin. Fixed costs have also been reduced slightly. Costs have been affected by provisions for bad debts.

Building Components business area

The Building Components business area offers the construction sector steel products and systems for roof drainage, roof and wall cladding, as well as steel profiles for wall, roof and beam constructions.

Sales revenue amounted to SEK 1,990 m (2,052), a decrease of 3 percent. Adjusted for currency and structure the decrease was 3 percent, net. The acquisition of Plannja's sandwich panel and decking profile business in 2012 positively affected sales by 1 percent. Sales decreased in the Nordic region and Eastern Europe over the full-year 2013 but demand improved in both regions toward the end of the year. The business area's largest market, Sweden, increased levels of activity in residential construction in particular contributed to positive growth in the second half of the year.

Operating profit (EBIT) amounted to SEK 99 m (135) excluding one-off items, a decrease of 27 percent. The operating margin (EBIT) amounted to 5.0 percent (6.6). The decrease was due to lower volumes and a decreased gross margin, partially offset by lower fixed costs.

Building Systems business area

The Building Systems business area offers complete pre-engineered steel building systems and proprietary IT software that simplifies the project planning and quotation process for designers and contractors. Sales revenue amounted to SEK 1,027 m (1,013), which is an increase of 1 percent compared with the previous year. Adjusted for currency effects the increase was 5 percent. The increase in sales mainly stems from the CEE/CIS while the continued weak industrial activity in Europe had a negative impact on sales in Western Europe. In Russia, the business area's largest market, sales fell slightly in 2013 but this was offset by strong growth in CEE and Belarus.

Sales revenue and growth

	2013	2012	2011
Sales revenue, SEK m	6,523	6,656	6,878
Change, SEK m	–133	–222	351
Change, %	–2	–3	5
Of which			
Volumes and prices, %	–1	–5	9
Acquisitions/divestments, %	1	3	0
Currency effects, %	–2	–1	–4

Sales revenue by region

SEK m	**2013**	**Share, %**	2012	Share, %	2011	Share, %
Nordic region	2,968	46	3,019	45	3,158	46
Western Europe	1,761	27	1,895	29	1,949	28
CEE/CIS	1,590	24	1,542	23	1,553	23
Other markets	204	3	200	3	218	3
Total	**6,523**	**100**	**6,656**	**100**	**6,878**	**100**

Operating profit (EBIT), excluding one-off items, increased to SEK 159 m (100). The operating margin (EBIT) amounted to 15.5 percent (9.9). The improvement is due to higher gross margins and increased volumes. The restructuring of production activities that was implemented in 2012, with production being concentrated in the plants in Luxembourg and Russia, has had a noticeably positive effect on profitability.

Costs have also been affected positively by establishment grants for previous years' incurred project costs.

Gross profit

Gross profit increased by 1 percent to SEK 1,880 m (1,870). The gross margin stood at 29 percent (28) of sales revenue.

Other operating income

Other operating income amounted to SEK 120 m (85) and consists primarily of exchange rate gains on operating receivables/liabilities.

Indirect costs

Sales and administration expenses decreased by 2 percent, to SEK 1,351 m (1,384), equivalent to 21 percent (21) of sales revenue. Research and development expenses amounted to SEK 45 m (44), equivalent to 0.7 percent (0.7) of sales revenue.

Other operating expenses

Other operating expenses amounted to SEK 152 m (193). Other operating expenses include one-off costs of SEK 46 m (117), see one-off costs on page 61. In addition, this also includes exchange rate losses on operating receivables/payables.

Depreciation/amortisation and impairment losses

Total depreciation/amortisation and impairment losses for the year, included in the costs per function (see note 8), amounted to SEK 157 m (156).

Operating profit

The operating profit (EBIT) amounted to SEK 452 m (334), which is an increase of 35 percent compared with the previous year. The operating profit (EBIT), excluding one-off items, amounted to SEK 498 m (460), which is 8 percent higher than the previous year. The improved operating profit (EBIT) is explained by lower fixed costs and higher gross margin, primarily as a result of implemented cost and efficiency activities. The operating margin (EBIT), excluding one-off items, increased for the fourth year in succession and amounted to 7.6 percent (6.9).

The expanded cost-reduction programme that was communicated in February 2013 has been successful and has generated a positive effect. The operating profit (EBIT) has been affected by one-off costs totalling SEK –46 m (–126), see the specification of one-off costs on page 61. These are explained by structural measures relating to the cost-reduction programme and the reorganisation that was completed in the autumn.

Profit before tax

The profit before tax amounted to SEK 329 m (178), an increase of 85 percent. Net financial items amounted to SEK –123 m (–156). The decrease is due to a lower rate of interest in 2013 compared with 2012.

Taxes

The Group's tax expenses for the year amounted to SEK 96 m (56) and the actual tax rate amounted to 29 percent (31) of the pre-tax result. The tax rate in Sweden was 22 percent from the start of 2013. The cost of current tax has increased due to higher profits in Group companies. The cost of deferred tax has been negatively affected by SEK 2 m, resulting from the assets and liabilities for deferred taxes in foreign companies, including Finland, having been converted to new tax rates. This has also been adversely affected by SEK 18 m through deferred tax on net losses in some subsidiaries having not been capitalised. The capitalisation of deferred tax has been made with SEK 10 m in loss carry-forwards attributable to previous years, particularly in the USA. A reversal of SEK 6 m in previously capitalised loss carry-forwards has been made, notably in the UK. The average tax rate was 23 percent (19). For more information, see note 14 on pages 96–97.

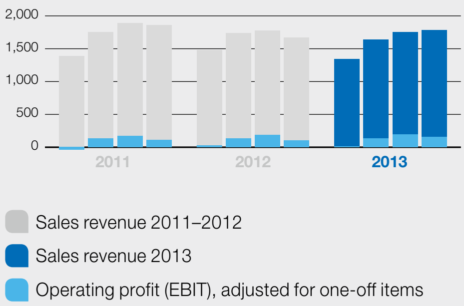
Profit for the year and earnings per share

Profit for the year amounted to SEK 233 m (122). The after-tax earnings per share, both undiluted and diluted, amounted to SEK 3.05 (1.61).

Comprehensive income

Comprehensive income amounted to SEK 283 m (36). Comprehensive income includes Other comprehensive income, comprising translation differences arising when foreign operations are translated to SEK, adjustments to the value of cash flow hedges and hedging of net investments plus actuarial gains and losses regarding defined benefit plans and deferred tax.

Sales revenue and operating profit (EBIT) for the group per quarter, SEK m



Sales revenue, operating profit (EBIT) and operating margin (EBIT) by business area

SEK m	Sales revenue			Operating profit (EBIT)			Operating margin (EBIT), excl. one-off items, %		
	2013	2012	2011	**2013**	2012	2011	**2013**	2012	2011
Ventilation	3,506	3,591	3,612	261	263	221	7.4	7.3	6.1
Building Components	1,990	2,052	2,268	99	135	192	5.0	6.6	8.5
Building Systems	1,027	1,013	998	159	100	38	15.5	9.9	3.8
Other operations	-	-	-	–21	–38	–44	N/A	N/A	N/A
One-off items	-	-	-	–46	–126	–59	N/A	N/A	N/A
Total	**6,523**	**6,656**	**6,878**	**452**	**334**	**348**	**7.6**	**6.9**	**5.9**

Statement of comprehensive income

(Income Statement)

Amounts in SEK m	Note	2013	2012
Sales revenue	7	6,523	6,656
Cost of goods sold	6, 8, 9, 27	–4,643	–4,786
Gross profit		**1,880**	**1,870**
Other operating income	12	120	85
Selling expenses	6, 8, 9, 27	–905	–907
Administrative expenses	6, 8, 9, 10, 27	–446	–477
R & D expenses	6, 8, 9, 11	–45	–44
Other operating expenses	9, 12	–152	–193
Total operating expenses		**–1,428**	**–1,536**
Operating profit (EBIT)		**452**	**334**
Interest income	13	9	12
Interest expenses	13	–127	–162
Other financial income and expenses	13	–5	–6
Financial net		**–123**	**–156**
Profit before tax (EBT)		**329**	**178**
Tax on profit for the year	14	–96	–56
Profit for the year		**233**	**122**
– thereof attributable to parent company shareholders		*233*	*122*
– thereof attributable to non-controlling interest		-	-
Other comprehensive income			
Items that will not be reclassified to the income statement			
Actuarial gains/losses, defined benefit plans		11	–8
Deferred tax attributable to definded benefit plans		–2	2
		9	–6
Items that later can be reclassified to the income statement			
Translation differenses, foreign operations		55	–88
Hedging of net investments		–18	-
Deferred tax attributable to hedging of net investments		4	-
Cash flow hedges		-	11
Deferred tax attributable to cash flow hedges		-	–3
		41	–80
Other comprehensive income, net of tax		**50**	**–86**
Total comprehensive income		**283**	**36**
–thereof attributable to parent company shareholders		*283*	*36*
–thereof attributable to non-controlling interest		-	-
Earnings per share, SEK			
Undiluted	15	3.05	1.61
Diluted	15	3.05	1.61

Specification of one-off items

2013	**Ventilation**	**Building Components**	**Building Systems**	**Other operations**	**Total**
Operating profit (EBIT), excl. one-off items	261	99	159	–21	498
One-off items	–21	–3	–1	–21	–46*
Operating profit (EBIT), incl. one-off items	**240**	**96**	**158**	**–42**	**452**
2012					
Operating profit (EBIT), excl. one-off items	263	135	100	–38	460
One-off items	–48	–22	–23	–33	–126**
Operating profit (EBIT), incl. one-off items	**215**	**113**	**77**	**–71**	**334**

Operating profit (EBIT) has been adjusted for the following one-off items, which are reported as Cost of goods sold, Other operating income and Other operating expenses

2013 SEK –46 m relating to restructuring costs resulting from the cost-reduction programme and reorganisation.*

*2012** SEK –92 m relating to restructuring costs resulting from the cost-reduction programme.*

SEK –7 m for the acquisition of subsidiaries.

SEK –27 m relating to severance costs for the President and CEO.

Cash flow

Cash flow from operating activities

Cash flow from operating activities amounted to SEK 620 m (222). The increase was partly due to a higher cash flow from operating activities before changes in working capital of SEK 428 m (246). The operating profit for the year improved, amounting to SEK 452 m (334). The improvement is due to greater underlying profit and lower one-off costs for the year of SEK –46 m (–126). Interest payments have also decreased compared with the previous year SEK –115 m (–151) due to lower interest rates. Paid taxes of SEK –62 m (–125) have also contributed to the improvement. Tax from previous periods has been refunded during the year while tax payments for the Swedish companies have decreased.

The change to cash flow from operating activities is also explained by the improvement in working capital of SEK 192 m (–24), which is due to the change in operating liabilities of SEK 108 m (–132). Operating liabilities are mainly affected by a change in trade creditors, which is a result of the accrual of payment to suppliers.

Items not affecting cash flow

Items not affecting cash flow include unrealised exchange rate differences, provisions, and depreciation/amortisation. 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.

Cash flow from investing activities

Cash flow from investing activities amounted to SEK –111 m (–441). Investments in fixed assets amounted to SEK –93 m (–162), while disposals amounted to SEK 3 m (8). The lower amount was due to the rate of investment being deliberately lower, and that last year was affected by efficiency investments in the Czech Republic and expansion investment in Russia. Cash flow from investing activities amounted to SEK –90 m (–154) net, excluding acquisitions and divestments of subsidiaries.

Business combinations

No acquisitions were made during 2013.

On 19 March 2012, Plannja's sandwich panel and decking profile business was acquired through an acquisition of assets. In 2012, Lindab acquired 100 percent of Centrum Klima S.A. in three stages starting on 30 April. The company is a leading Polish manufacturer and distributor of ventilation and indoor climate systems.

Cash flow from business combinations amounted to SEK –21 m (–287) net. The cash flow relates to regulated payments for the acquisition of Centrum Klima S.A.

For a more detailed explanation, see note 5, Business Combinations, on pages 88–89.

Financing activities

Financing activities resulted in a net cash flow of SEK –482 m (291). The change for the year, which led to reduced net debt, is explained by the positive cash flow from operating activities as well as the increased borrowing that occurred last year in connection with acquisitions. Last year there was also a sale of treasury shares totalling SEK 52 m and a dividend payment of SEK –76 m.

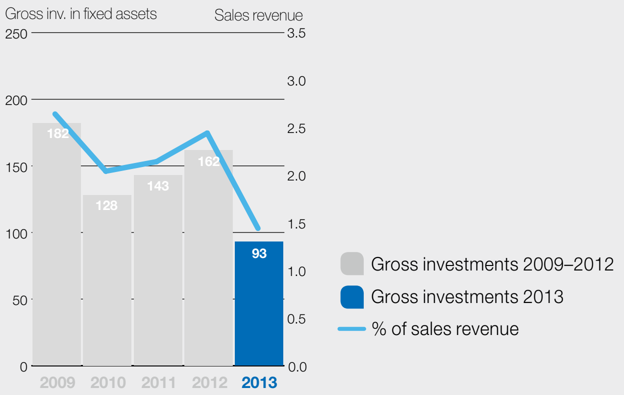
Statement of cash flows

(Indirect method)

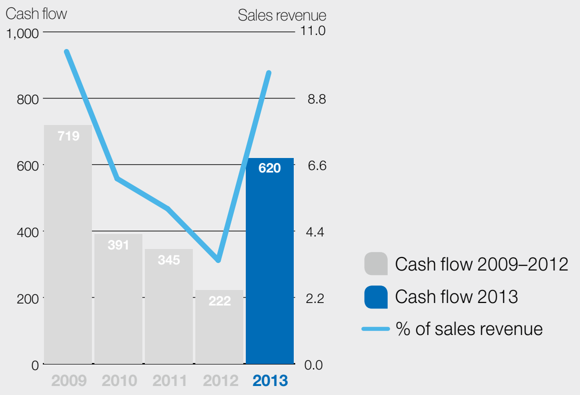
Amounts in SEK m	Note	2013	2012
Operating activities			
Operating profit		452	334
Reversal of depreciation/amortisation and impairment loss	8	157	156
Reversal of capital gains (–)/losses (+) reported in operating profit		2	0
Provisions, not affecting cash flow		–10	24
Adjustment for other items not affecting cash flow		–6	1
Total		**595**	**515**
Interest received		10	7
Interest paid		–115	–151
Tax paid		–62	–125
Cash flow from operating activities before change in working capital		**428**	**246**
Change in working capital*			
Stock (increase – /decrease +)		8	44
Operating receivables (increase – /decrease +)		76	64
Operating liabilities (increase + /decrease –)		108	–132
Total change in working capital		*192*	*–24*
Cash flow from operating activities		**620**	**222**
Investing activities			
Acquisition of Group companies, net of cash	5	–21	–287
Investments in intangible fixed assets	16	–17	–21
Investments in tangible fixed assets	17	–76	–141
Sale/disposal of tangible fixed assets	17	3	8
Cash flow from investing activities		**–111**	**–441**
Financing activities			
Proceeds from borrowings		-	315
Repayment of borrowings		–482	-
Sale of treasury shares		-	52
Dividend to shareholders		-	–76
Cash flow from financing activities		**–482**	**291**
Cash flow for the year		**27**	**72**
Cash and cash equivalents at the beginning of the year		301	235
Effect of exchange rate changes on cash and cash equivalents		3	–6
Cash and cash equivalents at the end of the year		**331**	**301**

*) *Working capital, see definition on page 111.*

Gross investments in fixed assets, excl. acquisitions and divestments, SEK m, and in relation to sales revenue, %



Cash flow from operating activities, SEK m, and in relation to sales revenue, %



Financial position

Fixed assets and investments

Information about changes in the structure of fixed assets can be found in the notes to the cash-flow analysis on page 62.

Stock and accounts receivable

Stock is on a par with the previous year, while accounts receivable decreased by 2 percent. At the year-end, stock and accounts receivable in relation to sales revenue amounted to 15 percent (15) and 14 percent (14) respectively.

Cash and cash equivalents

At the year end, consolidated cash and cash equivalents totalled SEK 331 m (301). Unappropriated cash and cash equivalents including unused credit facilities amounted to SEK 1,525 m (1,095), based on an underlying credit limit of SEK 2,800 m (2,900).

Capital employed

Consolidated capital employed, including goodwill and consolidated surplus value, amounted to SEK 4,952 m (5,134), which is a decrease of 4 percent. Return on capital employed, including goodwill and consolidated surplus value, amounted to 9.1 percent (6.8). The increase is due mainly to a higher adjusted profit while average capital employed is on a par with the previous year.

Equity

At the year end, the consolidated equity totalled SEK 2,967 m (2 683). No dividend was paid during the year. Equity per share amounted to SEK 38.87 (35.15). Return on equity, or profit for the year in relation to equity, has increased to 8.5 percent (4.6).

Operating capital

The operating capital totalled SEK 4,579 m (4,789). The return on operating capital amounted to 9.6 percent (7.1). Adjusted for one-off items, the return was 10.5 percent (9.8).

Net liabilities

At 31 December 2013, net debt amounted to SEK 1,612 m (2,106). The decrease is mainly due to the positive cash flow from operating activities. The net debt includes the adjustments of SEK 25 m (36) made in accordance with IAS 19R Employee Benefits. Currency effects have had a marginal impact. The net debt comprises long-term and short-term interest-bearing liabilities, including interest-bearing provisions less interest bearing assets, cash holdings and bank balances. Interest bearing liabilities amounted to SEK 1,985 m (2,450), of which SEK 169 m (178) were provisions for pensions. Interest-bearing assets including cash and bank balances amounted to SEK 374 m (345).

The net debt/equity ratio is included in the Group's financial targets. The target is for this to lie within an interval of 0.8–1.2 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 0.5 times (0.8).

Interest coverage ratio

The interest coverage ratio, which expresses the Group's ability to pay interest, was 3.5 times (2.1).

Equity/assets ratio

The Group's equity/assets ratio, i.e. shareholders' equity in relation to total assets, amounted to 46 percent (41).

Credit agreement

The credit agreement at 31 December 2013 with Nordea and Handelsbanken expires in February 2015. The total credit limit at 31 December 2013 amounted to SEK 2,800 m (2,900) in accordance with the current credit limit.

New credit agreements have been agreed with Nordea, SEB and Svensk Exportkredit (SEK) in February 2014. The new long-term credit limits amount to SEK 1,600 m from Nordea and SEB, and SEK 500 m from SEK. The credit limit with Nordea/SEB is valid for 3 years and the credit limit with SEK is valid for 5 years. The agreements replace the previous credit agreement of SEK 2,800 m.

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

Pledged assets and contingent liabilities

Pledged assets total SEK 363 m (400). Contingent liabilities total SEK 15 m (14).

Statement of financial position

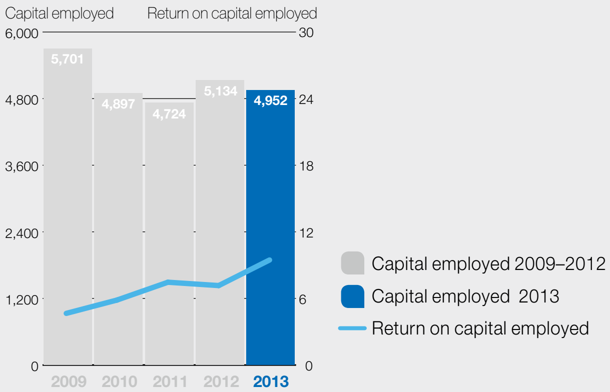
(Balance sheet)

Amounts in SEK m	Note	31 Dec 2013	31 Dec 2012 Adjusted*	1 Jan 2012 Adjusted*
Assets				
Fixed assets				
Intangible fixed assets				
Capitalised expenditure for development work	16	0	0	0
Patents and similar rights	16	0	0	0
Goodwill	16	2,734	2,682	2,591
Other intangible fixed assets	16	60	65	66
Total intangible fixed assets		*2,794*	*2,747*	*2,657*
Tangible fixed assets				
Buildings and land	17, 27	617	593	546
Machinery and equipment	17	478	511	456
Construction in progress and advance payments on tangible fixed assets	17	49	104	82
Total tangible fixed assets		*1,144*	*1,208*	*1,084*
Financial fixed assets				
Financial investment	23	42	39	36
Deferred tax assets	14	147	159	320
Other investments held as fixed assets	18	3	4	3
Other long-term receivables	19	2	2	4
Total financial fixed assets		*194*	*204*	*363*
Total fixed assets		**4,132**	**4,159**	**4,104**
Current assets				
Stock	20	958	966	962
Accounts receivable	21	942	962	1,023
Other receivables	21	47	80	71
Current tax assets		27	67	16
Prepaid expenses and accrued income	21	79	83	67
Prepaid expenses and accrued income, interest-bearing	21	1	5	8
Cash and cash equivalents		331	301	235
Total current assets		**2,385**	**2,464**	**2,382**
TOTAL ASSETS		**6,517**	**6,623**	**6,486**

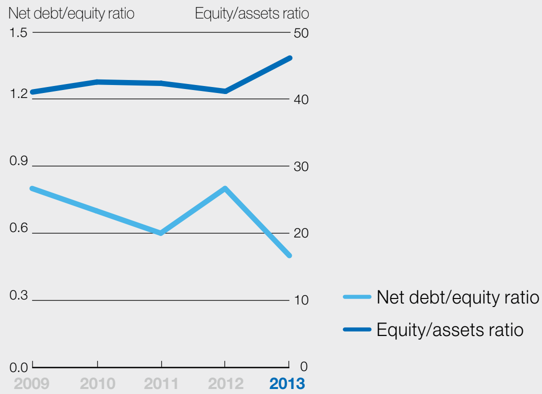
Restated due to standard amendments, IAS 19R, Employee benefits.

