Lindab Annual Report 2014

Lindab®

For the Danish logistics group DSV's newly-built headoffice in Hedehusene, just outside Copenhagen, Lindab has delivered a complete indoor climate solution including 350 Premum chilled beams, customised for LED lighting, and the entire duct system including ducts, components and silencers. The building is an example of how functionality, aesthetics and high quality components can combine to create a modern, energy-efficient indoor climate system.

Contents

This document is a translation of the original, published in Swedish. In cases of any discrepancies between the Swedish and English versions, or in any other context, the Swedish original shall have precedence.

www.lindab.com

The Lindab website provides extensive information about the Group. You will also find contact details and addresses there for all our companies worldwide.

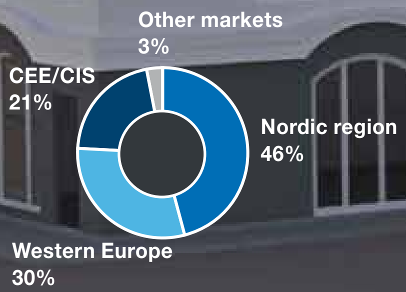
Simplifying is our passion, ultimate comfort is our vision

At Lindab, we are driven by a desire to continuously generate improvements – for all the customers and partners who use our products and solutions, and for all the people who live or work in our buildings. We simplify construction and help create a healthy indoor climate. This means that fewer resources are used, to the benefit of the environment, and that people feel better and healthier. Our vision, optimal comfort, is about achieving the best possible indoor environment, where fresh air is naturally a fundamental requirement. With passion and knowledge, we are reinforcing our efforts to offer the best indoor climate solutions in healthy, sustainable buildings.

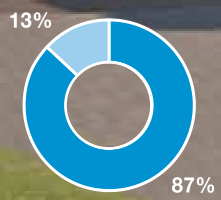
One Lindab

Lindab is a leading supplier of products and system solutions for simplified construction and improved indoor climate with Europe as the main market. Through close dialogue with its customers, a flat organisation, knowledgeable employees and a strong corporate culture, Lindab develops solutions that have a lower environmental impact and offer increased customer value.

Sales, markets



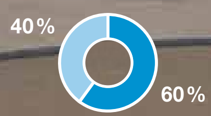
Sales, segments



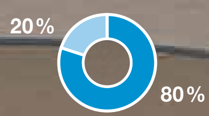
Products & Solutions
Develops and sells complete solutions for building systems and indoor climate as well as building and ventilation products for all types of buildings.

Building Systems
Develops and sells complete and pre-engineered steel building systems for non-residential construction in Western Europe and CEE/CIS.

New construction and renovation



Market segments



Year 1959

In February 1959, AB Lidhults Plåtindustri was registered as a company in the small village of Grevie on the Bjäre peninsula where Lindab's head office remains to this day.

32 countries

Since its launch in Grevie more than 50 years ago, Lindab has expanded all over the world and is today represented in 155 locations in 32 countries.

SEK 7,003 m

The Group had sales revenue of SEK 7,003 m in 2014, which is an increase of 7.4 percent compared with the previous year. There was also an increase in profit after tax.

127 branches

A large proportion of the Group's sales are made through its own 127 branches, selling ventilation and/or building products.

4,587 employees

At year-end, 77 percent of the Group's 4,587 employees, were employed outside of Sweden. After Sweden, the Czech Republic is the country with the highest number of Lindab employees.

3.5 percent

Quoted on the NASDAQ OMX Nordic Mid Cap list, the Lindab share rose by 3.5 percent in 2014. The number of shareholders continued to increase.

The year in brief

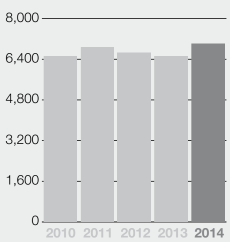
Sales revenues increased by 7.4 percent to **SEK 7,003 m** (6,523). Adjusted for currency and structure, the increase was 5 percent. Excluding one-off items of SEK 30 m (46) the operating profit (EBIT) decreased marginally to **SEK 497 m** (498) and the operating margin amounted to **7.1 percent** (7.6). One-off items include primarily structural measures. Profit after tax increased by 21.5 percent to **SEK 283 m** (233). Cash flow from operating activities amounted to **SEK 278 m** (620). For the financial year, a dividend of **SEK 1.10** (0) is proposed.

For further comments see p. 61–68.