Amounts in SEK m	Note	31 Dec 2013	31 Dec 2012	1 Jan 2012
EQUITY AND LIABILITIES				
Shareholders' equity				
Equity attributable to parent company shareholders				
Share capital	22	79	79	79
Other contributed capital		2,228	2,227	2,234
Reserves		–55	–96	–16
Profit brought forward, including profit for the year		715	473	381
Total shareholders' equity		**2,967**	**2,683**	**2,678**
Long-term liabilities				
Interest-bearing liabilities				
Liabilities to credit institutions	25	1,645	2,045	1,772
Provisions for pensions and similar obligations	23	169	178	163
Total interest-bearing liabilities		*1,814*	*2,223*	*1,935*
Non-interest-bearing liabilities				
Deferred tax liabilities	14	132	140	302
Other provisions	24	44	30	36
Other liabilities		10	12	13
Total non-interest-bearing liabilities		*186*	*182*	*351*
Total long-term liabilities		**2,000**	**2,416**	**2,286**
Current liabilities				
Interest-bearing liabilities				
Liabilities to credit institutions	25	6	22	62
Bank overdraft facilities	25	160	193	42
Accrued expenses and deferred income	26	5	12	14
Total interest-bearing liabilities		*171*	*227*	*118*
Non-interest-bearing liabilities				
Advance payments from customers		132	137	134
Accounts payable		681	569	708
Current tax liabilities		11	22	44
Other provisions	24	62	73	49
Other liabilities		92	103	116
Accrued expenses and deferred income	26	401	404	353
Total non-interest-bearing liabilities		*1,379*	*1,308*	*1,404*
Total current liabilities		**1,550**	**1,524**	**1,522**
TOTAL EQUITY AND LIABILITIES		**6,517**	**6,623**	**6,486**
Pledged assets	28	363	400	344
Contingent liabilities	28	15	14	24

Capital employed, SEK m and return on capital employed, %



Net debt/equity ratio and equity/assets ratio, times and %



Changes in equity

Share capital

At 31 December 2013, 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.

Lindab holds 2,375,838 treasury shares (3,375,838), equivalent to 3.0 percent (3.0) of the total number of Lindab shares. The number of outstanding shares is 76,331,982 (76,331,982).

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, 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.

At 31 December 2013, the company had a market capitalisation of SEK 4,839 m (3,384) and 7,036 shareholders (6,328). The largest shareholder in relation to outstanding shares is Systemair AB, which owns 12.0 percent (12.0). This is followed by Creades AB with 10.3 percent (12.2), Livförsäkringsaktiebolaget Skandia with 8.6 percent (8.8), Lannebo Fonder with 7.8 percent (9.0), and Swedbank Robur Fonder with 5.3 percent (8.5). These five largest shareholders together hold 44.0 percent (50.5) of the share capital and votes.

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 state that the Board members are elected at the Annual General Meeting. The appointment and dismissal of Board members are otherwise governed by 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.

Incentive programme

The Annual General Meetings in 2011 and 2012 decided, in accordance with the Board's proposal, to introduce a long-term incentive programme in the form of performance-based share savings programmes. For a more detailed description, see note 6.

Participation in the programme requires participants to make an initial investment in Lindab shares. Participation entitles the holder to receive new shares, provided that certain conditions are met. Performance is measured in the financial years for 2013 and 2014 and compared to the outcome for financial years for 2010 and 2011 respectively. Settlement for the first incentive programme will take place during the second quarter of 2014. An assessment has been made regarding the conditions' fulfilment and a cost for the reward programmes and a corresponding entry is recognised in equity.

Futures contracts were entered into with a third party in 2011 and 2012 in order to ensure the holding of the necessary shares. The shares acquired shall correspond with the maximum number that may be transferred to participants in accordance with the share-related reward programme. This obligation is recognised as a financial liability and a reduction in Other Contributed Capital in equity.

Dividend to shareholders for the financial year 2012

The Annual General Meeting on 15 May 2013 resolved that there would be no dividend paid to shareholders. The retained earnings will be carried forward.

Asset management

Lindab's managed capital comprises the sum of equity and the Group's net debt, totalling SEK 4,579 m (4,780).

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 financial targets, as detailed below:

- The operating margin target is to achieve an annualised rate of 10 percent for the full year 2014.
- The annual organic growth will exceed relevant construction market growth by 2 to 4 percentage points.
- The capital borrowed by the company will correspond to 0.8 – 1.2 times the Group's recorded equity. The capital will be used to maintain a high degree of flexibility and to finance acquisitions. Any surplus capital will be transferred to Lindab's shareholders. Falling within this interval creates room for manoeuvre.

Examples of active measures include the proposal by Lindab's Board of Directors not to pay a dividend for 2013. See also notes 25 and 28.

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 Finance 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.

Nature and purpose of reserves within equity

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow instruments attributable to hedging transactions that have not yet occurred.

The foreign currency translation reserve comprises all exchange rate differences that arise when translating financial statements from foreign operations that prepare their financial statements in a currency other than the currency of the consolidated financial statements. The translation reserve also includes the cumulative net change in the hedging of net investments in foreign operations. Lindab uses loans as hedging instruments.

For detailed information relating to the change in share capital, see note 22 on page 102.

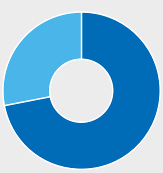
Statement of changes in equity

	Equity attributable to parent company shareholders							
Amounts in SEK m	Share capital	Other contributed capital	Hedging reserve	Foreign currency transl. adj.	Profit brought forward incl. profit for the year	Total	Non-controlling interest	Total equity
Opening balance, 1 January 2012	**79**	**2,234**	**–8**	**–8**	**402**	**2,699**	**-**	**2,699**
Change in accounting principle [1]	-	-	-	-	–21	–21	-	–21
Opening balance, 1 January 2012 (restated)	**79**	**2,234**	**–8**	**–8**	**381**	**2,678**	**-**	**2,678**
Profit for the year					122	122	-	122
Other comprehensive income, net of tax							-	
Actuarial gains/losses, defined benefit plans					–6	–6	-	–6
Translation differences, foreign operations				–88		–88	-	–88
Cash flow hedges			8			8	-	8
Total comprehensive income	-	-	*8*	*–88*	*116*	*36*	-	*36*
Sale of treasury shares					52	52	-	52
Incentive programme [2]		2				2	-	2
Futures contracts to acquire treasury shares, Incentive programme [2]		–9				–9	-	–9
Dividend to shareholders					–76	–76	-	–76
Transactions with shareholders	-	*–7*	-	-	*–24*	*–31*	-	*–31*
Acquisition of non-controlling interest						-	126	126
Acquisition from non-controlling interest						-	–126	–126
Closing balance, 31 December 2012	**79**	**2,227**	**-**	**–96**	**473**	**2,683**	**-**	**2,683**
Profit for the year					233	233	-	233
Other comprehensive income, net of tax								
Actuarial gains/losses, defined benefit plans					9	9	-	9
Translation differences, foreign operations				55		55	-	55
Hedging of net investments				–14		–14	-	–14
Total comprehensive income	-	-	-	*41*	*242*	*283*	-	*283*
Incentive programme [2]		1				1	-	1
Transactions with shareholders	-	*1*	-	-	-	*1*	-	*1*
Closing balance, 31 December 2013	**79**	**2,228**	**-**	**–55**	**715**	**2,967**	**-**	**2,967**

1) Consists of the change in accordance with IAS 19R.

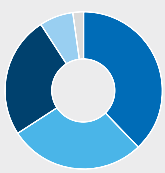
2) The 2011 and 2012 Annual General Meetings decided to introduce a long-term incentive programme for each year. To insure that Lindab holds shares for the maximum allocation, future contracts have been signed with third parties to acquire treasury shares, meaning that no dilution occurs. Provisions for the incentive programmes initiated in 2011 and 2012 continued during 2013.

Geographical distribution of ownership, %



- Sweden, 72 (79)
- Rest of the world, 28 (21)

Shareholder categories, %



- Financial companies, 38 (42)
- Other legal entities, 25 (29)
- Foreign shareholders, 28 (21)
- Private individuals, 7 (6)
- Pension funds, 2 (2)
- Associations, 0 (0)

The parent company

The parent company is a holding company that holds shares in Lindab AB, where the head office functions are carried out. Lindab AB, which is the original parent company of the Lindab Group, also directly owns the majority of subsidiaries.

The parent company's sales revenue for the financial year amounted to SEK 3 m (8).

Profit for the year amounted to SEK 0 m (0). Group contributions received from subsidiaries amounted to SEK 94 m (95). No dividends from subsidiaries were received in 2013 or 2012.

Notes to changes in parent company equity

Dividend to shareholders for the financial year 2012

The Annual General Meeting held on 15 May 2013 resolved that no dividend would be paid to shareholders. The retained earnings of SEK 595,486,818 were carried forward. In 2012, a dividend of SEK 76 m was paid for the financial year 2011.

Outstanding shares

At 31 December 2013, 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.

The number of outstanding shares is 76,331,982 (76,331,982).

For further information see note 22, Share capital.

Risks, risk management and internal control

See the Corporate Governance Report on pages 47–53 and note 3 on pages 81–85.

Income statement

Amounts in SEK m	Note	**2013**	2012
Sales revenue*		3	8
Administrative expenses	9, 10	–4	–5
Other operating income	12	0	0
Other operating expenses	6, 9, 10, 12	0	0
Operating profit		**–1**	**3**
Profit from subsidiaries	13	94	95
Interest expense, internal	13	–93	–98
Profit after financial items		**0**	**0**
Tax on profit for the year	14	0	0
Profit for the year**		**0**	**0**

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

***) Comprehensive income corresponds to profit for the year.*

Cash flow analysis

Amounts in SEK m	**2013**	2012
Operating profit	–1	3
Provisions, not affecting cash flow	1	–3
Interest received	0	0
Interest paid	–93	–98
Tax paid	1	–2
Cash flow from operating activities before change in working capital	**–92**	**–100**
Change in working capital		
Other liabilities	0	0
Cash flow from operating activities	**–92**	**–100**
Financing activities		
Loans from Group companies	93	118
Dividend paid	0	–76
Sale of treasury shares	0	52
Cash flow from financing activities	**93**	**94**
Cash flow for the year	**1**	**–6**
Cash and cash equivalents at the beginning of the year	1	7
Cash and cash equivalents at the end of the year	**2**	**1**

Balance sheet

Amounts in SEK m	Note	31 Dec 2013	31 Dec 2012
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in Group companies	30	3,467	3,467
Financial fixed assets, interest-bearing		7	7
Deferred tax assets		2	2
Total fixed assets		**3,476**	**3,476**
Current assets			
Current tax assets		1	2
Cash and cash equivalents		2	1
Total current assets		**3**	**3**
TOTAL ASSETS		**3,479**	**3,479**
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	22	79	79
Statutory reserve		708	708
Non-restricted equity			
Share premium reserve		90	90
Profit brought forward		506	506
Profit for the year*		0	0
Total shareholders' equity		**1,383**	**1,383**
Provisions			
Provisions, interest-bearing		8	7
Total provisions		**8**	**7**
Long-term liabilities			
Liabilities to Group companies, interest-bearing		2,086	2,087
Total long-term liabilities		**2,086**	**2,087**
Current liabilities			
Non-interest-bearing liabilities			
Accounts payable		0	0
Accrued expenses and deferred income	26	2	2
Total non-interest-bearing liabilities		*2*	*2*
Total current liabilities		**2**	**2**
TOTAL EQUITY AND LIABILITIES		**3,479**	**3,479**
Pledged assets	28	-	-
Contingent liabilities	28	-	-

*) Comprehensive income corresponds to profit for the year.

Changes in parent company equity

	Equity attributable to parent company shareholders					
	Restricted equity		Non-restricted equity			
Amounts in SEK m	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Profit for the year*	Total equity
Opening balance, 1 January 2012	**79**	**708**	**90**	**530**	**0**	**1,407**
Profit for the year					0	0
Transactions with shareholders						
Dividend to shareholders				–76		–76
Sale of treasury shares				52		52
Closing balance, 31 December 2012	**79**	**708**	**90**	**506**	**0**	**1,383**
Profit for the year					0	0
Closing balance, 31 December 2013	**79**	**708**	**90**	**506**	**0**	**1,383**

*) Comprehensive income corresponds to profit for the year.

The Group: Ten years in summary

Amounts in SEK m unless otherwise indicated.

Sales revenue and profit	**2013**	2012	2011*	2010*	2009*	2008*	2007*	2006*	2005*	2004*
Sales revenue	6,523	6,656	6,878	6,527	7,019	9,840	9,280	7,609	6,214	5,477
Growth, %	–2	–3	5	–7	–29	6	22	22	13	3
of which volumes and prices	–1	–5	9	–1	–33	2	14	10	6	7
of which acquisitions/divestments	1	3	0	0	1	3	8	13	5	–3
of which currency effects	–2	–1	–4	–6	3	1	0	1	2	–1
Net sales abroad, %	76	76	76	77	81	82	82	80	77	75
Operating profit (EBITDA)	609	490	511	565	479	1,388	1,512	1,103	751	569
Depreciation/amortisation	157	156	163	280	225	225	203	209	194	185
Operating profit (EBITA)	452	334	348	401	265	1,172	1,318	903	560	384
Operating profit (EBIT)	452	334	348	284	254	1,163	1,309	894	557	384
One-off items[1]	–46	–126	–59	–63	–47	–116	-	–39	7	-
Operating profit (EBIT), excluding one-off items	498	460	407	347	301	1,279	1,309	933	550	384
Earnings before tax (EBT)	329	178	186	112	119	990	1,175	797	484	297
Profit for the year	233	122	91	27	34	723	901	585	351	203
Comprehensive income	283	36	36	–298	–142	1,124	1,035	439	485	220
Cash flow										
Cash flow from operating activities	620	222	345	391	719	673	875	778	730	426
Cash flow from investing activities	–111	–441	–143	241	–188	–418	–225	–424	–667	–159
Cash flow from financing activities	–482	291	–202	–616	–541	–396	–487	–395	58	–370
Cash flow for the year	27	72	0	16	–10	–141	163	–40	121	–103
Operating cash flow	546	319	361	418	731	931	985	821	659	-
Capital employed and financing										
Balance sheet total	6,517	6,623	6,479	6,570	7,442	8,625	7,700	7,077	6,525	5,510
Capital employed	4,952	5,134	4,724	4,897	5,701	6,419	5,594	4,998	4,949	4,377
Operating capital	4,579	4,789	4,446	4,611	5,425	6,120	5,207	4,792	4,699	4,227
Net debt	1,612	2,106	1,747	1,856	2,422	2,774	2,238	2,602	1,846	1,858
Shareholders' equity	2,967	2,683	2,699	2,755	3,003	3,346	2,969	2,190	2,853	2,369
Data per share, SEK										
Undiluted average number of shares, '000s[2]	76,332	75,998	75,332	75,203	74,772	77,548	78,708	90,702	120,000	120,000
Diluted average number of shares, '000s[2]	76,332	75,998	75,332	75,203	74,772	77,548	78,708	93,062	122,940	122,736
Undiluted no. of shares at year end, '000s	76,332	76,332	75,332	75,332	74,772	74,772	78,708	78,708	120,000	120,000
Diluted no. of shares at year end, '000s	76,332	76,332	75,332	75,332	74,772	74,772	78,708	78,708	122,940	122,736
Undiluted earnings per share	3.05	1.61	1.21	0.36	0.45	9.32	11.45	6.45	2.93	1.69
Diluted earnings per share (EPS)	3.05	1.61	1.21	0.36	0.45	9.32	11.45	6.29	2.86	1.65
Earnings per share, current number of outstanding shares	3.05	1.61	1.21	0.36	0.45	9.67	11.45	7.43	2.93	1.69
Undiluted equity per share	38.87	35.15	35.83	36.57	40.16	44.75	37.72	27.82	23.77	19.74
Diluted equity per share	38.87	35.15	35.83	36.57	40.16	44.75	37.72	27.82	23.21	19.30
Cash flow from operating activities per share	8.12	2.92	4.58	5.20	9.62	8.68	11.12	9.89	5.94	3.47
Dividend per share										
(for 2013 according to Board's proposal)	-	-	1.00	1.00	-	2.75	5.25	3.25	-	-
P/E ratio	20.8	26.7	30.9	245.1	163.3	5.2	12.9	20.7	N/A	N/A
Quoted price at year end, LIAB	63.40	43.00	37.40	88.25	73.50	48.50	147.25	130.25	N/A	N/A
Market capitalisation at year end	4,839	3,384	2,817	6,648	5,496	3,626	11,590	10,252	N/A	N/A
Investments										
Fixed assets (gross)	93	162	143	128	182	301	195	146	218	199

Key figures	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operating margin (EBITDA), %	9.3	7.4	7.4	8.7	6.8	14.1	16.3	14.5	12.1	10.4
Operating margin (EBITA), %	6.9	5.0	5.1	6.1	3.8	11.9	14.2	11.9	9.0	7.0
Operating margin (EBIT), %	6.9	5.0	5.1	4.4	3.6	11.8	14.1	11.7	9.0	7.0
Operating margin (EBIT), excluding one-off items, %	7.6	6.9	5.9	5.3	4.3	13.0	14.1	12.3	8.9	7.0
Profit margin (EBT), %	5.0	2.7	2.7	1.7	1.7	10.1	12.7	10.5	7.8	5.4
Return on capital employed, %	9.1	6.8	7.1	5.5	4.3	20.0	24.5	18.2	11.9	10.7
Return on operating capital, %	9.6	7.1	7.4	5.6	4.3	20.7	25.4	19.1	12.2	9.4
Return on operating capital, excluding one-off items, %	10.5	9.8	8.7	6.9	5.1	22.8	25.4	19.9	11.8	9.4
Return on equity, %	8.5	4.6	3.3	0.9	1.1	23.4	35.9	25.1	13.7	9.0
Return on total assets, %	6.9	5.0	5.2	4.1	3.3	14.3	17.4	13.3	9.4	8.5
Equity/assets ratio, %	45.5	40.5	41.7	41.9	40.4	38.8	38.6	30.9	43.7	43.3
Net debt/equity ratio, times	0.5	0.8	0.6	0.7	0.8	0.8	0.8	1.2	0.7	0.8
Interest coverage ratio, times	3.5	2.1	2.1	1.6	1.8	6.1	8.6	8.4	6.9	4.1

Employees										
Average no. of employees	4,368	4,509	4,484	4,454	4,586	5,389	5,013	4,689	4,135	4,138
of which abroad	3,350	3,469	3,474	3,460	3,638	4,211	3,907	3,611	3,011	2,936
Number of emplyees at close of period	4,371	4,363	4,347	4,381	4,435	5,291	5,256	4,942	4,479	4,011
Payroll expenses including social security contributions and pension expenses	1,659	1,706	1,735	1,724	1,874	2,098	1,938	1,706	1,480	1,385
Sales per emplyee, SEK ('000s)	1,493	1,476	1,534	1,465	1,531	1,826	1,851	1,623	1,503	1,324

** Not restated due to standard amendments, IAS 19R.*

1) One-off items for

- *2013, totalling SEK –46 m, relating to restructuring cost resulting from the cost-reduction programme and reorganisation.*
- *2012, totalling SEK –126 m, consisting of SEK –92 m relating to the cost-reduction programme, SEK –7 m for the acquistion of subsidiaries, and SEK –27 m relating to severance cost for the President and CEO.*
- *2011, totalling SEK –59 m, consisting of SEK –17 m for the transfer of Ventilation's production in St. Petersburg, Russia, to Tallin, Estonia, and the change of business area manager, SEK –22 m for the cost-reduction programme, and SEK –20 m regarding the change in management for the Building Systems business area and for the impairment of assets in production units in the CEE.*
- *2010, totalling SEK –63 m, consisting of SEK –110 m relating to impairment of goodwill in the Ventilation business area's operations in the USA, SEK 73 m regarding capital gain on the sales of property in Luxembourg, SEK –7 m in costs relating to closure of the Ventilation unit in Texas in the USA, and SEK –19 m in restructuring expenses.*
- *2009, totalling SEK –47 m, consisting of SEK –45 m in costs relating to cost-reduction programme, a SEK 10 m income from sale of Folke Perforering's operations, plus SEK –12 m in cost 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 impairment loss in stock, a SEK 14 m capital gain on the sale of property as well as SEK 18 m capital gain from divestment of company holdings and SEK –13 m in cost to replace 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 considerable size, and could therefore have an effect on the profit or loss and key ratios.