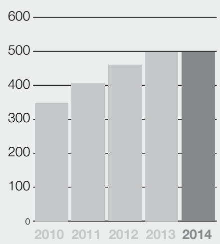
Important events

- Increased turnover and increased profit after tax
- Weak development in Russia
- New strategy and new financial targets
- Strategic acquisitions
- Eight new branches in six countries
- Strengthened finances and new credit agreements
- Continued reduction in occupational injuries (LTIF 9.5)

Sales revenues
2010–2014, SEK m



Operating profit
2010–2014, SEK m



Financial key performance indicators

Amounts in SEK m unless otherwise indicated.	**2014**	2013	Change, %
Sales revenues	7,003	6,523	7.4
Distribution growth, of which:			
Organic, %	5.0	–1	
Acquired/divested, %	0.0	1	
Currency effects, %	2.0	–2	
Operating profit (EBITDA)	625	609	2.6
Operating profit (EBITA)	467	452	3.3
Operating profit (EBIT), excl. one-off items[1]	497	498	0
Profit before tax (EBT)	386	329	17.4
Profit for the year	283	233	21.4
Cash flow from operating activities	278	620	–55.2
Operating margin (EBITA), %	6.7	6.9	
Operating margin (EBIT), excl. one-off items, %[1]	7.1	7.6	
Shareholders' equity	3,344	2,967	12.7
Net debt	1,746	1,612	8.3
Return on equity, %	9.0	8.5	
Return on capital employed, %	8.9	9.1	
Net debt/equity ratio, times	0.5	0.5	
Average no. of employees	4,541	4,368	4

[1]) *For one-off items, see table on page 63.*

Q1

Sales increased by 12 percent to SEK 1,506 m (1,341) and the operating margin was 4.0 percent (1.0). The best first quarter since 2008.

Q2

Sales increased by 7 percent to SEK 1,757 m (1,643) and the operating margin was 7.1 percent (8.0). Unrest in Russia affected the order intake.

Q3

Sales increased by 9 percent to SEK 1,904 m (1,753) and the operating margin was 11.0 percent (11.1). New strategy and new financial targets launched.

Q4

Sales increased by 3 percent to SEK 1,836 m (1,786) and the operating margin was 5.6 percent (8.8). Acquisition of MP3. Weak growth in Russia and Belarus.

Development within the segments

Products & Solutions

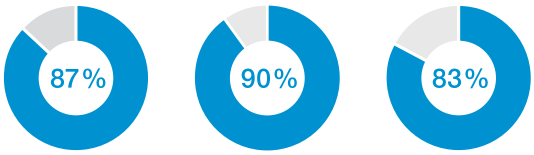
Sales increased by 11 percent. This strong growth is explained by improved conditions in major markets, such as Sweden and Germany, and an increase in the number of strategic activities. Operating profit excluding one-off items increased by 31 percent to the highest level since 2008.

Key performance indicators

Key performance indicators	2014	2013
Sales revenues, SEK m	6,084	5,496
Operating profit (EBIT), excl. one-off items, SEK m	471	360
Operating margin (EBIT), excl. one-off items, %	7.7	6.6
Gross investments in fixed assets	239	62
Number of employees	3,830	3,605

Share of the Group

Sales revenues | Operating profit* | Number of employees*

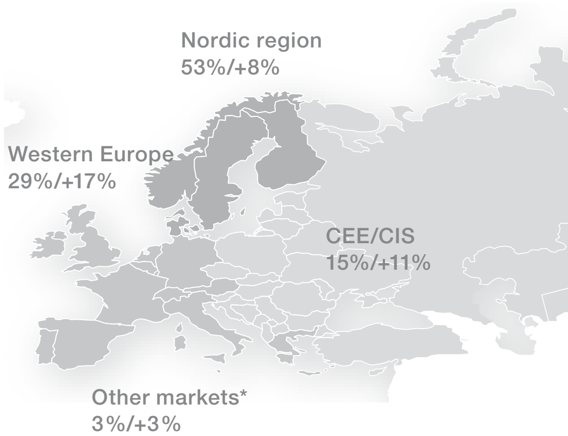


* Excl. one-off items and Group functions which are reported in Note 7.

* 48 of Lindab's employees are not employed in any segment.

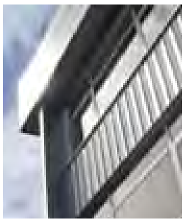
Products & Solutions

Share of sales per market/sales trend



* Of which USA 3%/+6%.

Building Systems



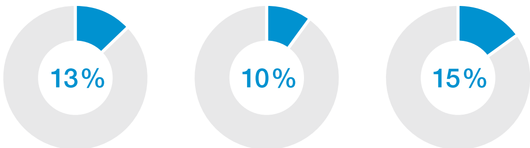
Sales decreased by 11 percent, mainly due to a weak trend in Russia. Activities to increase market diversification meant that other important markets, such as Germany and Poland, showed positive growth. Operating profit was affected by lower sales and a weak rouble.

Key performance indicators

Key performance indicators	2014	2013
Sales revenues, SEK m	919	1,027
Operating profit (EBIT), excl. one-off items, SEK m	52	159
Operating margin (EBIT), excl. one-off items, %	5.7	15.5
Gross investments in fixed assets	24	26
Number of employees	709	718

Share of the Group

Sales revenues | Operating profit* | Number of employees*



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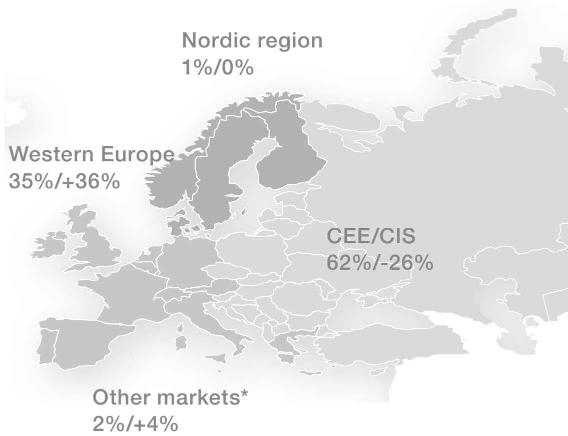
Building Systems

Share of sales per market/sales trend



* Of which USA 0%/0%.