2) The average number of shares has been adjusted for 2006 with respect to the 8:1 and 15:1 splits.

Financial definitions, see page 111.

Notes

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 6 March 2014. 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 29 April 2014.

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.

Basis for the preparation of accounts

Lindab compiles its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Recommendation 1, Supplementary Accounting Rules for Groups, from the Swedish Financial Reporting Board.

Lindab applies the cost method when evaluating assets and liabilities except for certain financial instruments, which are evaluated at fair value.

Changes to published standards

IFRS 7, Financial Instruments: Disclosures, came into effect for the financial year commencing 1 January 2013. This has not had any impact on the Group.

IFRS 13 Fair value measurement

IFRS 13 Fair value measurement also came into effect on the same date. IFRS 13 does not describe when a fair value is to be used but rather how it should be determined when these should or may be used in accordance with each IFRS standard. In accordance with IFRS 13, new disclosures must be made regarding fair value, which valuation models are being applied, what information (data) is being used in these models, and the effect of the valuation in the result. IFRS 13 has not had any effect on how the Group calculates fair value, but further disclosures regarding the fair value of financial instruments have been submitted.

In preparing the consolidated financial statements per 31 December 2013, Lindab for the first time applied certain standards and amendments that came into effect on 1 January 2013, which require restatement. They are IAS 1 Presentation of Financial Statements and IAS 19 Employee Benefits. A number of other amendments have also come into effect in 2013 but they have not had any impact on the Group. Each standard and its impact on the Group are described below.

IAS 1 Presentation of Financial Statements

The amendment means that the grouping of transactions reported in other comprehensive income is changed. Items to be reclassified to profit or loss shall be reported separately from any items that shall not be reclassified to profit or loss. The only effect of this change is to the layout of other comprehensive income and there is no impact on the Group's results and financial position.

IAS 19R Employee Benefits

Lindab has applied IAS 19R retrospectively for 2013. The opening balance for the earliest comparative period presented (1 January 2012) and the comparative figures have been restated accordingly. The amendments to IAS 19R include significant changes in the accounting for defined benefit plans. Previously, Lindab has opted to fully recognise actuarial gains and losses as part of the "corridor". Actuarial gains and losses are now continuously recognised in other comprehensive income. In the income statement, items are reported that are attributable to earnings of defined benefit plans, gains and losses arising due to the settlement of a pension liability and net financial items for the defined benefit plan.

The transition to the new principles have resulted in the following:

01/01/2012
Increase in net pension obligations: SEK 28 m
Increase in deferred tax assets: SEK 7 m
Decrease in retained earnings, equity: SEK 21 m
The change only had a negligible impact on the income statement.

31/12/2012
Increase in net pension obligations: SEK 8 m
Increase in deferred tax assets: SEK 2 m
Decrease in retained earnings, equity: SEK 6 m
The change only had a negligible impact on the income statement.

No cash flow effects occurred. IAS 19R also means additional disclosures. These are shown in note 23.

New accounting standards not yet applied

In preparing the consolidated financial statements at 31 December 2013, a number of new and revised standards have been published that will come into effect in the coming years. The standards coming into effect in 2014 or later have not been adopted early. The new or amended IFRS standards are given below.

IFRS 9, Financial Instruments. A complete revision of the existing standard IAS 39 is being developed. The first part of the revision has been published and this relates to the recognition and measurement of financial assets and financial liabilities. The revision involves a reduction in the number of valuation categories for financial assets and means that the main categories of accounting for financial assets and liabilities are carried at cost (amortised cost) and fair value through profit or loss. For some investments in equity instruments, it is possible to record fair value in the statement of financial position, with changes in value recognised directly in other comprehensive income, where no transfer is made to profit or loss for the period on divestment. In addition, new rules have been introduced concerning how changes in individual credit spreads should be presented when liabilities are recognised at fair value. The recommendation is not yet approved by the EU and there is currently no timetable for approval. The standard will be complemented by rules regarding impairment and hedge accounting. The Group has not yet evaluated the effects of the new standard while awaiting completion of the entire revised standard.

The additional standards and interpretations not yet in force are as follows:

- IFRS 10 Consolidated Financial Statements and the amended IAS 27 Separate Financial Statements,
- IFRS 11 Joint Arrangements and the amended IAS 28 Investments in Associates and Joint Ventures,
- IFRS 12 Disclosure of Interests in Other Entities,
- IAS 32 Financial Instruments: Classification – amendment,
- IAS 36 Impairment of Assets – amendment,
- IAS 39 Financial Instruments: Recognition and measurement – amendment,
- IFRIC 21 Levies.

Under present circumstances, we do not expect any impact on the consolidated financial statements.

Consolidated financial statements

The consolidated financial statements are prepared in accordance with IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements. They 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 associated companies. The consolidated financial statements have been prepared according to the acquisition method.

The preparation of financial statements in accordance with IFRS requires accounting estimates and assumptions that affect the amounts reported in the accounting principles 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 eliminated completely. The same applies for associated companies, to the extent that corresponds to the Group's participation. See note 29, Transactions with related parties.

The acquisition method

The acquisition method 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. 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.

When 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 tested for impairment, 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.

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 30, Group companies and associates.

Non-controlling interests

Transactions with non-controlling interests are reported as transactions with shareholders. For acquisitions, Lindab may choose to evaluate these holdings to either the proportionate share of the acquired company's net assets or their fair value, which affects the reported goodwill associated with the acquisition.

For acquisitions completed in stages, goodwill is determined on the date on which controlling interest is achieved. For the purchase of non-controlling interests, this is reported in equity as the difference between any purchase price paid and the relevant acquired share of the subsidiary's net assets.

Associated companies

Associated companies are companies in which the Group controls 20–50 percent of the voting rights or otherwise has a significant influence. Investments in associated companies are reported in the consolidated statements of comprehensive income and financial position in accordance with the equity method.

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 currencies and translated into the Group's reporting currency according to the current method. 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.

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 reported by business area. The operating segments are reported in a manner consistent with the internal reporting provided to the chief executive decision maker. The Group's segments are its three business areas, Ventilation, Building Components and Building Systems.

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 to the same principles as for the Group overall. 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 functions and Group Treasury. Segment reporting is presented in note 7, Segment reporting.

Revenue recognition

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 the Building Systems business area, 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 any sales that occur in addition to ordinary activities, such as gains on fixed assets sold and exchange rate gains relating to operations.

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

The 2011 and 2012 Annual General Meetings decided to introduce, for each year, a long-term incentive programme in the form of a performance-based share savings programme. Participation in the programme requires participants to make an initial investment in Lindab shares. Participation entitles the holder to receive new shares, provided that certain conditions are met. Performance is measured in the financial years for 2013 and 2014 and compared to the financial years for 2010 and 2011 respectively.

Shares allocated to employees as part of the total reward package are valued on the basis of the fair value of the allocated equity instruments in accordance with IFRS 2, paragraph 11. If the conditions are met, a cost for the reward programme is reported and a similar entry is reported in equity in accordance with IFRS 2, paragraph 7.

The expected cost of the reward programmes is continuously re-evaluated.

Financial income and expenses

Finance income comprises interest income on funds invested and dividends plus gains on financial instruments that are measured through profit or loss. This item also includes gains on hedges of net investments and cash flow hedges in the form of interest rate swaps, which are considered as the ineffective portion of the hedge and profit when the hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting. The transaction is recognised immediately in the income statement in net financial items.

Financial expenses comprise interest expenses on borrowings, effects of dissolution of discounted provisions as well as losses on financial instruments measured at fair value through profit. This item also includes gains on hedges of net investments and cash flow hedges in the form of interest rate swaps, which are considered as the ineffective portion of the hedge and profit when the hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting. The transaction is recognised immediately in the income statement in net financial items.

Interest income and interest expenses on financial instruments are recognised according to the effective interest method. Dividend income is recognised when the right to receive payment has been established. Exchange rate gains and losses are reported net.

Borrowing costs

All borrowing is reported at fair value i.e. net after transaction costs. Borrowing costs are carried 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 IAS 23, Borrowing Costs.

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 recognised for income taxes recoverable in future periods in respect of taxable temporary differences. The measurement 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.

The tax effect is recognised in the same way as attributable to transactions, i.e. in the comprehensive income, in other comprehensive income or directly in equity.

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 authorities.

Deferred tax receivables on loss carry-forwards are recognised 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 or loss for the year and deferred tax receivables and liabilities.

One-off items

Items not included in the regular business transactions and when each amount is significant in size and therefore has an effect on the profit or loss and key ratios, are classified as one-off items.

Earnings per share

The item is shown directly adjacent to 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. The incentive programme initiated in 2010 included share warrants entitling the holder to subscribe for one share in Lindab International AB between the period 01/06/2012 and 31/05/2013. No shares were subscribed for as the share price during the conversion period was lower than the conversion rate.

Intangible fixed assets

Goodwill

Goodwill arising from the acquisition of a company and operations is assessed according to IFRS 3, Business Combinations. See also the section on the consolidated financial statements on page 73. Goodwill on acquisitions of subsidiaries is reported in intangible assets. Goodwill is tested for impairment at least annually, or when there is any indication of this. Goodwill is reported as the acquisition value less accumulated impairment losses.

Impairment is 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 units within the business. For the Lindab Group, the three business areas Ventilation, Building Components and Building Systems are regarded as cash-generating units that are tested for impairment. Operations in the USA are regarded as a separate cash-generating unit.

Gains or losses on the divestment of a subsidiary or 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. The useful life is reviewed annually.

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. The useful life is reviewed annually.

Capitalised expenditure for development work

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 will 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 impairment losses. The estimated useful life is three years. The useful life is reviewed annually.

Tangible fixed assets

Buildings and land principally comprises factories and offices. These are recognised as the recorded carrying amount, i.e. the acquisition value less the accumulated depreciation and any impairment losses recorded. The depreciation according to plan is based on the acquisition value of fixed assets and is calculated with consideration to the estimated useful life. The useful life is reviewed annually. 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 to 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

	Years
Buildings	20–50
Land facilities	20
Machinery and equipment	5–15
Vehicles and computers	3–5

Impairment

Impairment tests are performed whenever there is an indication of possible impairment. However, intangible assets not yet available for use are tested annually. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows after tax are discounted. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amounts and if the recoverable amount is higher than the carrying value. An impairment loss is reversed only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount, net of amortisation, which would have been reported if no impairment loss had been recognised.

An annual impairment test for the cash-generating units to which goodwill has been allocated is performed in the fourth quarter, or when there is an indication of impairment. Impairment testing as well as recognition of impairment of goodwill is performed in the same manner as for intangible assets. An impairment loss in respect of goodwill is not reversed.

Impairment testing as well as recognition or reversal of impairment of tangible fixed assets is performed in the same manner as for intangible assets above.

Financial instruments

Financial instruments are every form of agreement giving rise to a financial asset, financial liability or equity instrument in another company. In Lindab's case, they include cash and cash equivalents, interest-bearing receivables, accounts receivable, trade creditors, borrowing and derivative instruments. Purchases and sales of financial assets and liabilities are recognised on the trade date. 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.

Financial instruments are initially recognised at the cost of acquisition, corresponding to the instrument's fair value plus transaction costs for all financial instruments except for those classified as financial assets recognised at fair value through profit and all derivatives, which are recognised at fair value, net of transaction costs.

Long-term and current assets and liabilities

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 12 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 12 months following the balance sheet date are thus classified as current assets. Financial liabilities that are due more than 12 months following the balance sheet date are reported as long-term liabilities and those that are due for payment within 12 months following the balance sheet date are reported as current liabilities.

Classification of financial assets and liabilities

Financial assets are classified in the Group as either:

- Financial assets at fair value through profit or loss,
- Financial assets held to maturity,
- Loan receivables and accounts receivable, or
- Available-for-sale financial assets.

Financial liabilities are classified in the Group as either:

- Financial liabilities at fair value through profit or loss, or
- Other financial liabilities.

The classification determines the valuation and recognition of changes in value after initial recognition.

Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss include derivative assets not used in hedge accounting and which are therefore included in the sub-category referred to as held for trading. The result from the change in fair value on assets in this category is reported in the profit or loss for the year during the period in which they arise.

Fair value for Lindab's financial instruments is determined based on current market prices where available. Fair value for quoted investments and derivatives is based on current purchase prices and interest rates. If market prices are not available, the fair value of each instrument is determined using various valuation techniques.

For foreign exchange contracts (such as currency futures), the fair value is calculated by discounting the difference between the contracted forward rate and the forward rate that can be subscribed to on the balance sheet date for the remaining contract period.

For interest rate swaps, the fair value and the present value of estimated future cash flows are calculated based on observable yield curves.

Held-to-maturity investments

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. The assets are recognised at the amortised cost using the so-called effective interest method, which means that an accrual is made to ensure that a constant return is obtained.

For disclosure purposes, a fair value is calculated based on quoted prices in active markets or, if quoted prices are not available, by discounting future cash flows using current interest rates.

Loan receivables and accounts receivable

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. The expected maturity period for accounts receivable is short, and therefore the value is reported at the nominal amount without discounting.

On each balance sheet date, Lindab evaluates whether there is objective evidence that a financial asset or group of financial assets require an impairment loss to be recorded because of past events. Objective evidence may be a breach of contract, such as a default or delay in interest or principal payments, significant financial difficulties of the debtor and the deterioration of customers' creditworthiness. In General for the Group, an impairment of 50 percent is made for accounts receivable that have been due for between 180 and 360 days, while an impairment of 100 percent is made for accounts receivable for more than 360 days. However, consideration will be given in cases such as credit insurance.

The carrying amount after impairment losses on assets is calculated as the present value of future cash flows discounted at the effective interest rate in effect when the asset was initially recognised. Assets with a short maturity period are not discounted. An impairment loss is charged to the income statement. In the event of bankruptcy, the asset is removed from the statement of financial position.

For disclosure purposes, a fair value is calculated for long-term receivables by discounting future cash flows using current interest rates. For current receivables, such as accounts receivable, with a remaining maturity of less than six months, the carrying amount reflects fair value.

Available-for-sale financial assets

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. On being sold, accumulated changes in value are reversed against profit for the year. Holdings of unlisted shares are recognised at the acquisition cost in cases where a reliable fair value cannot be determined. Other investments held as fixed assets, note 18, are included in this category since they have not been classified in any other category.

For disclosure purposes, a fair value is calculated based on quoted prices in active markets or, if quoted prices are not available, by discounting future cash flows using current interest rates. For current investments with a remaining maturity of less than six months, the carrying amount reflects fair value.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative liabilities not used in hedge accounting and which are therefore included in the sub-category referred to as held for trading. 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.

For a description of how fair value is calculated, see above under “Financial assets at fair value through profit or loss”.

Other financial liabilities

This category includes loans, other financial liabilities and trade creditors. The liabilities are valued at amortised cost. Borrowing is reported net after transaction costs. Transaction costs associated with the admission of borrowing are amortised over the duration of the loan as a financial cost.

For disclosure purposes, a fair value for interest-bearing liabilities is calculated by discounting future cash flows relating to principal and interest rates discounted at the current market rate. For current liabilities, such as trade creditors, with a remaining maturity of less than six months, the carrying amount reflects fair value.

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.

Hedge accounting

Derivatives are recognised in the statement of financial position on the trade date and measured at fair value, both initially and in subsequent revaluations. The method of recognising the gain or loss arising on revaluation depends on whether the derivative is recognised as a hedging instrument, and if so, the nature of the item being hedged. The Group identifies certain derivatives as hedges of a particular risk associated with a recognised liability or a very probable forecast transaction (cash flow hedge).

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. Currency risk in the Group is managed through foreign exchange contracts entered into with a third party for the first gross flows in each period. For currency risk, hedge accounting is applied in accordance with IFRS from the start of 2013.

Cash flow hedges

Lindab uses hedge accounting for financial instruments intended to secure the cash flow in future interest payments concerning the Group’s borrowings and some future commercial cash flows. The transactions are documented from the beginning, as is 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.

Interest rate swaps are used where Lindab receives variable rates and pays a fixed rate to hedge the risk in highly probable forecast interest payments on borrowings at variable interest rates. The interest rate swaps are measured at fair value in the balance sheet. The coupon rate is recognised in profit or loss as part of interest expenses. Unrealised changes in the fair value of interest rate swaps are recognised in other comprehensive income and included as part of the hedging reserve until the hedged item affects profit for the year and as long as the criteria for hedge accounting and effectiveness are met. The gain or loss relating to the ineffective portion of the unrealised changes in value of interest rate swaps are recognised in profit for the year.

Hedging of net investments in foreign operations

Hedging of net investments in foreign operations is accounted for in a similar way to cash flow hedges. Lindab uses loans as hedging instruments. The gain or loss on the hedging instrument relating to the effective hedge is recognised in other comprehensive income. The ineffective portion of the gain or loss is recognised immediately in the income statement under net financial items. Deferred gains or losses recognised in other comprehensive income are recognised in the income statement when the foreign operation is entirely or partially disposed of.

Stock

The Group’s stock is reported excluding inter-company profits. Intercompany profits generated within the Lindab Group are eliminated at Group level and therefore have no impact on operating profit. Stock is valued at the lower of the acquisition value and net sales value for raw materials, consumables and purchased finished goods. Own produced goods have been valued at the lower of production costs and net sales value. Obsolescence has therefore been taken into account in the evaluation. Market prices apply when pricing for deliveries between Group companies.

Non-current assets held for sale and discontinued operations

Fixed assets held for sale and operations that are being closed down are reported, when relevant, 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 likely that the sale will take place within one year of reclassification.

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.

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 the repurchase and redemption of shares, see note 22, Share capital and the number of shares.

Commitment to acquire treasury shares

Lindab has entered into transactions with a third party as a result of the incentive programmes to ensure the holding of sufficient shares when the incentive programmes expire. The transactions mean that Lindab has agreed to acquire treasury shares through the external counterpart at a future time. The value of the contracted shares is initially determined and the contract requires delivery of underlying equity instruments. Lindab's obligation is initially recognised as a financial liability at its fair value in the form of the present value of future payments and a reduction in other capital in equity. For subsequent measurement, the liability is recognised at amortised cost. No subsequent re-evaluation is made of the equity component.

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 an actual legal or informal obligation resulting from an event
- it is likely 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

Pensions are generally funded through payments to insurance companies or nominee registered funds, where the payments are determined based on periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is defined as a plan 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. There are significant defined contribution plans in Sweden, Denmark, Finland and Germany.

All plans that are not defined contribution plans are considered to be defined benefit plans. Special features of defined benefit plans are that they state an amount for the pension benefit that an employee will receive on retirement, usually based on factors such as age, years of service and salary. The most comprehensive defined benefit plans are in Sweden, Norway and Luxembourg. In Italy, there is a benefit plan for the termination of employment.

The liability reported in the balance sheet for defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting estimated future cash outflows using interest rates of AAA credit rated bonds that are issued in the same currency in which the benefits will be paid with a maturity period comparable to the current pension obligation.

Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognised in other comprehensive income during the period in which they arise. Payroll tax attributable to actuarial gains and losses are included in determining the actuarial gains and losses. Costs relating to past service are recognised directly in the income statement.

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 fair value and reduce the projected pension obligation so that the net accounting appears in the statement of financial position.

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.

Endowment insurance funds that are linked with pledges of benefits to employees are reported gross as Financial investments and Provisions for pensions and similar obligations. Lindab reports endowment insurance funds at amortised cost using the effective interest method as Investments held to maturity. The provision for special employers contributions is calculated based on the carrying value of the endowment insurance fund.

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

Leases

Lease contracts where Lindab largely assumes all risks and benefits associated with the asset are reported as financial leases. All other leases are classified as operating leases. Lindab has entered into financial and operating leases. For information about leases, see note 27.

Financial leases. At the beginning of the lease term, financial leases are reported at the lower of fair value for the asset in the lease and the current value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet under other borrowings. Lease payments are proportionally distributed between financial costs and reduced lease obligations in order to obtain a constant rate on the remaining debt. The asset's useful life corresponds to the Group's policy for owned assets.

Gains on the sale and leaseback of property and equipment under financial leases are deferred and amortised over the lease period. Sale and leaseback agreements are classified in accordance with the above principles for financial and operating leases.

Operating leases. Fees payable under operating leases are charged to earnings on a straight-line basis over the period for each lease. Benefits that have been received and may be received as an incentive to commence an operating lease are also spread on a straight-line basis over the lease period.

If a sale and leaseback transaction results in an operating lease and it is obvious that the transaction is established at fair value, the Group reports any profit or loss immediately.

Consolidated cash flow statement

Lindab applies the indirect method. The purpose is to provide a basis in order to assess 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 cash and cash equivalents 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 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. The assets are entered at their carrying amount and encumbrances at their nominal value. Shares in Group companies are reported at their value in the Group.

Contingent liabilities are recognised when there is a potential obligation arising from past events and occurrence is confirmed only by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision as it is unlikely that an outflow of resources will be required. See also note 28.

Government grants

Government grants are actions 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 recognised as a deduction of the related expenses.

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 29, Transactions with related parties.

Parent company accounts

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. RFR 2 requires the parent company to apply all EU approved IFRSs and pronouncements as far as possible under the Annual Accounts Act and taking into account the relationship between accounting and taxation. The recommendation includes the exemptions to IFRS to be considered and the additions that must be made.

According to RFR 2, Group contributions received by a parent company from subsidiaries are recognised as financial income, and Group contributions that a parent company makes to subsidiaries are reported either as holdings in subsidiaries, i.e. similar to shareholder contributions, or as an expense owing to the relationship between accounting and taxation.

The parent company does not apply IAS 39 and financial instruments are recognised on the basis of cost in accordance with ÅRL, which means that financial assets are measured at acquisition cost less any impairment and financial assets at the lower of cost or market.

The parent company reports appropriations and untaxed reserves without a breakdown of deferred tax liabilities and other reserves in equity.

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.

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.

In 2012, Lindab introduced a new risk management programme, Enterprise Risk Management (ERM), covering all parts of the business including business areas and Group functions. The aim is to work on the prevention of risks in a more structured way than previously. The Group's risks have been divided into four main risk areas: operational risks, strategic risks, financial risks and compliance risks. The probability of each risk and its impact on Lindab's business is assessed continuously with a subsequent action plan. Reporting, monitoring and controls are conducted through formally established procedures and processes. The Group's identified risk areas are described below.

Operational risks

Steel price development

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 mills rather than intermediaries. Lindab's close relationship with steel mills has enabled 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 steel prices.

Lindab has chosen to centralise all steel purchasing in order to benefit from its size by securing competitive prices and terms with steel mills, thereby creating competitive advantages. A thorough 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.

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.The Group's normal global insurance programmes cover property damage, stoppages and mechanical breakdowns.

Bad debt losses

Bad debt losses refers to 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 about 2.2 (2.1) percent of sales.

In General for the Group, an impairment of 50 percent is made for accounts receivable that have been due for between 180 and 360 days, while an impairment of 100 percent is made for accounts receivable for more than 360 days. However, consideration will be given in cases such as credit insurance. Furthermore, individual assessments will be made when required. At 31 December 2013, reserves for bad debt losses amounted to SEK 83 m (80). During the year, SEK 40 m (23) was expensed concerning provisions for bad debt losses, equivalent to 0.6 percent (0.3) of the Group's sales. The cost has increased during the year as a result of a tightened internal policy.

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

Group companies are involved in minor disputes that are directly attributable to the business. Appropriate provisions are made where the assessment resulted in risk.

IS/IT

Lindab harmonises business processes and consolidates the Group's IS/IT systems as part of the continuous improvement process. To enable high availability and minimise the risk of disruption, a redundant IT infrastructure has been established (communication lines and server rooms). Regular risk analyses are conducted on critical IS/IT systems, including identification, analysis and mitigation measures.

Since the roll-out of harmonised business processes and shared business systems is conducted in project form, an overall project methodology has been implemented in order to ensure uninterrupted operations upon start-up.

Product liability

The product liability risk refers to the costs that the Group may incur if any delivered product causes injury or damage to property. Within Building Systems, Lindab is responsible for product design 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.

Historically, claims regarding air duct systems within Ventilation have been low, while claims regarding indoor climate systems have been

Note 3 Risks and Risk Management, cont.

slightly higher due to the more complex nature of the products. For Building Components, the level of claims has been low historically. Within Building Systems, Lindab is essentially the sole supplier to local builders who are responsible for carrying out the construction work. This means that there should not be any risk of claims. Some sales are made directly to end customers, however, 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.

SEK 28 m (32) has been reserved for the financial year 2013. See note 24, Other provisions.

Strategic risks

Competition

In the various markets, Lindab competes against a large number of small companies and a small number of relatively large national and multinational companies. The company's competitors include Ruukki, Tata Steel, Marley, Plannja, Balex Metal, Pruszynski, Fläkt Woods, Swegon, Goldbeck and Llentab.

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 more 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 changes in the price of raw materials. Lindab tries to rationalise its production and organisation in order to be competitive. Steel has many advantages over competing materials such as plastic and concrete. 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.

Customer behaviour

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 32 countries, which balances the various country-specific risks in the construction industry. However, since construction is a cyclical industry, it cannot protect against a downturn in the global economy. The current economic downturn continues to affect the majority of Lindab's markets and has therefore had a major impact on Lindab.

Macro-economy/market

Generally, over time the construction market follows overall GDP growth, although with greater fluctuation. The residential market is positioned earlier in the cycle as sales are made directly to consumers while the market for non-residential construction experiences a greater delay since it is dependent on the investment plans of other industries plus the fact that projects have longer lead times.

Lindab's business is late cyclical, with 80 percent of sales directed to non-residential construction and a range of products and solutions that are mostly installed at a later stage of the construction process. Under normal economic cycles this allows Lindab some latitude to manage capacity planning. However, in the event of macroeconomic crises, such as the financial crisis of 2008, the opposite generally occurs with rapid and significantly greater fluctuations in construction activity compared with the general economy.

Financial risks

Tax risks

Lindab has operations in many different countries, especially in Europe, and perceives in general that the tax laws and regulations are becoming more complex. Predictability has declined and it is increasingly important to keep systems and processes for managing taxes up to date and fully functional. The following taxes must be handled correctly by Lindab directly or indirectly in the various jurisdictions in which business is conducted or where it is required: income tax, VAT, customs, social security contributions and similar, as well as employee withholding taxes and other taxes, such as coupon tax and excise duties.

In recent years, attention has been focused more closely on the field of income taxes, especially transfer pricing issues, which relate to the prices agreed in cross-border transactions between related companies. Internal prices affect revenues and costs and therefore taxable profits in the countries where they operate. The internationally accepted view is that the conditions should be consistent with what would be agreed between independent parties, known as the arm's length principle. The OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations has been developed to create an approximate understanding of how this is applied, and to try and avoid double taxation. In principle, all countries where Lindab operates are members of the OECD and/or have subscribed to the model convention. Lindab is continuously working to ensure that the Group complies with the rules stipulated by the model convention, in terms of pricing, documentation and in general.

Lindab is working in general to develop and adapt procedures to identify tax risks and to manage them effectively. Lindab also has regular contact with a tax advisor for the interpretation of tax laws and to assess how various issues should be handled. A single improper action could affect Lindab through both higher operating expenses and/or tax expenses plus interest and penalties.

Tax disputes

The Group is not involved in any tax disputes that could have a negative impact on the Group's profit and financial position.

Financial risks

Risk	Exposure	Comments
Financing		
Financing risk is the risk that financing the Group's capital requirements and refinancing of outstanding credits is impeded or becomes more expensive.	At 30 December 2013, Lindab's total credit limit was SEK 2,900 m. From 31 December 2013, the total credit limit amounts to SEK 2,800 m (2,900).	Lindab's credit agreement with Nordea and Handelsbanken includes two covenants in the form of net debt in relation to EBITDA and the interest coverage ratio, which are followed up quarterly. Lindab considers that credit conditions will be fulfilled.
Liquidity		
Liquidity risk is defined as the risk that the Group would incur increased costs due to a lack of liquidity.	At the year end, the Group's unappropriated cash and cash equivalents, including unused credit facilities amounted to SEK 1,525 m (1,095), based on an underlying credit limit of SEK 2,800 m.	All centrally managed loan maturities are planned in relation to the consolidated cash flow. The aforementioned credit agreement safeguards liquidity needs. Lindab's operations are seasonal, which has an effect on the cash flow. During the period January–June, cash flow is negative and then becomes positive in July–December.
Interest		
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 1,612 m (2,106), 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. Fixed-interest terms are also governed by the financial policy.
Currency		
Currency risks are risks that changes in currency negatively affect 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. 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 another currency than the Group company's local currency. Exchange rate fluctuations attributable to the transaction exposure are reported in the statement of comprehensive income.	76 percent (75) of the Group's sales are made using foreign currency. Sales are made in 14 (16) different currencies, the most important of which, besides SEK, are EUR, DKK, GBP and RUB. Lindab's net exposure translated to SEK is approximately SEK 400 m (600) annually. The reduced exposure due to a better matching of inflows and outflows in foreign currency. SEK 25 m (25) 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		
Translation differences arise when translating foreign subsidiaries' statements of financial position in local currency to Swedish kronor. This is because the current year is translated at a different closing rate than the previous year. The income statement is translated at the average rate for the year and the statement of financial position is translated at the rate on December 31. The translation difference is applied to other comprehensive income. Translation exposure is the risk that the translation difference represents in terms of the impact on comprehensive income. Parts of this exposure have been hedged in 2013.	At the end of 2013, the Group's net assets in foreign currency amounted to SEK 3,832 m (3,621), of which SEK 951 m has been hedged through borrowing in foreign currency.	
Lindab AB has currency risks in its lending and borrowing to/from Group companies, which mainly takes place in the Group company's local currency.	Lindab AB's lending and borrowing in foreign currencies at the end of 2013 amounted to SEK 92 m (404) and SEK 269 m (322) respectively.	The currency risk in these transactions is hedged using forward exchange agreements. These are evaluated monthly and the effect is recognised in net financial income in the statement of comprehensive income.

Liquidity risk

The table below anaylses the Group's financial liabilities, broken down according to the time remaining until the contractual maturity date.

At 31 December 2013	< 3 months	between 3–12 months	between 1–2 years	between 2–5 years	> 5 years
Borrowings (excluding financial lease liabilities)	29	228	1,693	2	3
Financial lease liabilities	1	4	10	10	23
Derivative instruments	367	84	-	-	-
Trade creditors and othe liabilities	1,006	92	6	-	-

As 31 December 2012	< 3 months	between 3–12 months	between 1–2 years	between 2–5 years	> 5 years
Borrowings (excluding financial lease liabilities)	37	292	2,149	2	3
Financial lease liabilities	18	4	10	10	27
Derivative instruments	246	110	-	-	-
Trade creditors and othe liabilities	896	103	12	-	-

The amounts included in the table are the contractual undiscounted cash flows, except for derivatives, which are included at their fair value.

Currency forwards at 31 December 2013

Equivalent in SEK m		2013 Amount	2013 Term months	2012 Amount	2012 Term months
Sell	EUR	–172	4	–244	3
Sell	NOK	–24	3	–27	5
Sell	LTL	–2	3	–2	2
Sell	RUB	-	-	–83	12
Sell total		*–198*		*–356*	
Buy	USD	33	3	23	4
Buy	CZK	32	2	-	-
Buy	DKK	-	-	188	3
Buy	EUR	181	1	19	2
Buy	HUF	-	-	5	3
Buy	CHF	67	3	70	3
Buy	GBP	89	4	52	3
Buy	RUB	50	3	-	-
Buy total		*452*		*357*	
Net		**254**		**1**	

The following exchange rates have been used for translation of foreign operations

Country	Currency	Currency code	Average exchange rate Jan-Dec 2013	Average exchange rate Jan-Dec 2012	Rate on balance sheet date 2013	Rate on balance sheet date 2012
Euroland	1	EUR	8.65	8.71	8.94	8.62
Denmark	1	DKK	1.16	1.17	1.20	1.16
Latvia	1	LVL	12.33	12.58	12.73	12.35
Lithuania	1	LTL	2.51	2.52	2.59	2.50
Norway	1	NOK	1.11	1.16	1.06	1.17
Poland	1	PLN	2.06	2.08	2.15	2.12
Romania	1	RON	1.96	1.95	2.00	1.94
Russia	100	RUB	20.46	21.82	19.85	21.47
Switzerland	1	CHF	7.03	7.23	7.29	7.13
UK	1	GBP	10.19	10.74	10.73	10.49
Czech Republic	100	CZK	33.32	34.66	32.60	34.36
Hungary	100	HUF	2.91	3.01	3.01	2.96
USA	1	USD	6.51	6.78	6.51	6.52

Sensitivity Analysis

	Change	Impact on profit, SEK m
Variations in volume, %	+/–5	+/–98
Variations in the steel price, %	+/–10	+/–140
Fluctuations in interest rates, %	+/–1	+/–19

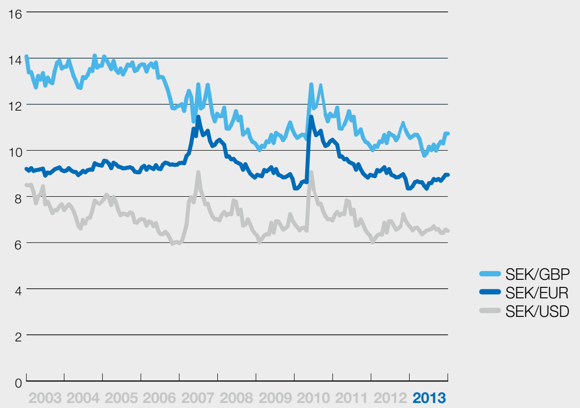
Calculations are based on the 2013 volumes and assumes that everything else remains unchanged, e.g. prices are not adjusted because of changes in the steel price.

Variations in volume
5 percent variations in volume result in a change to the operating profit of SEK +/- 98 m.

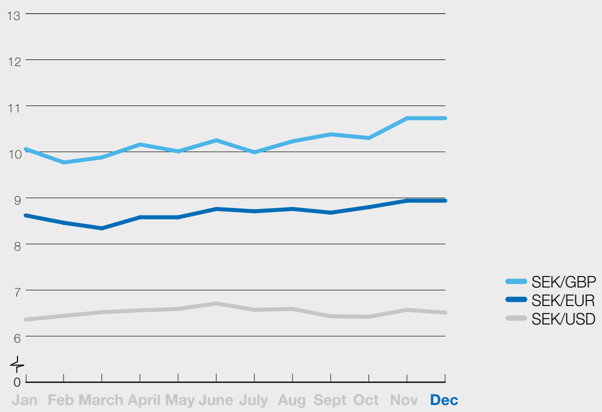
Variations in the steel price
Lindab's sales prices are normally adjusted in line with steel price fluctuations. Theoretically a 10 percent change in the steel price affects Lindab's profit by approximately SEK 140 m assuming that the sales price does not change.

Fluctuations in interest rates
Changes in interest rates affect Lindab's profitability and cash flow. A 1 percent change in interest rates affects Lindab's profit by SEK 19 m, of which interest expense comprise SEK 15 m and rental charges on existing "sale and leaseback" contracts are SEK 4 m.

Exchange rate movement 2003–2013, SEK



Exchange rate movement January–December 2013, SEK



Compliance risks

Environment

Lindab is actively working to minimise the environmental impact created by the Group's operations and its products. Lindab's Environmental policy is a key document that forms the basis for environmental work within the Group. Lindab's manufacture of products from steel has a minimal environmental impact. 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 through production consist mainly of scrap metal that is recovered completely and other waste, which is recycled at up to 90 percent. Anything not used is sorted and dealt with according to existing laws.

No known environmental liabilities exist. In order to protect the company and third parties in the event of environmental accidents, Lindab has environmental insurance where required by local law, and in some cases, this has been extended to include voluntary environmental liability. The insurance includes liability for damages that are part of or are the result of environ-mental damage.

Business ethics

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.

In the construction industry and in the various geographical markets where Lindab operates, there are some operators acting in a way that does not meet good business practice. Lindab has long had a competition policy that is continuously reviewed and updated. Conduct that breaches competition rules is unacceptable. Company employees are informed and trained about the content of Lindab's policy in order to avoid violation of these rules. Lindab has zero tolerance towards corruption and an anti-corruption policy exists to ensure that conduct that might be considered as corruption does not take place in the Group. During the year, no disciplinary action has been taken against employees for acting in breach of ethical principles.

Work environment

A good and safe working environment is a strategic issue for the Group. Lindab's work environment policy is implemented in the Group with clearly defined responsibilities for both managers and employees. Emphasis is placed on preventive work, which is done in cooperation between the management, employees, safety organisations and occupational health.

Accidents that resulted in lost work time of at least one day are monitored and reported as LTIF (Lost Time Injury Frequency). During the past two years, the LTIF has dropped from 17.1 to 12.3. In the event of very serious accidents, with the risk of permanent disability, the CEO is informed within 24 hours and corrective and preventive actions are followed up and implemented within 2 weeks.

Internal control

To ensure that financial reporting is accurate and complete and complies with applicable laws, rules and recommendations, provides an accurate description of the company's operations, and supports a rational and informed valuation of the business, Lindab has developed an internal control function, which is based on the requirements of 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 and the local rules in each country where business is conducted. The internal control structure is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework for internal control. See also the Board of Directors' report on internal control, pages 52–53.

Note 4 Key Estimates and Assumptions for Accounting Purposes

IFRS is a principles-based regulation and contains no detailed rules under normal circumstances, but instead develops the overall principles that should characterise the financial statements. This implies that significant estimates and judgements must be made by Lindab that may give rise to specific consequences in the financial statements. Assessments that are made are central to the financial outcome, and these are combined with detailed information.

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.

Impairment testing for goodwill

Following the implementation of IFRS 3, Business Combinations, goodwill and other intangible assets with indefinite useful lives are no longer amortised but are instead tested for impairment at least once each year or when there is an indication.

The Group continually tests the goodwill for impairment in accordance with the accounting principles that are described in note 2. The recoverable amounts for cash generating units are determined by calculating their value in use. These calculations require the use of certain estimates, see note 16.

No impairment losses have been identified in the Group. Reported goodwill at the year-end amounted to SEK 2,734 m (2,682).

The management's assessment is that a deterioration in each of the significant assumptions within the business plans or a deterioration in the annual growth in sales or an increase in the discount rate, any of which are individually possible, would not result in any impairment losses being recorded. Based on the assumptions and estimates made, there is a wide margin between the recoverable amount and the carrying amount.

Lease contracts

In accordance with IAS 17, lease contracts will be classified as financial or operating leases. According to IAS 17, a financial lease is a contract whereby the financial risks and benefits associated with ownership of an object are essentially transferred from the lessor to the lessee. A lease contract other than a financial lease is an operating lease.

A sale and leaseback transaction is the sale of an asset and subsequent lease of the same asset in accordance with a subsequent lease contract. In the event of a sale and leaseback transaction, where an operating lease contract is in effect and where it is clear that the sale price and terms of the lease contract are based on fair value, the sale is judged to have taken place and any profit or loss incurred is therefore reported in the period in which the sale took place.

In IAS 17, a number of criteria are presented that are individually or collectively indicative for the classification of a lease contract as either financial or operating.

Note 27 describes the most significant leases that Lindab has entered into. These relate to production units in the Czech Republic and Luxembourg as well as production units and office premises in Sweden. The properties in Sweden and Luxembourg were previously owned by Lindab, explaining why these transactions are referred to as sale and leaseback transactions.

In the case of each of these contracts, Lindab has an option to acquire the properties at market value when the lease contract expires. The market value is based on an independent valuation. The options are therefore not worded in such a way that it is apparent that they will be utilised. Lindab also has the option of extending the contracts for which market-based compensation will then be paid. Altogether, this means that the entire economic benefit attributable to the value of the properties goes to the lessor.

The durations of the lease contracts are less than the properties' economic life and the present value of the minimum lease payments payable, including residual value guarantees, are around 15 percent lower than the properties' estimated fair value upon commencement of the contracts.

IAS 17 shows that an overall assessment must be performed in order to clarify whether the economic benefits and risks associated with ownership of a leased asset rests with the lessee or lessor. Having weighed the evidence of the criteria described in IAS 17, Lindab assessed that the economic benefits and risks associated with ownership rest primarily with the lessor, explaining why the contracts are recorded as operating leases.

Further information regarding these lease agreements are provided in note 27.

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. Through experience, Lindab has developed a common calculation principle for warranty provisions. The provision is calculated on a statistics-based percentage in relation to sales revenue over the last ten years less actual warranty costs.

The Group's reporting of provisions, means that SEK 106 m (103) is reported as other provisions, see note 24. 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

The Group's provisions for benefit-based pensions amounted to SEK 127 m (139) net after deductions for financial investments. The present value of the pension obligation is dependent on a number of factors that are determined on an actuarial basis using a number of assumptions about discount rates, future salary increases, inflation and demographic conditions. Any change in these assumptions will impact the carrying amount of the pension obligations.

Lindab determines the appropriate discount rate at the end of each year. This is a rate that is used to determine the present value of estimated future cash outflows that can be expected to be required to settle the pension obligations. In determining the discount rate, Lindab takes into account the rates for high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have a maturity period corresponding to the estimates for the current pension obligation.

Other important assumptions regarding pension obligations are based in part on prevailing market conditions.

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 in 2013
No acquisitions have been made during the year.

Financial Impact of Acquisitions in 2013
No acquisitions have been made during the year. Cash flow for the year 2013 relates to regulated payments for the acquisition of Centrum Klima S.A., which happened in 2012.

Acquisitions in 2012
In the previous year, the Lindab Group has acquired all shares in Centrum Klima S.A. in Poland as well as Lindab Panel AB in Sweden through an acquisition of assets.

On 19 March 2012, the majority of Plannja's project sales organisation was acquired in the form of an acquisition of assets, which then formed a new company, Lindab Panel AB. The company had a turnover of just over SEK 150 m and approximately 50 employees. The purchase price amounted to SEK 44 m. The acquisition means that the cash flow was negatively affected by SEK 44 m. The acquisition strengthened Lindab Building Components in the Nordic region, which was then able to offer own produced sandwich panels to both new and existing customers.

The Polish company Centrum Klima S.A, which is based in Warsaw and was listed on the Warsaw stock exchange at the time of the acquisition, had approximately 200 employees and sales of SEK 205 m for the full year 2011. The company is a leading Polish manufacturer and distributor of ventilation and indoor climate systems. Centrum Klima was acquired in three stages, with Lindab acquiring 51.8 percent of the company on 30 April. The purchase price at 30 April amounted to SEK 152 m. The acquisition was recorded in accordance with the principle of full goodwill based on the fair value of net assets. A further 44.9 percent of shares was acquired on 26 June and the remaining 3.3 percent was finally acquired on 7 August. The purchase price for the subsequent 48.2 percent of shares amounted to SEK 125 m, which was recorded as an equity transaction. The acquisition means that the consolidated goodwill increased by SEK 139 m and the cash flow was negatively affected by SEK 243 m in total. The acquisition reinforced Lindab's position within air duct systems and generated important synergies.

Financial Impact of Acquisitions in 2012
Lindab Panel AB was consolidated from 19 March 2012. The acquisition resulted in a SEK 88 m increase in the Group's sales from the acquisition date to 31 December 2012. The effect on the Group's profit for the year was marginally negative. Had the acquisition been made on 1 January 2012, it was estimated that the sales revenue for the Group would have increased by SEK 40 m and the effect on the Group's profit for the year would have been marginally negative.

Centrum Klima S.A was consolidated from 30 April 2012. The acquisition resulted in a SEK 131 m increase in the Group's sales from the acquisition date to 31 December 2012. The effect on the Group's profit for the year was marginally positive. Had the acquisition been made on 1 January 2012, it was estimated that the sales revenue for the Group would have increased by SEK 64 m and the effect on the Group's profit for the year would have been marginally positive.

Note 5 Business Combinations, cont.

Purchase price, goodwill and effect on cash and cash equivalents

The table below shows information regarding the purchase price, goodwill and the impact of acquisitions on the Group's cash and cash equivalents.

	Acquired operations	
	2013	2012
Purchase price	21	196
Direct costs relating to the acquisition	-	7
Acquisition total	**21**	**203**
Less direct costs relating to acquisitions	-	–7
Total purchase price	**21**	**196**
Fair value of acquired net assets/liabilities	-	–183
Non-controlling interests	-	126
Goodwill	**-**	**139**
Purchase price	21	196
Acquisition of Non-controlling interest	-	126
Purchase price not paid	-	–21
Deferred tax	-	5
Direct costs relating to the acquisition	-	7
Cash and cash equivalents in the acquired subsidiary	-	–26
Effect of acquisition on consolidated cash and cash equivalents	**21**	**287**

Cash flow for the year 2013 relates to regulated payments for the acquisition of Centrum Klima S.A., which happened in 2012.

The acquisition of Centrum Klima in 2012 refers to the acquisition of 51.8 percent of shares made on 30 April. The remaining 48.2 percent of shares acquired later in the year was recorded as an equity transaction.

No portion of reported goodwill is expected to be deductible for income tax.

Fair value of acquired assets and liabilities correspond with the book value.

Acquired assets and liabilities

Acquired net assets, liabilities and goodwill related to acquisitions are shown below. Acquisitions in 2012 relate to the acquisitions of Centrum Klima and Lindab Panel AB.

	Acquired operations	
	2013	2012
Tangible fixed assets	-	144
Intangible fixed assets	-	1
Deferred tax assets	-	6
Stock	-	68
Accounts receivable and other current assets	-	49
Cash and cash equivalents and current investments	-	26
Total acquired assets	**-**	**294**
Deferred tax liabilities	-	2
Current and long-term liabilities	-	109
Total acquired liabilities	**-**	**111**
Acquired net assets	**-**	**183**
Goodwill	-	139
Non-controlling interests	-	–126
Purchase price	**-**	**196**

Note 6 Employees and Senior Management

Average no. of employees

	2013			2012		
	Men	**Women**	**Total**	Men	Women	Total
Parent company, Sweden	-	-	-	-	-	-
Subsidiaries						
Sweden	780	238	1,018	834	206	1,040
Belgium	23	4	27	22	4	26
Bulgaria	0	0	0	0	0	0
Denmark	325	105	430	343	115	458
Estonia	33	5	38	27	4	31
Finland	89	19	108	97	21	118
France	80	24	104	82	21	103
Republic of Ireland	19	3	22	18	3	21
Italy	19	9	28	19	9	28
Croatia	3	1	4	3	3	6
Latvia	5	1	6	4	1	5
Lithuania	4	1	5	4	1	5
Luxembourg	200	20	220	213	19	232
Netherlands	12	2	14	13	2	15
Norway	64	20	84	65	22	87
Poland	208	65	273	239	67	306
Romania	74	15	89	90	22	112
Russia	258	48	306	246	52	298
Switzerland	99	12	111	111	17	128
Slovakia	30	10	40	34	9	43
UK	224	51	275	228	48	276
Czech Republic	577	214	791	584	187	771
Germany	98	23	121	108	26	134
Hungary	124	24	148	128	30	158
USA	85	21	106	88	20	108
Subsidiaries total	*3,433*	*935*	*4,368*	*3,600*	*909*	*4,509*
Group total	**3,433**	**935**	**4,368**	**3,600**	**909**	**4,509**

Gender balance, among senior management

Parent company						
The Board, incl. employee representatives	6	2	8	6	2	8
President/Group management	3	0	3*	6	1**	7
The Group						
President/Group management	3	0	3*	6	1**	7

** Nils-Johan Andersson, Peter Andsberg and Hans Berger were included in Group management for the period up to 16 September.*

*** Christina Imméll was included in the Group management until November.*

Personnel costs

	2013			2012		
Salaries and other benefits	**Board/ President and Group management**	**Other employees**	**Total salaries and benefits**	Board/ President and Group management	Other employees	Total salaries and benefits
Parent company, Sweden	2.2	-	2.2	2.6	-	2.6
Subsidiaries total	66.4	1,232.3	1,298.7	88.1	1,256.5	1,344.6
Group total	**68.6**	**1,232.3**	**1,300.9**	**90.7**	**1,256.5**	**1,347.2**

Payroll overheads

Parent company, Sweden	0.7	-	0.7	0.9	-	0.9
of which pensions	0.1	-	0.1	0.1	-	0.1
Group total	21.6	336.6	358.2	42.0	344.0	386.0
of which pensions	6.6	74.8	81.4	18.2	78.7	96.9
Total personnel costs	**90.2**	**1,568.9**	**1,659.1**	**132.7**	**1,600.5**	**1,733.2**

Pension obligations of SEK 38 m (42) to the Board and the President of the Group are based on agreements with the current and former Presidents and vice Presidents. The obligations are invested in endowment insurance funds. These are valued at SEK 38 m (39). The cost of pension obligations for the year, attributable to the current and previous Presidents and Board members, is SEK 3.4 m (8.9).

Note 6 Employees and Senior Management, cont.

In 2013, total remuneration paid to Board members totalled SEK 2,200 k (2,622), broken down in the table below.

At the Annual General Meeting on 15 May 2013, it was decided that the fees for the Board members would amount to SEK 2,200 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. Because the Board of Directors as a whole constitutes both the audit committee and the remuneration committee, it was resolved that no separate fee would be paid.

Board fees paid

SEK (thousands)	**2013**	2012
Kjell Nilsson (new Chairman from 2012)	650.0	136.3
Pontus Andersson	25.0	25.0
Sonat Burman-Olsson	300.0	320.0
Erik Eberhardson	300.0	300.0
Per Frankling (resigned in 2012)	-	257.9
Ulf Gundemark (resigned in 2012)	-	575.5
Stig Karlsson (resigned in 2012)	-	282.9
Markku Rantala	25.0	25.0
Annette Sadolin (resigned in 2012)	-	107.3
Birgit Nørgaard (elected in 2012)	300.0	193.9
Jens Wikstedt (elected and resigned in 2012)	-	131.8
Stefan Charette (elected in 2012)	300.0	203.9
Gerald Engström (elected in 2012)	300.0	62.9
Total	2,200.00	2,622.4

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

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 based on achieved results.

At present, the variable salary is based on consolidated profits. The maximum variable salary amounts to 30 or 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 50 percent of his annual fixed salary.

Anders Berg's fixed salary for the period beginning 18 March until 31 December 2013 totalled SEK 2,850,000, with a variable salary of up to 50 percent of the fixed salary. The right to pension contributions amounts to 30 percent of the fixed salary. In addition, Anders Berg has the right to overnight accommodation for the duration of his employment, a free car and certain other benefits. What Anders Berg received in 2013 is shown in the separate table.

For the full-year 2013, the Group management included Carl-Gustav Nilsson and Per Nilsson, with Anders Berg included since 18 March. For the period up to 16 September 2013, the Group management included Hans Berger, Nils-Johan Andersson and Peter Andsberg. The remuneration to Group management follows the guidelines adopted by the Annual General Meeting.

Remuneration for 2013 to Anders Berg, President and CEO, and the other members of the Group management, is shown in the table below.

SEK	**Anders Berg***	**Remuneration of other Group management****	**Total**
Fixed salary incl. holiday pay	2,876,482	8,992,970	11,869,452
Variable salary	378,000	901,325	1,279,325
Pension expenses	810,006	2,528,210	3,338,216
Benefits	169,099	471,366	640,465
Total	**4,233,587**	**12,893,871**	**17,127,458*****

**) Expenses relating to Anders Berg are for the period from 18 March to 31 December.*

***) Remuneration for Hans Berger, Peter Andsberg and Nils-Johan Andersson is for the period up to 16 September.*

Costs associated to the dismissal of Peter Andsberg and Nils-Johan Andersson are not included in the remunerations to the Group Management stated in the table above.

Salary-related costs associated with the dismissal of Peter Andsberg and Nils-Johan Andersson are shown in the table below.

SEK	**Total**
Fixed salary incl. holiday pay	12,075,912
Variable salary	660,526
Pension expenses	2,352,945
Benefits	364,039
Total	**15,453,422*****

****) The above amount does not include social security contributions and special employer's contribution.*

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.
– An incentive programme for the purchase of shares was introduced at the 2011 and 2012 Annual General Meetings.
– 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. Variable salaries are paid as a percentage of fixed salaries and have a set ceiling not exceeding 50 percent of the fixed remuneration.
– The pension will be a defined contribution plan. The extent of the pension is founded on the same criteria as for fixed remuneration and based partly on fixed and partly on variable salaries.
– In special cases, the Board of Directors has the right to waive the guidelines. The Board of Directors has not exercised this mandate in 2013.

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

Note 6 Employees and Senior Management, cont.

Termination Regulations

The notice period for Anders Berg's employment is twelve months from the company and six months from Anders Berg. During the notice period, Anders Berg is entitled to retain his salary and employee benefits excluding variable salary. Anders Berg is bound by a non-competition clause that is valid for two years from the termination of employment, during which he is entitled to remuneration of up to 60 percent of the fixed salary.

The notice period for other senior executives is 12–18 months from the company and 6 months from the employees. These senior executives are also bound by non-competition clauses effective for 6–12 months following termination.

Pension expenses

The retirement age for all senior executives is 65.

The company has agreed to pay pension premiums for Anders Berg equivalent to 30 percent of his annual gross salary. The expenses for pension premiums amounted to SEK 810 k (-). Pension premiums for David Brodetsky in the previous year amounted to SEK 2,828 k, excluding termination costs.

Other senior executives have pension benefits, over and above their legal right to a pension. The pension will be a defined contribution plan and shall be based on the same principles as for the fixed and variable salaries. The cost of pension premiums for these individuals, over and above their legal right to a pension, totalled SEK 2,528 k (3,095).

Bonus scheme

In addition to the variable salaries for Group management there is a bonus scheme for other senior executives. The bonus programme is based on results-oriented targets. Dependent upon the individual's position, bonuses are equivalent to 10-40 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 2015. 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 6,190 k (6,031) including employers' 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 again been made in Lindab shares. Gradually, as older funds are replaced, the remaining funds will be invested in Lindab shares. At the end of 2013, the foundation held 88,500 Lindab shares and 584,300 Ratos shares.

Incentive programme

The Annual General Meetings in 2011 and 2012 decided to introduce long-term incentive programmes in the form of performance-based share savings programmes for each year. Participation in the programme required participants to make an initial investment in Lindab shares. Participation entitles the holder to receive new shares, provided that certain requirements are met. Performance is measured in the financial years for 2013 and 2014 and compared to the outcomes for financial years for 2010 and 2011 respectively.

There are 58 (79) participants remaining in the initial programme, who have invested in a total of 39,341 shares (62,711). The allocation of 39,341 matching shares will be transferred to the participants. The total cost for the programme is estimated at approximately SEK 3 m (5). Settlement will take place during the second quarter of 2014.

There are 52 (63) participants remaining in the second programme, who have invested in a total of 56,350 shares (69,347). On maximum allocation, 242,200 Lindab shares (324,288) will be transferred to the participants. The total cost for the programme is estimated at approximately SEK 4 m (5). Settlement will take place during the second quarter of 2015.

The incentive programme initiated in 2010 contained 784,000 share warrants, of which 732,000 were offered and subscribed to by existing employees, while 52,000 were reserved for incoming managers. The price per warrant was established at SEK 8.40. Newly recruited managers subscribed to 39,000 warrants during the last quarter of 2010. The price per warrant was established at SEK 12.20. The warrants entitled the holder to one share in Lindab International AB for SEK 93.00 during the period 01/06/2012 – 31/05/2013. No shares were subscribed for as the share price during the conversion period was lower than the conversion rate, therefore no dilutive effects have occurred.

Note 7 Segment reporting

	Ventilation		Building Components		Building Systems		Other		Total		Elimination		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Sales revenue, external	3,506	3,591	1,990	2,052	1,027	1,013	-	-	6,523	6,656	-	-	6,523	6,656
Sales revenue, internal	10	14	4	4	0	0	-	-	14	18	–14	–18	0	0
Sales revenue, total	**3,516**	**3,605**	**1,994**	**2,056**	**1,027**	**1,013**	**0**	**0**	**6,537**	**6,674**	**–14**	**–18**	**6,523**	**6,656**
Operating profit (EBITDA) before one-off items	**338**	**341**	**142**	**188**	**184**	**120**	**–9**	**–33**	**655**	**616**	**-**	**-**	**655**	**616**
Depreciation/amortisation	–77	–78	–43	–53	–25	–20	–12	–5	–157	–156	-	-	–157	–156
Operating profit (EBITA) before one-off items	**261**	**263**	**99**	**135**	**159**	**100**	**–21**	**–38**	**498**	**460**	**0**	**0**	**498**	**460**
Operating profit (EBIT) before one-off items	**261**	**263**	**99**	**135**	**159**	**100**	**–21**	**–38**	**498**	**460**	**0**	**0**	**498**	**460**
One-off items	–21	–48	–3	–22	–1	–23	–21	–33	–46	–126	-	-	–46	–126
Operating profit (EBIT)	**240**	**215**	**96**	**113**	**158**	**77**	**–42**	**–71**	**452**	**334**	**0**	**0**	**452**	**334**
Net financial expense													–123	–156
Profit after financial items (EBT)													**329**	**178**
Tax on profit for the year													–96	–56
Profit for the year													**233**	**122**
Fixed assets excl. financial assets	2,008	2,008	1,133	1,144	621	625	176	178	3,938	3,955	-	-	3,938	3,955
Stock	470	452	352	383	136	131	-	-	958	966	-	-	958	966
Other assets	661	684	333	371	90	133	200	192	1,284	1,380	–216	–255	1,068	1,125
Unallocated assets													553	577
Total assets									**6,180**	**6,301**	**–216**	**–255**	**6,517**	**6,623**
Equity													2,967	2,683
Other liabilities	738	697	537	512	291	265	71	107	1,637	1,581	–216	–255	1,421	1,326
Unallocated liabilities													2,129	2,614
Total equity and liabilities									**1,637**	**1,581**	**–216**	**–255**	**6,517**	**6,623**
Gross investments in fixed assets	42	48	20	41	26	68	5	5	93	162	-	-	93	162

Geographical information

Income from external customers (based on place of residence)

Below is a summary of external sales revenue for Lindab's largest markets, based on the customer's residence. Lindab's largest customer accounts for 2.2 percent (2.1) of the Group's total sales revenue, meaning that Lindab's dependence on individual customers is limited.

Country	2013	Percent	2012	Percent
Sweden	1,581	24	1,611	24
Denmark	682	10	669	10
UK	511	8	582	9
Germany	433	7	496	7
Russia	381	6	476	7
Other	2,935	45	2,822	43
Total	**6,523**	**100**	**6,656**	**100**

Fixed assets per country

Fixed assets, broken down by individual major countries with regard to production capacity.

Country	2013	Percent	2012	Percent
Sweden	296	25	312	25
Russia	207	17	223	18
Denmark	190	16	195	15
Poland	128	11	131	10
Czech Republic	81	7	98	8
Luxembourg	49	4	46	4
Other	253	20	268	20
Total	**1,204**	**100**	**1,273**	**100**
Goodwill	2,734	-	2,682	-
Total	**3,938**	**-**	**3,955**	**-**

Segment information

Prior to the reorganisation that took place on 1 October 2013, Lindab's operations were controlled in three business areas. The business area structure was then replaced by a geographically-based sales organisation supported by four product and system areas plus central production and purchasing functions. Throughout 2013, the segmentation has been reported in accordance with the previous structure. Reporting in accordance with the new reporting structure will take effect from the start of the first quarter 2014. The new reporting structure will consist of two segments, one consisting of what were the Ventilation and Building Components business areas and the other comprising the Building Systems division. The following relates to the operating segments in 2013.

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 Building Components business area provides the construction industry with complete systems for roof drainage, lightweight construction and roof and façade solutions in steel. The Building Systems business area produces and sells preengineered steel building systems. Other comprises parent company functions including Group Treasury. No changes have occurred in the fundamentals for segmentation or in the calculation of the segment's profit since the previous year.

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.

Note 7 Segment reporting, cont.

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. Therefore 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 assets nor tax liabilities are allocated to segments.

The purchase and processing of steel is done centrally for the most part. Profit/loss items from the part of those activities that are sold 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 impairment losses by type of asset and by function

	Group	
Depreciation/amortisation	**2013**	2012
Capitalised development expenditure (note 16)	0	0
Patents (note 16)	0	0
IT and other intangible fixed assets (note 16)	25	24
Properties (note 17)	27	22
Machinery and other technical facilities (note 17)	83	81
Equipment, tools and installations (note 17)	19	19
Total	**154**	**146**
Impairment losses		
Properties (note 17)	3	2
Machinery and other technical facilities (note 17)	0	7
Equipment, tools and installations (note 17)	0	1
Total	**3**	**10**
Total depreciation/amortisation and impairment losses by type of asset	**157**	**156**
Total depreciation/amortisation distributed by function		
Cost of goods sold	114	106
Selling expenses	15	16
Administrative expenses	24	24
R & D expenses	1	0
Total	**154**	**146**
Amortisation of surplus value on intangible assets distributed by function		
Selling expenses (note 16)	0	0
Total	**0**	**0**
Total impairment losses distributed by function		
Cost of goods sold	3	10
Total	**3**	**10**
Total depreciation/amortisation and impairment losses distributed by function	**157**	**156**

Note 9 Costs distributed by cost items

	Group		Parent company	
	2013	2012	**2013**	2012
Cost of direct materials	3,032	3,157	-	-
Personnel costs (note 6)	1,665	1,708	3	4
Depreciation/amortisation and impairment losses (notes 8, 16, 17)	157	156	-	-
Other operating expenses	1,337	1,386	1	1
Total	**6,191**	**6,407**	**4**	**5**

In the statement of comprehensive income/income statement, the costs are classified according to function. The cost of goods sold, selling expenses, administrative expenses, R&D expenses and other operating expenses amount to SEK 6,191 m (6,407). A breakdown of these costs into key cost categories is shown above. Personnel costs consist of employed members of staff, SEK 1,659 m, and temporary employees, SEK 6 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.

	Group		Parent company	
	2013	2012	**2013**	2012
Ernst & Young				
Auditing assignments	6.6	6.5	0.4	0.3
Audits separate from auditing assignments	-	0.1	-	-
Tax advice	1.3	1.4	-	-
Other assignments	0.8	3.6	0.1	0.1
Total Ernst & Young	*8.7*	*11.6*	*0.5*	*0.4*
Other				
Auditing assignments	0.9	1.0	-	-
Audits separate from auditing assignments	-	-	-	-
Tax advice	0.3	0.1	-	-
Other assignments	0.5	0.9	-	-
Total Other	*1.7*	*2.0*	-	-
Total	**10.4**	**13.6**	**0.5**	**0.4**

Note 11 Research & development

Costs for research and development amount to SEK 45 m (44) and are reported directly in the statement of comprehensive income, of which SEK 0 m (0) relates to the depreciation of capitalised development expenditure. For capitalised development expenditure, see note 16.

Note 12 Other operating income and expenses

	Group		Parent company	
Income	**2013**	2012	**2013**	2012
Exchange rate differences in operating receivables/liabilities	72	59	-	-
Capital gains on the sale of fixed assets	5	14	-	-
Other	43	12	-	-
Total	**120**	**85**	**-**	**-**
Costs				
Exchange rate differences in operating receivables/liabilities	–74	–63	-	-
Capital losses on the sale of fixed assets	–6	–12	-	-
Restructuring provision	–46	–83	-	-
Other	–26	–35	-	-
Total	**–152**	**–193**	**-**	**-**

Note 13 Financial income and expenses

	Group		Parent company	
Result from participations in Group companies	**2013**	2012	**2013**	2012
Received Group contribution	-	-	94	95
Total	-	-	*94*	*95*
Interest income				
External	9	12	0	0
Total	*9*	*12*	*0*	*0*
Interest expenses				
External	–123	–156	0	0
To Group companies	-	-	–93	–98
For pensions, net	–4	–6	-	-
Total	*–127*	*–162*	*–93*	*–98*
Other financial income and expenses				
Exchange rate gains	0	0	-	-
Exchange rate losses	–2	–3	-	-
Other financial expenses	–3	–3	-	-
Total	*–5*	*–6*	-	-
Total	**–123**	**–156**	**1**	**–3**

Note 14 Tax on profit for the year

Income tax in the statement of comprehensive income consists mainly of the following components:

	Group		Parent company	
	2013	2012	**2013**	2012
Income statement				
Current tax				
Tax on profit for the year	–89	–57	0	0
Adjustments in respect of previous years	–2	5	0	1
Total current tax	*–91*	*–52*	*0*	*1*
Deferred tax				
Occurrence and reversal of temporary differences	–3	–13	-	-
Effect of changed tax rates abroad	–2	9	-	-
Total deferred tax	*–5*	*–4*	-	-
Total reported tax expense in the income statement	**–96**	**–56**	**0**	**1**
Other comprehensive income				
Deferred tax attributable to defined benefit plans	–2	2	-	-
Deferred tax attributable to net investment hedges	4	-	-	-
Deferred tax attributable to cash flow hedges	-	–3	-	-
Total reported tax expense in other comprehensive income	**2**	**–1**	**-**	**-**

The Group's tax expenses for the year amounted to SEK 96 m (56) and the actual tax rate amounted to 29 percent (31) of the result before tax. The tax rate in Sweden was 22 percent from the start of 2013.

The average tax rate was 23 percent (19). This has been calculated by weighting the subsidiaries' result before tax (EBT) against the local tax rate for each country.

The discrepancy between the actual and the average tax rate amounts to 6 percentage points (12) and is due to adjustments to taxes attributable to previous years, such as the reversal of deferred taxes on loss carry-forwards. Changes in tax rates in different countries also have an effect as the liabilities and receivables relating to deferred taxes must be adjusted to the new tax rates. Other influential factors include fiscal adjustments to reported earnings, such as non-deductible expenses and deferred tax not being activated on deficits in some subsidiaries. Adjustments may also have a greater impact on the tax rate for low profits than in years when profit levels have been more normal.

The cost of current tax has increased due to higher profits in Group companies.

The cost of deferred tax has been negatively affected by SEK 2 m, resulting from the assets and liabilities for deferred taxes in foreign companies, including Finland, having been converted to new tax rates. This has also been adversely affected by SEK 18 m through deferred tax on net losses in some subsidiaries having not been capitalised. The capitalisation of deferred tax on loss carry-forwards attributable to previous years, particularly in the USA, has had a positive impact of SEK 10 m. A reversal of SEK 6 m in previously capitalised loss carry-forwards has been made, notably in the UK.

Reconciliation of reported tax is shown below.

	Group			
	2013	**Percent**	2012	Percent
Result before tax	329		178	
Tax in accordance with current tax rates for the company	–72	–22.0	–47	–26.3
Reconciliation with reported tax				
Effect of other tax rates for companies abroad	–2	–0.6	13	7.3
Deficit not capitalised, incurred during the year	–18	–5.5	–17	–9.6
Tax attributable to previous years	–1	–0.3	3	1.7
Non-deductible expenses	–11	–3.3	–7	–3.9
Non-taxable income	6	1.8	2	1.1
Effect of changed tax rates on deferred tax	–2	–0.6	9	5.1
Reversal of previously capitalised loss carry-forwards	–6	–1.8	–14	–7.9
Activated loss carry-forwards attributable to previous years	10	3.0	0	0.0
Other	0	0.0	2	1.1
Reported tax expense	**–96**	**–29.3**	**–56**	**–31.4**

Note 14 Tax on profit for the year, cont.

Deferred tax assets and liabilities at the year-end, not taking into consideration any offsets made within the same fiscal jurisdiction, are detailed below:

	Deferred tax assets		Deferred tax liabilities		Net	
	2013	2012	**2013**	2012	**2013**	2012
Intangible fixed assets	39	47	0	0	39	47
Tangible fixed assets	2	4	–130	–127**	–128	–123
Financial fixed assets	-	-	–2	–3	–2	–3
Stock	16	14	0	–1	16	13
Receivables	4	4	0	0	4	4
Provisions	36	31*	0	0	36	31
Liabilities	0	0	-	0	0	0
Leases	1	2	–1	–1	0	1
Other	14	12	–6	–6**	8	6
Loss carry-forward	95	105	-	-	95	105
Tax allocation reserves	-	-	–53	–62	–53	–62
Total	**207**	**219**	**–192**	**–200**	**15**	**19**
Offsetting receivables/liabilities	–60	–60	60	60		
Reported in the statement of financial position	**147**	**159**	**–132**	**–140**	**15**	**19**

**) Provisions in 2012 have increased by SEK 9 m due to changes in the standard, IAS 19R.*

***) For 2012, SEK 69 m in deferred tax on Tangible fixed assets has been moved from Other.*

Reconciliation of deferred net receivables	2013	2012
Opening balance	19	11
Reported in the statement of comprehensive income	–5	–4
Acquisitions of subsidiaries (note 5)	-	8
Divestments of subsidiaries (note 5)	-	-
Reported in other comprehensive income and equity;		
-adjustment of defined benefit plans	–2	9 ***
-hedging of net investments	4	-
-cash flow hedges	-	–3
Translation differences	0	–2
Other	–1	0
Closing balance	**15**	**19**

****) Adjusted for amended standard, IAS 19R.*

Maturity dates for loss-carry forwards	2013	2012
Next year	45	9
In 2–4 years	32	42
In 5–6 years	137	97
After 6 years	579	641
- thereof without maturity date	*424*	*470*
	793	**789**

Deferred tax assets for tax loss carry-forwards are reported to the extent that it is likely that they will be able to be used to lower future taxable income.

At the end of the year, the Group had loss carry-forwards of approximately SEK 793 m (789), of which SEK 330 m (383) is the basis for the deferred tax asset of SEK 95 m (105).

The remaining loss carry-forwards of SEK 463 m (406) could result in a deferred tax asset of SEK 129 m (112). They have not been taken into consideration, however, as it is not considered possible to determine whether Lindab can utilise them in the foreseeable future, or it is considered unlikely that Lindab will be able to utilise them.

Note 15 Earnings per share

Undiluted	2013	2012
Profit attributable to parent company shareholders, SEK m	233	122
Weighted average number of outstanding ordinary shares	76,331,982	75,997,735
Undiluted earnings per share (SEK per share)	**3.05**	**1.61**

Undiluted earnings per share

Undiluted earnings per share is calculated by dividing the profit 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 treasury shares.

Diluted	2013	2012
Profit attributable to parent company shareholders, SEK m	233	122
Weighted average number of outstanding ordinary shares	76,331,982	75,997,735
Weighted average number of ordinary shares for calculation of diluted earnings per share	76,331,982	75,997,735
Diluted earnings per share (SEK per share)	**3.05**	**1.61**

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. The incentive programme initiated in 2010 included share warrants. Each warrant entitled the holder to one share in Lindab International AB for SEK 93.00. Lindab's share price during the conversion period, 01/06/2012 - 31/05/2013, was lower than the conversion rate, therefore no dilutive effects have occurred.

Note 16 Intangible fixed assets

	Capitalised expenditure for development work	Patents etc.	IT and other intangible assets	Brands	Goodwill	Total
1 January–31 December 2012						
Accumulated acquisition values						
Opening balance	9	77	208	46	2,696	3,036
Assets provided through acquisitions	-	-	2	-	-	2
Acquisitions	3	0	18	-	136	157
Divestments and disposals	-	-	–21	-	-	–21
Reclassification	–3	0	8	-	-	5
Translation differences for the year	0	0	–4	-	–51	–55
Closing balance	**9**	**77**	**211**	**46**	**2,781**	**3,124**
Accumulated depreciation/amortisation according to plan						
Opening balance	–9	–77	–142	–46	0	–274
Depreciation for the year	-	0	–24	-	-	–24
Divestments and disposals	-	-	21	-	-	21
Reclassification	-	0	–5	-	-	–5
Translation differences for the year	0	0	4	-	-	4
Closing balance	**–9**	**–77**	**–146**	**–46**	**0**	**–278**
Accumulated impairment losses						
Opening balance	0	0	-	-	–105	–105
Impairment losses for the year	-	-	-	-	-	-
Divestments and disposals	-	-	-	-	-	-
Translation differences for the year	-	-	-	-	6	6
Closing balance	**0**	**0**	**0**	**-**	**–99**	**–99**
Net carrying value at start of year	0	0	66	0	2,591	2,657
Net carrying value at end of year	**0**	**0**	**65**	**0**	**2,682**	**2,747**
1 January–31 December 2013						
Accumulated acquisition values						
Opening balance	9	77	211	46	2,781	3,124
Acquisitions	2	0	15	-	-	17
Divestments and disposals	-	-	–6	-	-	–6
Reclassification	–2	-	3	-	–1	0
Translation differences for the year	0	0	5	-	53	58
Closing balance	**9**	**77**	**228**	**46**	**2,833**	**3,193**
Accumulated depreciation/amortisation according to plan						
Opening balance	–9	–77	–146	–46	0	–278
Depreciation for the year	0	0	–25	-	-	–25
Divestments and disposals	-	-	6	-	-	6
Reclassification	-	-	-	-	-	-
Translation differences for the year	0	0	–3	-	-	–3
Closing balance	**–9**	**–77**	**–168**	**–46**	**0**	**–300**
Accumulated impairment losses						
Opening balance	0	0	0	-	–99	–99
Impairment losses for the year	-	-	-	-	-	-
Divestments and disposals	-	-	-	-	-	-
Translation differences for the year	-	-	-	-	0	0
Closing balance	**0**	**0**	**0**	**0**	**–99**	**–99**
Net carrying value at start of year	0	0	65	0	2,682	2,747
Net carrying value at end of year	**0**	**0**	**60**	**0**	**2,734**	**2,794**

Note 16 Intangible fixed assets, cont.

Capitalised expenditure for development work mainly relates to internally generated capitalised expenses for software development. Other intangible assets consists of software and customer lists.

Impairment testing for goodwill

The Group assesses at least once annually whether there are any impairment losses for goodwill in accordance with the accounting principles that are described in note 2. The basis for the assessment is the strategic plan for 2013-2018. Lindab performed its impairment test on 31 October 2013.

Testing for impairment shall be based on the smallest cash-generating unit, which for the Lindab Group is considered to be the strongly integrated business areas, which are also operating and reporting segments. Additionally, Ventilation operations in the USA are defined as a cash generating unit, since the operations are not supported by the same synergy effects that otherwise affect the business units in the form of joint steel purchasing and distribution channels.

The recoverable amount for the cash-generating units is based on estimates of value in use. These calculations are based on estimated projected cash flows after tax based on financial forecasts for each business area, which are approved by the Board and extend over a two-year period, plus forecasts for the subsequent three-year period. The projected cash flows have been updated to reflect the macroeconomic turmoil decrease in Europe in 2013 and that some improvement could also be observed in the construction industry. However the recovery is expected to be gradual from low levels. Key assumptions used for calculating value in use are volume growth, gross margins, raw material prices and growth assumptions following the close of the budget periods.

The discount rate has been estimated based on a weighted cost of capital after tax of 9.3 percent (8.6) and has been used for all cash generating units for discounting estimated cash flows after tax. This discounting is not materially different compared with discounting based on projected cash flows before tax and the pre-tax discount levels required by IFRS. The applied discount rate corresponds to a discount rate before tax of 11.1 percent (11.0) and has been based on the Group's weighted average tax rate.

The discount rate represents the current market assessment of the risks specific to Lindab, taking into account individual risks in the underlying assets have not been included in the calculations for the cash flow. The calculation of the discount rate is based on the Group's specific situation and from its weighted average cost of capital (WACC). WACC takes into account both liabilities and equity. The capital cost of equity is based on expected returns from the Group's investors. The cost of the Group's liabilities is based on the interest-bearing liabilities Lindab is obliged to redeem. Group-specific risks are considered through an individually considered beta factor. The beta factor is assessed annually on the basis of publicly available market data.

Cash flows beyond 2018 have been extrapolated using an estimated average long-term growth of 2 percent (2), which is in line with the average growth in markets where the business areas are operating in accordance with forecasts made by the construction industry's economic institutions. The assumption includes a weighting of the growth forecast for the underlying geographical markets, the Nordic region, Western Europe and CEE/CIS.

All business areas conduct operations within the primary industry, construction, with a shared concept regarding the development, manufacture, marketing and distribution of products and system solutions in sheet metal and steel. The risk profile is regarded to be uniform since the business areas are also acting in similar geographical markets. The same assumptions have therefore been made regarding the discount rate and long-term growth for each business area.

In order to support the impairment test on goodwill performed within the Group, a comprehensive analysis was made regarding the sensitivity of the variables used in the model. A deterioration in each of the material assumptions included in the business plans or a decline in annual sales revenue growth or an increase in the discount rate, each of which is possible, shows that there is a wide margin between the recoverable amount and carrying amount. Consequently there is no need for recording impairment loss of goodwill at the end of 2013.

Goodwill allocated per business area	2013	2012
Ventilation	1,522	1,489
Building Components	854	848
Building Systems	358	345
Total goodwill	**2,734**	**2,682**

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 2012						
Accumulated acquisition values						
Opening balance	769	1,678	437	26	60	2,970
Assets provided through acquisitions	70	66	6	0	2	144
Acquisitions	12	80	17	39	–7	141
Divestments and disposals	–2	–21	–16	0	0	–39
Reclassification	-	–6	–7	–3	–8	–24
Translation differences for the year	–18	–26	–5	–1	0	–50
Closing balance	**831**	**1,771**	**432**	**61**	**47**	**3,142**
Accumulated depreciation/amortisation according to plan						
Opening balance	–223	–1,287	–353	0	0	–1,863
Depreciation for the year	–22	–81	–19	-	-	–122
Divestments and disposals	2	16	14	-	-	32
Reclassification	0	12	7	-	-	19
Translation differences for the year	8	21	4	-	-	33
Closing balance	**–235**	**–1,319**	**–347**	**0**	**0**	**–1,901**
Accumulated impairment losses						
Opening balance	0	–19	-	–4	0	–23
Impairment losses for the year	–2	–7	–1	-	-	–10
Reversed losses	-	–1	-	-	-	–1
Divestments and disposals	–1	1	0	-	-	0
Reclassification	-	-	-	-	-	-
Translation differences for the year	0	1	-	-	-	1
Closing balance	**–3**	**–25**	**–1**	**–4**	**0**	**–33**
Net carrying value at start of year	546	372	84	22	60	1,084
Net carrying value at end of year	**593**	**427**	**84**	**57**	**47**	**1,208**
1 January–31 December 2013						
Accumulated acquisition values						
Opening balance	831	1,771	432	61	47	3,142
Acquisitions	14	45	17	–3	3	76
Divestments and disposals	–3	–13	–7	0	0	–23
Reclassification	37	–48	–22	–39	–13	–85
Translation differences for the year	10	–1	2	–3	–1	7
Closing balance	**889**	**1,754**	**422**	**16**	**36**	**3,117**
Accumulated depreciation/amortisation according to plan						
Opening balance	–235	–1,319	–347	0	0	–1,901
Depreciation for the year	–27	–83	–19	-	-	–129
Divestments and disposals	3	10	7	-	-	20
Reclassification	0	60	21	-	-	81
Translation differences for the year	–8	–4	–3	-	-	–15
Closing balance	**–267**	**–1,336**	**–341**	**0**	**0**	**–1,944**
Accumulated impairment losses						
Opening balance	–3	–25	–1	–4	0	–33
Impairment losses for the year	–2	0	0	–1	-	–3
Reversed losses	0	0	0	0	-	0
Divestments and disposals	0	–1	0	0	-	–1
Reclassification	0	7	0	1	-	8
Translation differences for the year	0	0	–1	1	-	0
Closing balance	**–5**	**–19**	**–2**	**–3**	**0**	**–29**
Net carrying value at start of year	593	427	84	57	47	1,208
Net carrying value at end of year	**617**	**399**	**79**	**13**	**36**	**1,144**

Note 18 Other investments held as fixed assets

	Group 2013	2012
Opening balance	4	3
Divestments/acquisitions	–1	1
Translation differences for the year	0	0
Book value	**3**	**4**

The long-term holding of unquoted shares and participations that do not relate to Group companies are reported here. They are classified as available-for-sale investments. Associated companies are included at book value, SEK 0 m (0), see note 29. Other holdings, SEK 3 m (4), mainly constitute smaller holdings owned by Group companies.

Note 19 Other long-term receivables

	Group 2013	2012
Opening balance	2	4
Decrease/increase	0	–2
Book value	**2**	**2**

Other long-term receivables mainly consist of deposits for leased premises.

Note 20 Stock

	Group 2013	2012
Raw materials and supplies	410	418
Goods in progress	45	44
Finished goods and goods for resale	503	504
Total	**958**	**966**

Inter-company profit within the Lindab Group amounted to SEK 43 m (35), which has been eliminated at Group level. Direct material costs for the year amounted to SEK 3,032 m (3,157), including SEK 4 m (–1) in impairment losses. In addition, the impairment loss for finished goods has been adjusted by SEK –2 m (2). The impairment loss for outgoing stock amounts to SEK 52 m (53), equivalent to 5 percent (5) of the stock value before deduction for impairment. Currency effects have decreased the provision by SEK 0 m during the year.

Note 21 Current receivables

	Group					
	Accounts receivable		Accrued income[1]		Other receivables[2]	
Number of days overdue	**2013**	2012	**2013**	2012	**2013**	2012
Not overdue	701	669	6	8	42	65
< 90 days	206	230	-	-	4	13
90-180 days	23	49	-	-	-	-
180-360 days	17	13	-	-	-	-
> 360 days	78	81	-	-	-	-
Total accounts receivable	**1,025**	**1,042**	**6**	**8**	**46**	**78**
Provision for bad debts	–83	–80	-	-	-	-
Total	**942**	**962**	**6**	**8**	**46**	**78**

1) Accrued income only relates to the exchange rate gain on forward exchange agreements amounting to SEK 1 m (2) and bonus income of SEK 5 m (6).
2) Other receivables relate only to VAT amounting to SEK 33 m (65) and other receivables of SEK 13 m (13).
Other receivables are specified in full below.

Change in the provision for bad debts	Group 2013	2012
Opening balance	80	70
Added through acquisitions	0	2
Increase in provision	44	29
Actual losses	–38	–14
Cancellation of provisions	–4	–5
Translation differences	1	–2
Closing balance	**83**	**80**

Prepaid expenses and accrued income	Group 2013	2012
Prepaid expenses for rental and leasing	9	9
Accrued exchange gain forward exchange agreement	1	2
Insurance premiums	5	24
Accrued bonus income	5	6
Other prepaid expenses	60	47
Total	**80**	**88**

During the year, SEK 40 m (23) has been carried as expenses regarding the provision for bad debts.

Provisions for bad debts are normally made when the receivables have been due for more than 180 days. An impairment of 50 percent is made for accounts receivable that have been due for between 180 and 360 days, while an impairment of 100 percent is made for accounts receivable for more than 360 days. Individual assessments are made simultaneously and the provision is adjusted as required.

Other receivables	Group 2013	2012
VAT recoverable	33	65
Advance payments to employees	0	0
Travel advances	1	1
Other receivables	13	14
Total	**47**	**80**

Credit risk management

Customer credit risk is managed by each business unit and is covered by the Group's established policies, procedures and controls. Individual credit limits are identified and assessed. Outstanding accounts receivable are regularly monitored and portions of outstanding accounts receivable are covered by credit insurance. Lindab's exposure to individual customers is limited as Lindab's biggest customer accounts for 2.2 percent of the Group's total sales revenue. Credit risks from deposits held with banks and financial institutions are managed by the Group's central treasury department in accordance with Group policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Limits are established to minimize the concentration of risks and thereby reduce financial losses.

Note 22 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		–2,375,838	-	-	-
Total number of outstanding shares at year end		**76,331,982**	**-**	**-**	**-**

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.

Treasury shares

In 2008, 3,935,391 treasury shares were repurchased, amounting to SEK 348 m. In 2010, IVK-Tuote Oy was acquired through the transfer of 559,553 treasury shares to the seller of the company. In 2012, 1,000,000 treasury shares were sold, amounting to SEK 52 m. The number of treasury shares thereby decreased to 2,375,838 and the number of outstanding shares increased to 76,331,982.

Incentive programme

The Annual General Meetings in 2011 and 2012 decided to introduce long-term incentive programmes in the form of performance-based share savings programmes for each year. Participation in the programme required participants to make an initial investment in Lindab shares. Participation entitles the holder to receive new shares, provided that certain requirements are met. Performance is measured in the financial years for 2013 and 2014 and compared to the outcomes for financial years for 2010 and 2011 respectively.

There are 58 (79) participants remaining in the initial programme, who have invested in a total of 39,341 shares (62,711). The allocation of 39,341 matching shares will be transferred to the participants. The total cost for the programme is estimated at approximately SEK 3 m (5). Settlement will take place during the second quarter of 2014.

There are 52 (63) participants remaining in the second programme, who have invested in a total of 56,350 shares (69,347). On maximum allocation, 242,200 Lindab shares (324,288) will be transferred to the participants. The total cost for the programme is estimated at approximately SEK 4 m (5). Settlement will take place during the second quarter of 2015.

The incentive programme initiated in 2010 included share warrants. Each warrant entitled the holder to one share in Lindab International AB for SEK 93.00. Lindab´s share price during the conversion period, 01/06/2012 – 31/05/2013, was lower than the conversion rate, therefore no dilutive effects have occurred.

Note 23 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 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.

The retirement and family pension plans for salaried employees in Sweden are guaranteed through insurance cover with Alecta, in the so-called ITP2 plan. 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 year. 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 10 m (11) 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 consolidation level was 148 percent (129). 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.

There is also a commitment for a collective pension plan in the USA. The pension plan is a defined benefit plan, but because the company did not have access to information that would have made it possible to report the pension plan as a defined benefit plan, it is therefore reported as a defined contribution plan. The fees for this plan amounted to SEK 2 m (3) for the year.

The expenses for defined contribution plans amounted to SEK 75 m (81).

Note 23 Provisions for pensions and similar obligations, cont.

Reported in the statement of financial position

Specification of defined benefit obligations, etc.	**2013**	2012
Present value of funded pension obligations	62	71
Fair value of plan assets	–39	–42
Net value of funded plans	*23*	*29*
Present value of unfunded defined benefit obligations	104	110
Net liability in the statement of financial position for benefit-based obligations	**127**	**139**
Allocated to pensions, defined contribution obligations	42	39
Pension liability as per the statement of financial position	**169**	**178**
Fair value of plan assets for defined contribution obligations	–42	–39
Financial investments as per the statement of financial position	**–42**	**–39**

For defined benefit funded plans, the net pension commitment after deductions that have been 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. Defined contribution 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 statement of financial position of SEK 169 m (178), SEK 38 m (36) comprise pension obligations for current and former Presidents and Vice Presidents. The obligations are invested in endowment insurance funds. These are valued at SEK 38 m (36).

Costs recognised in income statement in the table below include expenses for service during the current year, expenses for past service, net interest expenses and gains and losses on settlements.

	2013		2012	
Change in plan assets and defined benefit obligations during the year	**Assets**	**Obligations**	Assets	Obligations
Opening balance	–42	181	–46	173
Pension expenses are reported in the income statement				
- Expenses for service in the current year	-	6	-	12
- Interest expenses/income	–2	6	–2	6
Total	*–44*	*193*	*–48*	*191*
Revaluations recognised in other comprehensive income				
- Return on plan assets, excluding amounts included in interest expenses/income	1	-	2	-
- Gain/loss arising from changes in demographic assumptions	2	5	-	-
- Gain/loss arising from changes in financial assumptions	-	–20	-	14
- Experience-based gains/losses	-	–3	-	–8
Total	*3*	*–18*	*2*	*6*
Exchange rate differences	2	–2	0	–1
Contributions by employer	–3	-	–4	-
Benefits paid	3	–7	8	–15
Closing balance	**–39**	**166**	**–42**	**181**

	2013				2012
Most important actuarial assumptions	**Sweden**	**Luxembourg**	**Norway**	**Other**	All
Discount rate, %	4.0	3.0	4.1	3.0–4.3	2.2–3.5
Future salary increases, %	3.0	3.3	3.8	0.0–3.0	3.0–3.3
Future pension increases, %	2.0	0.0	0.6	0.0–1.8	0.0–2.0
Net debt breakdown for 2013, SEK m	97	26	33	10	-
Net debt breakdown for 2012, SEK m	105	28	40	8	-

The choice of discount rate in Sweden was based on the market rate applicable to housing bonds with a duration corresponding to the average residual maturity of the obligation, for Lindab 4.0 percent (3.5).

	Effect on the defined benefit obligations		
The sensitivity of the defined benefit obligation for changes in the main assumptions are:	**Change in the assumption**	**Increase in the assumption**	**Decrease in the assumption**
Discount rate	+/– 0.5%	14	–13
Changes in salary	+/– 0.5%	–9	9
Changes in pensions	+/– 0.5%	–8	8

The sensitivity analysis has been based on one change in the assumptions while all others are kept constant. The projected unit credit method is used for calculating the pension liability as well as for calculating the sensitivity of the defined benefit obligations for significant actuarial assumptions.

Note 23 Provisions for pensions and similar obligations, cont.

Plan assets are, as follows:

	2013	Percent	2012	Percent
Equities	3	8	3	7
Bonds	17	44	19	45
Property	4	10	5	12
Qualifying insurance policies	14	36	14	33
Other	1	3	1	2
Total	**39**	**100**	**42**	**100**

Maturity analysis regarding expected contributions to the defined benefit plan obligations in the future:

	2013
Within 12 months	6
Between 2 and 5 years	27
Between 5 and 10 years	50
Total	**83**

The parent company

The company's pension obligation for the President and CEO is classified as a contribution based plan. See also note 6.

Note 24 Other provisions

	Group			
	Restructuring provision	Warranty provision	Other	Total
Opening balance	36	32	35	103
Utilised (–)/increase during the year (+)	4	–4	2	2
Exchange rate differences	1	0	0	1
Closing balance	**41**	**28**	**37**	**106**
Breakdown in the statement of financial position				
Other long-term provisions	18	16	10	44
Other current provisions	23	12	27	62
Total	**41**	**28**	**37**	**106**

The restructuring provision consists of provisions for the reorganisation and the cost-reduction programme.

The warranty provisions of SEK 28 m (32) include estimated future expenses and provisions for actual claims. The majority of the warranty provisions relate to Building Systems, SEK 21 m (26).

Building Systems has a common calculation principle for warranty provisions covering the entire warranty period, which spans five to ten years. This is calculated on a statistics-based percentage in relation to sales revenue over the last ten years less actual warranty costs. The projected warranty provision is reduced by SEK 6 m (15) in actual known claims, which usually occur in association with deliveries. The estimated future warranty provisions amount to SEK 14 m (13). In addition, there are individual provisions for specific products of SEK 1 m (4). A relatively large share of the warranty provisions are reported as current, as most warranty cases are resolved within one year.

Note 25 Consolidated Borrowing and Financial Instruments

	Group		Parent company	
Long-term	**2013**	2012	**2013**	2012
Bank loans	1,645	2,045	-	-
Current				
Liabilities to credit institutions	6	22	-	-
Overdraft facilities	160	193	-	-
Total borrowing	**1,811**	**2,260**	**-**	**-**

The maturity periods for long-term borrowing are broken down according to the following table:

	Group		Parent company	
	2013	2012	2013	2012
between 1 and 2 years	1,599	5	-	-
between 2 and 5 years	12	2,003	-	-
more than 5 years	34	37	-	-
	1,645	**2,045**	**-**	**-**

Bank loans include leasing liabilities of SEK 44 m (47). The current share of the leasing liability amounted to SEK 4 m (22) and is included in liabilities to credit institutions. Total borrowing includes pledged liabilities, bank loans with security, of SEK 7 m (8). Security for these loans consists of mortgage deeds in properties.

Unappropriated cash and cash equivalents including unused credit facilities in the Group amounted to SEK 1,525 m (1,095). The parent company has no unused credit.

According to the Group's financial policy, the fixed interest rate must not exceed 12 months. At 31 December 2013 it was 2 months. In 2012, the fixed interest rate period was 4 months. The majority of consolidated borrowing currently has a variable interest rate.

Fixed rates only apply to the financing of property loans in Switzerland. These loans amount to SEK 7 m (8).

Consolidated borrowing broken down in different currencies:

	Group		Parent company	
Amounts in SEK m	**2013**	2012	**2013**	2012
SEK	754	2,086	-	-
DKK	1	37	-	-
EUR	845	46	-	-
NOK	8	4	-	-
CHF	146	8	-	-
RUB	-	22	-	-
PLN	53	57	-	-
GBP	4	-	-	-
	1,811	**2,260**	**-**	**-**

Note 25 Consolidated Borrowing and Financial Instruments, cont.

Disclosures regarding the carrying amount by category and fair value by class

	2013				2012			
Financial assets	**Held for trading**	**Loan receivables and accounts receivable**	**Total carrying amount**	**Fair value**	Held for trading	Loan receivables and accounts receivable	Total carrying amount	Fair value
Other investments held as fixed assets	3	-	3	3	3	-	3	3
Other long-term receivables	-	2	2	2	-	3	3	3
Accounts receivable	-	942	942	942	-	962	962	962
Other receivables	-	14	14	14	-	14	14	14
Accrued income	-	5	5	5	-	6	6	6
Cash and cash equivalents	-	331	331	331	-	301	301	301
Total financial assets	**3**	**1,294**	**1,297**	**1,297**	**3**	**1,286**	**1,289**	**1,289**
Financial liabilities								
Overdraft facilities	-	–160	–160	–160	-	–193	–193	–193
Bank loans	-	–1,607	–1,607	–1,607	-	–2,021	–2,021	–2,021
Derivative liabilities	–2	-	–2	–2	–1	-	–1	–1
Accounts payable	-	–682	–682	–682	-	–569	–569	–569
Other liabilities	-	–102	–102	–102	-	–115	–115	–115
Accrued expenses	-	–329	–329	–329	-	–338	–338	–338
Total financial liabilities	**–2**	**–2,880**	**–2,882**	**–2,882**	–1	**–3,236**	**–3,237**	**–3,237**

Description of fair value

Other investments held as fixed assets

Due to the small amount, the book value is deemed to reflect fair value, as the discounting effect is not considered significant.

Other long-term receivables

Fair value is calculated based on discounted future cash flows using the current interest rate. Due to the small amount, the book value is deemed to reflect fair value.

Bank loans

The majority of bank loans have variable interest rates. The carrying amount is deemed to reflect the fair value.

Derivative liabilities

Derivative liabilities are evaluated at fair value by discounting the difference between the contracted forward rate and the forward rate that can be subscribed to on the balance sheet date for the remaining contract period. The foreign currency forward contracts have a term of up to 5 months, thus no discounting is performed.

Other financial assets and liabilities

For cash and cash equivalents, accounts receivable, other receivables, accrued income, trade creditors, bank overdrafts, other liabilities and accrued liabilities with a remaining maturity of less than 12 months, the carrying value is deemed to reflect fair value.

Valuation hierarchy

The table below shows financial instruments measured at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- Other observable input data for the asset or liability other than the quoted prices included in Level 1, either directly, (i.e. as price quotations) or indirectly, (i.e. derived from price quotations) (Level 2),
- Input data for the asset or liability that is not based on observable market data (i.e. non-observable input data) (Level 3).

	2013				2012			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss								
Other investments held as fixed assets	-	-	3	3	-	-	3	3
Measured at fair value for disclosure purposes								
Other long-term receivables	-	-	2	2	-	-	3	3
Accounts receivable	-	-	942	942	-	-	962	962
Other receivables	-	-	14	14	-	-	14	14
Accrued income	-	-	5	5	-	-	6	6
Cash and cash equivalents	331	-	-	331	301	-	-	301
Total assets	**331**	**-**	**966**	**1,297**	**301**	**-**	**988**	**1,289**
Liabilities								
Financial liabilities measured at fair value through profit or loss								
Derivative liabilities	-	–2	-	–2	-	-	-	-
Measured at fair value for disclosure purposes								
Bank loans	–1,607	-	-	–1,607	–2,021	-	-	–2,021
Overdraft facilities	–160	-	-	–160	–193	-	-	–193
Accounts payable	-	-	–682	–682	-	-	–569	–569
Other liabilities	-	-	–102	–102	-	-	–115	–115
Accrued expenses	-	-	–329	–329	-	-	–338	–338
Total liabilities	**–1,767**	**–2**	**–1,113**	**–2,882**	**–2,214**	**-**	**–1,022**	**–3,237**

Note 26 Accrued expenses and deferred income

	Group		Parent company	
	2013	2012	**2013**	2012
Salaries and holiday pay	148	145	-	2
Share of profits	9	12	-	-
Payroll overheads	75	76	2	-
Bonuses to customers	103	99	-	-
Interest expenses	6	12	-	-
Other costs	65	72	0	0
Total	**406**	**416**	**2**	**2**

Note 27 Leases

Operational lease contracts

Leasing costs for assets held through operating lease contracts, such as rented premises, machinery and office equipment, are reported in operating expenses and amount to SEK 41 m (46), of which property rental charges amount to SEK 35 m (41).

Future payments for non-cancellable operating lease contracts amount to SEK 131 m (83) and are broken down as follows:

	2013	2012
Year 1	38	37
Year 2–5	65	36
Year 6 and later	28	10
	131	**83**

Variable payments consist of variable rates. An increase in interest rates of one percentage point increases total leasing costs by SEK 5 m.

Existing lease contracts vary in length from 5 to 22 years. Within the Group, there are companies with options contracts giving them the right to buy back properties sold to leasing companies.

If the option giving the right to buy back is exercised, the property's market value determines the purchase price. None of the Group's lease contracts contain restrictions regarding equity or financing opportunities.

The above table includes the following major items.

In 2004, an operating lease was signed with DIL Czech Leasing Boskovice Koncernova s.r.o. regarding a production facility in the Czech Republic. The contract is effective for 10 years and includes an option to buy back the production facility at market value when the contract expires. The rent for 2013 amounted to SEK 9 m.

On 30 September 2013, the properties in Båstad were acquired by DSL Renting from DAL Nordic Finance AB. The properties have been leased back by Lindab through 7-year operating lease contracts. The rent for 2013 amounted to SEK 7 m of which SEK 3 m relates to the newly agreed contract.

In January 2010, Lindab sold a production facility in Luxembourg. This property was acquired by DAL Nordic Finance AB for a purchase price of SEK 285 m. Lindab simultaneously leased back the property through a 5-year operating lease contract and has the option to buy back the production facility at market value when the lease contract expires. The rent for 2013 amounted to SEK 15 m. The lease contract is associated with the commitment as described in note 28.

For the leasing transactions above, there is a possibility to extend the lease contracts if the possibility is exercised in accordance with established agreements. If Lindab chooses not to extend the lease contract, Lindab typically has an obligation to guarantee the majority of the carrying value.

Financial lease contracts

Financial lease agreements amounting to SEK 57 m (74) are included in the balance sheet under Buildings and Land and totalling SEK 13 m (16) under Machinery and Software. In 2013, costs for these contracts excluding deferred taxes amounted to SEK 7 m (26). Future obligations for financial lease agreements amount to SEK 66 m (90) and are broken down as follows:

	Nominal value (present)	
	2013	2012
Year 1	7 (7)	25 (24)
Years 2–5	24 (21)	26 (23)
Year 6 and later	35 (26)	39 (29)
	66 (54)	**90 (76)**

Interest rates were determined upon commencement of the lease contracts. All lease contracts have fixed repayments; the included variable charges do not amount to substantial sums.

Note 28 Pledged assets and contingent liabilities

	Group		Parent company	
Pledged assets	**2013**	2012	**2013**	2012
Property mortgages	18	18	-	-
Floating charges	345	382	-	-
Total	**363**	**400**	**-**	**-**

All pledged assets refer to security for liabilities to credit institutions.

	Group		Parent company	
Contingent liabilities	**2013**	2012	**2013**	2012
Other guarantees and sureties	4	4	-	-
Pension obligations	11	10	-	-
Total	**15**	**14**	**-**	**-**

The existing credit agreement with Nordea and Handelsbanken expires in February 2015. At the year end, the total credit limit was SEK 2,800 m (2,900). The agreement contains covenants, which are monitored quarterly. Lindab fulfils the terms of its current credit agreement.

Note 28 Pledged assets and contingent liabilities, cont.

Lindab is included in a pension plan covering a number of employees in the USA. In the event of Lindab discontinuing its business in the USA or withdrawing from the collective agreement with the local unions, a commitment has been enacted to cover Lindab's share of the deficit for the collective pension plan. The sum of the commitment has been calculated and estimated at SEK 59 m, which is based on data from 31 December 2012 and is not based on normal actuarial principles but represents a commitment in the event of withdrawal from the collective agreement. There was no current information as of 31 December 2013.

To ensure that Lindab can use the Building Systems plant in Luxembourg in the long term under better financial conditions, Lindab has entered into an agreement with the present property owner, DAL, to acquire all shares in the company that owns the property. Unless early completion is exercised, completion will take place when the current tenancy expires on 29 January 2015. The purchase price corresponds to equity and is not expected to exceed SEK 2 m.

The company's liquid assets correspond to the purchase price. The property's book value at the time of completion is estimated at EUR 25 m, corresponding to the estimated market value. Hypothecation of the property totals the same amount.

Simultaneously, Lindab has entered into agreements with third parties to resell the property and enter into a long term lease. The cumulative effect of the agreements is a decrease in Lindab's rental costs from 2012 and thereby safeguards the use of the facility at a reasonable cost.

Note 29 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.

Related parties

The principal shareholders considered to be related parties during the year are Systemair AB (publ), Creades AB (publ) and Livförsäkringsaktiebolaget Skandia.

From 20 August 2012, transactions with Systemair AB (publ) are considered to be transactions with related parties. Transactions with Systemair AB (publ) in 2013 comprised sales revenue of SEK 30 m and purchases of SEK 24 m. Transactions with Systemair AB (publ) for the period from 20 August 2012 up to the year-end comprised sales revenue of SEK 10 m and purchases of SEK 7 m. The transactions were conducted on market terms, on a so-called arm's length basis.

In addition, the parent company has direct and indirect control over its subsidiaries, see note 30. 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 23.

The associated company Meak BV in the Netherlands and Lindab Innovation AB are 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	**2013**	2012	**2013**	2012
Former Presidents	38	29	-	-

	Group companies		Parent company	
The parent company	**2013**	2012	**2013**	2012
Dividends and Group contributions to the parent company	94	95	N/A	N/A
Interest income from the parent company	93	98	N/A	N/A
Long-term receivables in the parent company	2,086	2,087	N/A	N/A
Group companies				
Received dividends and Group contributions from Group companies	N/A	N/A	94	95
Interest expenses to Group companies	N/A	N/A	93	98
Long-term liabilities to Group companies	N/A	N/A	2,086	2,087

Other transactions with related parties

For information about the incentive programmes aimed at participants in various management positions at Lindab, see note 6 on page 92.

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 30 Group companies and associates

	Currency code	Corporate ID no.	Registered office	Share in %	Book value
Lindab AB	SEK	556068-2022	Båstad, Sweden	100	3,467[1)]
Lindab Sverige 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	
Lindab S.A.	EUR	RC B91774	Diekirch, Luxembourg	0	
Lindab s.r.o.	CZK	49613332	Prague, Czech Republic	15	
U-nite Fasteners Technology AB	SEK	556286-9858	Uddevalla, Sweden	100	
Lindab Buildings LLC	RUB	USRN 1067611020840	Yaroslavl, Russia	99	
Lindab Ltd. Co.	RUB	105781261234	St. Petersburg, Russia	100	
Lindab S.A.	EUR	RC B91774	Diekirch, Luxembourg	100	
LA Services S.à r.l	EUR	B146465	Diekirch, Luxembourg	100	
Lindab Treasury AB	SEK	556044-4704	Båstad, Sweden	100	
Lindab Buildings S.A.S.	EUR	RCS 327 258 943	Marne-la-Vallée, France	100	
Lindab Buildings s.r.o.	CZK	633 19 675	Prerov, Czech Republic	100	
OOO Astron Buildings LLC	RUB	OGRN 1047796961464	Moscow, Russia	100	
Lindab Buildings Sp. z o.o.	PLN	KRS 0000039952	Lomianki, Poland	1	
Lindab 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	
LLC Spiro	RUB	1117604013108	Yaroslavl, Russia	1	
Spiro International S.A.	CHF	CH-217-0135550-1	Bösingen, Switzerland	100	
LLC Spiro	RUB	117604013108	Yaroslavl, Russia	99	
Spiro S.A.	CHF	CH-217-0130536-2	Bösingen, Switzerland	100	
Spiro Havalandirma LTD STI	TRY	877776	Istanbul, Turkey	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 Profile Inc.	USD	90-091 66 93	Portsmouth VA, USA	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	Biatorbagy, Hungary	100	
Lindab AS	NOK	929805925 MVA	Oslo, Norway	100	
Lindab Sp. z o.o.	PLN	KRS 0000043661	Lomianki, Poland	100	
Lindab S.r.l	EUR	12002580152	Volpiano, Italy	100	
Lindab N.V.	EUR	BE 464.910.211	Gent, Belgium	100	
Lindab A/S	DKK	CVR nr. 33 12 42 28	Haderslev, Denmark	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	
Lindab Buildings GmbH	EUR	HRB 8007	Mainz, Germany	100	
Lindab Buildings Sp. z o.o.	PLN	KRS 0000039952	Lomianki, Poland	99	
Lindab AG	CHF	CH-170.3.023.237-3	Wetzikon, Switzerland	100	
Lindab Ltd	GBP	1641399	Northampton, UK	100	
CCL Lindab Ltd	GBP	1909033	Northampton, UK	100	
Lindab France S.A.S.	EUR	31 228 513 300 061	Montluel, France	100	
Lindab (IRL) Ltd	EUR	44222	Dublin, Republic of Ireland	100	
Lindab a.s.	SKK	36 214 604	Jamník, Slovakia	100	
IVK Kiinteistöt Oy	EUR	2324254-7	Jyväskylä, Finland	100	
Lindab Fastigheter AB	SEK	5566629-2271	Båstad, Sweden	100	
Lindab Steel AG	CHF	CH-020.3.036.274-9	Wetzikon, Switzerland	100	
Centrum Klima S.A.	PLN	0000299712	Mazowiecki, Poland	100	
Lindab Innovation AB	SEK	556897-8505	Båstad, Sweden	50	
Lindab International AB	SEK	556855-7481	Luleå, Sweden	100	
Kalnesa Holdings Limited	EUR	303110	Nicosia, Cyprus	100	
Spircus Enterprises Limited	EUR	303031	Nicosia, Cyprus	100	

1) 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 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 6 March 2014

Kjell Nilsson
Chairman

Anders Berg
Acting President and CEO

Erik Eberhardson

Birgit Nørgaard

Sonat Burman-Olsson

Stefan Charette

Gerald Engström

Pontus Andersson

Markku Rantala

Our Auditors' Report was submitted on 10 March 2014.

Ernst & Young AB

Staffan Landén
Authorised Public Accountant

Auditor's Report

To the annual meeting of the shareholders of Lindab International AB
Corporate identity number 556606 - 5446

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Lindab International AB for the year 2013. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 57–109.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the annual accounts in accordance with the Annual Accounts Act and, of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Lindab International AB for the year 2013.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Båstad, March 10, 2014
Ernst & Young AB

Staffan Landén
Authorized Public Accountant

Financial definitions

Operating profit (EBITDA)
The operating profit (EBITDA) comprises results before depreciation and before consolidated amortisation of surplus value on intangible assets.

Operating profit (EBITA)
The operating profit (EBITA) comprises results following depreciation but before consolidated amortisation of surplus value on intangible assets.

Operating profit (EBIT)
The operating profit (EBIT) 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 non-interest-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.

Operating cash flow
Cash flow from operating activities excluding one-off items and tax paid but including net investments in intangible and tangible fixed assets.

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 weighted average number of shares outstanding at end of the period plus any additional shares in accordance with IAS 33.

Undiluted/diluted earnings per share
Profit for the year attributable to the parent company shareholders in relation to the average number of outstanding shares.

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)
Operating margin has been calculated as the profit before 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)
Operating margin has been calculated as the profit following depreciation but before consolidated amortisation of surplus value on intangible assets (EBITDA), expressed as a percentage of net sales for the year.

Operating margin (EBIT)
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)
Profit margin (EBT) has been calculated as the profit before tax, expressed as a percentage of net sales for the year.

Return on capital employed
Return on capital employed comprises the Group's profit before tax (EBT) plus financial expenses as a percentage of average* capital employed.

Return on operating capital
Operating profit (EBIT) as a percentage of average* operating capital.

Return on equity
Return on equity comprises the profit after tax as a percentage of the weighted average* equity.

Return on total assets
Return on total assets comprises profit before tax (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.*

GRI Index

The information presented relates to the calendar year for 2013 and, unless otherwise specified, extends to all operating subsidiaries that were included from the start of the year. Companies that were divested or ceased operations reported data for the time that they were active. The previous sustainability report was published in April 2013.

Lindab follows GRI guidelines for sustainability reporting, and reports through self-assessment in accordance with GRI level C.

Indicator		Status	Page
1. Strategy and analysis			
1.1	CEO statement on Social Responsibility	F	p. 7
2. Organisational profile			
2.1	Name of the organisation	F	Front cover
2.2	Primary brands, products and/or services	F	p. 8–9
2.3	Operational structure	F	p. 15, Note 30
2.4	Location of headquarters	F	Note 1
2.5	Countries where the Group operates	F	Note 30
2.6	Nature of ownership	F	p. 44–45
2.7	Markets served	F	p. 10–11
2.8	Scale of the reporting organisation	F	p. 57 ff
2.9	Significant changes during the reporting period	F	p. 57 ff
2.10	Awards received during the reporting period	F	N/A
3. Report parameters			
3.1	Reporting period	F	p. 112
3.2	Date of previous report	F	p. 112
3.3	Reporting cycle	F	p. 112
3.4	Contact person for questions regarding the report	P	Back cover
3.5	Process for defining report content	F	p. 112
3.6	Boundary of the report	F	p. 112
3.7	Specific limitations on the scope or boundary of the report	F	p. 112
3.8	Reporting of entities that can affect comparability from period to period and/or between organisations	F	p. 112
3.10	Explanation of the reasons for and effect of any restatements of information	F	p. 112
3.11	Significant changes in the scope, boundary or measurement methods	F	p. 112
3.12	GRI Index	F	p. 112
4. Governance, commitments and stakeholder relationships			
4.1	Governance structure of the organisation	F	p. 47–53
4.2	Chairman's position	F	p. 46
4.3	Number of independent, non-executive Board members	F	p. 47–53
4.4	Mechanisms for shareholders and employees to provide recommendations or directions to the Board	F	p. 47–53
4.14	List of stakeholder groups engaged by the Group	F	p. 12–13, p. 38, p. 40, p. 50
4.15	Basis for the identification and selection of stakeholders	P	p. 40
5. Management approach and performance indicators			
Economic performance indicators			
EC1	Economic value generated and distributed	F	p. 38
EC3	Coverage of the organisation's defined-benefit plan obligations	F	Note 6, Note 23
EC4	Significant financial assistance received from government	F	p. 38
Environmental performance indicators			
EN1	Materials used	F	p. 113
EN2	Percentage of materials used that are recycled input materials	F	p. 113
EN3	Direct energy consumption	F	p. 113
EN4	Indirect energy consumption	F	p. 113
EN5	Energy saved due to efficiency improvements	P	p. 113
EN8	Total water withdrawal	P	p. 113
EN16	Total direct and indirect greenhouse-gas emissions	F	p. 113
EN18	Initiatives to reduce emissions of greenhouse gases	F	p. 38–41, p. 113
EN22	Total weight of waste by type and disposal method	P	p. 113
EN28	Fines and sanctions for noncompliance with environmental laws and legislation	F	p. 113
Performance indicators for labor practices and decent work			
LA1	Total workforce	P	p. 34–35, Note 6
LA2	Employee turnover	P	p. 34–35, Note 6
LA7	Work-related accidents and diseases	P	p. 35, p. 41, Note 6
LA13	Composition of the Board and management	F	p. 48
Performance indicators for human rights			
HR4	Total number of incidents of discrimination	F	p. 38
HR6	Operations identified as having significant risk for incidents of child labor	F	p. 38
HR7	Operations identified as having significant risk for incidents of forced labor	F	p. 38
Performance indicators for society			
SO2	Percentage and total number of business units analyzed for risks related to corruption	F	p. 38, p. 41
SO4	Actions taken in response to incidents of corruption	F	p. 38
Performance indicators for products			
PR1	Products and services impact on health and safety throughout the life-cycle	F	p. 17
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services	F	p. 17
PR9	Monetary value of fines for noncompliance with laws and regulations concerning products and services	F	p. 17

N/A = Not applicable
F = Full
P = Partial

Lindab's environmental work

Lindab's continuous environmental work is governed by the environmental policy and environmental objectives. The direct responsibility for environmental issues resides with the local companies, with one person holding responsibility for the local environmental work. At Group level there is a central environmental function with responsibility for the development, coordination and monitoring of the environmental work.

Lindab's operations result in a relatively small environmental impact and the permits required are mainly business licenses for the industry. There were no violations of permit conditions or local environmental laws in 2013 or previously. The risk of accidents that could have a negative impact on the environment is considered very small. Lindab has also ensured that environmental risks associated with acquisitions or major changes are taken into consideration.

Energy and climate objectives

Lindab has set three long-term objectives aimed at reducing the Group's impact on the environment and climate. The objectives are based on the EU's climate objectives for 2020, with 2008 as the base year.

– Energy consumption will decrease by 20%
– 20% of energy will come from renewable sources
– Greenhouse gas emissions will decrease by 20%

Two acquired production units have been added since the previous sustainability report, Centrum Klima in Poland and Lindab Panel in Luleå, Sweden. This has affected the energy consumption, amount of waste produced and emissions of greenhouse gases. Energy consumption and emissions of greenhouse gases have increased in absolute terms, but have decreased per tonne of steel produced. This is due to the energy-efficiency projects that are being conducted in several parts of the Group.

Emissions

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. Lindab's Carbon Footprint studies show that transport accounts for a fraction of the product's overall climate impact.

Production

Lindab's operations, with the manufacture of steel products, have a relatively small environmental impact. This can be small emissions of dust, solvents from paint and metals into waste water. No unintended emissions have occurred during the year. Leakage checks on cooling/heating pump equipment are performed to prevent ozone-depleting substances from leaking out. No emissions have been recorded during the year. Independent inspections of the business show that no pollution has occurred that may require decontamination of soil or water.

Waste

The waste products generated during production comprise mainly scrap metal. The increase in the amount of scrap metal can be linked entirely to the two additional companies included in this year's report. The recovery rate is high. Scrap metal is recycled completely along with up to 90 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. Hazardous waste is collected by local waste management companies and there is no information as to whether any has been exported.

Chemicals

Lindab uses chemicals in production and is therefore affected by the EU's chemical legislation, REACH. The business is classed as a downstream user, since Lindab neither produces nor imports chemical products to the European market. Lindab's work in this area is mainly focused on communication with suppliers and customers about REACH related issues.

Consumption of raw materials

	2013	2012	2011
Steel, tonnes	185,000	183,000	193,000
Oils, m³	65	80*	80
Paint, tonnes	429	521	446
Solvents, m³	10	12	20
Rubber, tonnes	1,524	1,008	675

*Corrected

Consumption of packaging materials

	2013	2012	2011
Cardboard, tonnes	2,215	1,861	1,914
Plastic, tonnes	868	679	380
Wood, tonnes	7,643	7,424	7,290

Greenhouse gas emissions

	2013	2012	2011
Total, tonnes	63,552	55,987	61,086
Direct emissions, tonnes	12,537	11,349	11,896
Indirect emissions, tonnes	13,170	15,146	22,118
Other sources, tonnes	37,845	29,492	27,073

Water

	2013	2012	2011
Total water consumption, m³	180,726	169,676	175,864

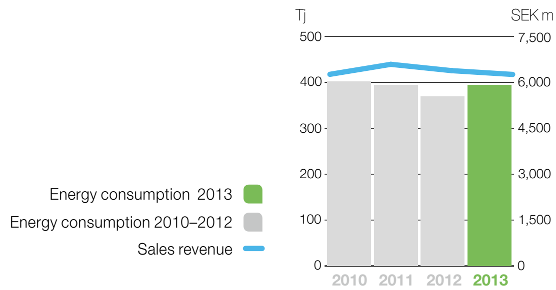
Waste & scrap metal

	2013	2012	2011
Steel scrap, tonnes	16,400	13,491	14,574
Hazardous waste, tonnes	598	655	635
Total other waste, tonnes	5,377	4,345	4,705
Recycling rate, %	88	87	90

Energy

	2013	2012	2011
Total, TJ	396	370	396
Direct energy, TJ	207	185	198
Indirect energy, TJ	189	185	198

Energy consumption



Glossary

Building Product Declaration – A building product declaration (BPD) is a form for presenting environmental information about building materials. Lindab has decided to establish BPDs for all its products and these are available on the Group's Swedish website.

CEE – Central and Eastern Europe.

CIS – Commonwealth of Independent States (former Soviet Republics).

Carbon Footprint – A measure of greenhouse gas emissions that can be attributed to an activity or product.

CE – Product marking within the EEA (European Economic Area). A product bearing the CE mark indicates that the manufacturer or importer has met the basic requirements of the EU Directive regulating this.

EU climate targets – Climate targets must be achieved by 2020 and include a 20 percent reduction in energy use and greenhouse gas emissions and for 20 percent of energy to come from renewable sources, visit www.europa.eu.

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 26000 – Non-certifiable international standard with guidance on social responsibility, visit www.iso.org.

Lean – A philosophy regarding resource management. The purpose of Lean is to identify and eliminate all elements of a production process that do not create value for the end customer.

Lindab Life – The collective name for Lindab's long-term responsibility towards our stakeholders, the communities in which we operate and the environment we live in. Includes the areas Business, Environment, Employees and Society.

Carbon footprint studies – Analysis of a product's overall 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.

Key Accounts – Strategic work with the company's key customers in order to create long-term partner relationships.

Quality management system – An operational system to ensure the quality of a company's products and services extending over organisational structures, responsibilities and activities. Certified in accordance with ISO 9001.

Environmental management system – An operational system for effective and structured environmental work with continuous improvement as a goal. Certified in accordance with ISO 14001.

Ozone depleting substances – Substances that deplete the ozone layer containing either chlorine (Cl) or bromine (Br). These substances evaporate easily and are very stable. This means that they can reach the stratosphere where the ozone layer is located.

REACH – Chemical legislation that replaced much of the chemical regulations that applied in Europe and in Sweden before 1 June 2007. The rules are contained in an EC Regulation and must therefore be applied directly by companies without being translated into Swedish law Reach stands for Registration, Evaluation, Authorisation and Restriction of Chemicals.

Social Responsibility (SR) – The company's responsibility for its impact on society and the environment. A transparent and ethical code that corresponds to the demands put on the company by society and various stakeholders.

Succession Planning – Planning for the replacement of key employees.

Talent Review – Identification of key employees' potential to develop further in the company.

Greenhouse gas – Gases that contribute to climate change are called greenhouse gases, e.g. carbon dioxide, methane and nitrous oxide.

Information to shareholders

Annual General Meeting

The Annual General Meeting for Lindab International AB will be held on 29 April 2014 at 14.00 (CET), at the Lindab Arena, Ängelholm, Sweden. 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 Thursday 23 April 2014, and
- inform Lindab International AB (publ) of their participation no later than 16.00 on Wednesday 23 April 2014.

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 to be eligible to participate at the Annual General Meeting. Registration with Euroclear Sweden AB must be made no later than Wednesday 23 April 2014. 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 23 April:

- via the company's website, www.lindab.com
- by telephoning Lindab, +46 (0) 431 850 00 or
- by post to "Lindab International AB", "Annual General Meeting", SE-269 82 Båstad, Sweden.

Upon notification the shareholder must specify:

- name
- personal identity number or corporate identity number
- shareholding
- address and telephone number
- any advisors and representatives.

Shareholders who are represented by proxy must provide a written and dated power of attorney for the representative. Power of attorney forms are available at the company's website, www.lindabgroup.com. 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.

To facilitate admission to the meeting, the original power of attorney and any related documents should be submitted to the company no later than Wednesday 23 April 2014.

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 2014 Annual General Meeting consists of:

- Caroline af Ugglas, representative for Livförsäkringsaktiebolaget Skandia, Chairwoman
- Kjell Nilsson, Chairman of Lindab International AB
- Stefan Charette, representative for Creades AB
- Gerald Engström, representative for Systemair AB
- Peter Rönström, representative for Lannebo Fonder.

Contacting the Nomination Committee

As stated on the company's website, 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
- a letter addressed to: "Lindab's Nomination Committee", Carl-Gustav Nilsson, Lindab International AB, SE-269 82, Båstad, Sweden.

Reports

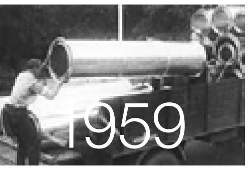
Reports can be ordered from Lindab International AB:

- either via the website www.lindab.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, Q1	29 April 2014
Interim report January–June, Q2	18 July 2014
Interim report January–September, Q3	28 October 2014
Q4 and Year End for 2014	February 2015
Annual Report 2014	March/April 2015



50 years of simplifying construction

AB Lidhults Plåtindustri was registered as a company in February 1959 in Grevie on the Bjäre peninsula, where its headquarters remain today. The business had already been started a few years earlier by the two business partners Lage Lindh and Valter Persson in a small sheet-metal workshop in Lidhult. The initial product range consisted of aluminium strips and windowsills. The product range has been gradually extended, and now includes complete system solutions for the construction industry. Steel as a raw material has been the common denominator throughout the years and efforts to simplify construction have remained just as relevant.

In 1984, Lindab was floated on the Swedish Stock Exchange for small companies (OTC) and in 1991 on the Danish Stock Exchange. In 2001, Lindab was bought out of the Stock Exchanges by Ratos AB together with Livförsäkringsaktiebolaget Skandia and Sjätte AP-fonden via Lindab Intressenter AB. The parent company changed its name to Lindab International AB in 2006. On 1 December 2006, Lindab returned to Stockholm Stock Exchange and became a listed company once more.

Lindab has grown substantially, and in 2013 had sales of approximately SEK 6.5 billion, with subsidiaries and representative offices in 32 countries.

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Photo: Lars Owesson, Johan Sundström et al.
Repro and print: Ljungbergs Tryckeri AB. Paper: Galerie Art Gloss.

www.lindab.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.

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Lindab International AB headquarters in Båstad, Sweden
Corporate identity number 556606-5446