A word from the CEO

17 November 2014
CEO, Anders Berg, presents Lindab's new strategy to employees at the production unit in Grevie, Sweden.

An important step towards a leading position

It has been an eventful year. Although we developed and launched a strategy to make us a leading supplier of complete ventilation solutions, and advanced our position within the Products & Solutions segment, we also experienced setbacks due to the development in Russia.

Large variation

During the year, Products & Solutions, which accounted for 87 percent of sales, increased in all product areas and geographical regions. In the segment, we work throughout Europe with customers, such as sheet metal workers, ventilation installers, consultants and architects who need our products and services on a daily basis. The market is a reflection of the construction market as a whole, but with a slight delay. Building Systems' business is of a completely different nature. It is project-based with long decision-making and planning processes, and has high exposure in the CIS region. The trend between quarters can vary greatly. As Russia is Building Systems' largest market, recent developments in the Russian economy have, of course, had a major impact and this became particularly evident towards the end of the year. Uncertainty has meant that projects have been postponed or withdrawn. In order to achieve greater stability, we have implemented measures to reduce costs and increase our exposure in other regions. At the same time, we continue to maintain our long-term belief in the Russian market. When confidence in Russia returns, we will be in place with an even broader offering than today.

On the right track

Underlying growth in Europe's construction sector remains unstable. We are seeing a higher level of activity in some of our key markets such as Sweden, Norway and the United Kingdom but, generally speaking, prospects for growth continue to be modest according to forecasts. Thanks to our flat organisation, wide distribution network and offering, and frequent customer contact, we have been able to take market share in key areas such as construction and indoor climate solutions. Our sales of indoor climate solutions increased by 10 percent in 2014. A rapidly-growing need among our customers and users for healthy air, higher energy efficiency and intelligent solutions are some of the long-term trends we have identified and aim to exploit even more effectively than before.

High level of activity with new strategy

This approach provides a brief summary of why we carried out extensive work during the year to develop a new strategy and new financial targets. After examining our weaknesses and strengths, we reviewed the areas in which we need to make improvements to ensure we deliver one of our overall goals – to become a supplier of complete ventilation solutions. Intensive activity can currently be witnessed throughout the Group with a rapid succession of initiatives being launched to streamline the supply chain, customise our offering for each region, develop our capacity for innovation and consolidate the skills of the teams doing the work. And already we have started to deliver according to our new strategy – deciding on cutbacks in less profitable operations, appointing new country managers, lifting product development to a new level and acquiring companies in ventilation solutions. We already hold a strong, unique position and, by further developing our technical knowledge and continuing to make complementary acquisitions, we will strengthen the position of the Group to ultimately become the market leader as a turnkey supplier of complete ventilation and indoor climate solutions.

Extensive transformation

We have strong Lindab teams in place and a strategy that will ensure we continue to grow, with the right offering for each market and ever-improving profitability. The extensive transformation of Lindab that we have now begun requires commitment on the part of everyone, although we are only doing what we have always done since the beginning in 1959 – making things simpler for our customers and creating optimal comfort for everyone who spends time in our buildings.

Grevie, March 2015

Anders Berg
President and CEO

"We have strong teams in place to bring about Lindab's transformation."

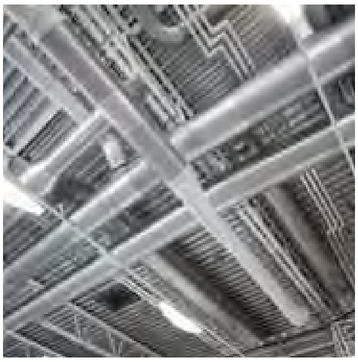
Lindab's offering



Building products

Lindab's building products include everything from systems for roofs, walls and joists to specially-designed components such as guttering, rivets and screws. For whatever is needed – a roof construction or hook for a roof drainage system – there is always a solution.

Share of Group sales


Ventilation products

In ventilation products, Lindab offers well-documented solutions and systems that are energy-efficient and easy to install. A broad range of both round and rectangular ducting systems, plus a wide selection of accessories.

Share of Group sales





Indoor climate solutions

The product range covers three areas – diffusers, waterborne climate systems and acoustics – designed to create a pleasant, healthy and productive indoor climate. Lindab's solutions are among the most energy-efficient on the market.

Share of Group sales

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

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.

Share of Group sales

Complete steel building systems

Complete pre-engineered steel construction systems and software programs that make things simpler for both designers and contractors. This ground-breaking offering is a concept for constructing large buildings for industry and warehousing.

Share of Group sales

Lindab's value chain

Strong distribution network

Core products

Extended product range

Optimised logistics

Lindab®

Project support

Product development

Solutions and systems

Development of complete solutions

127 branches and sales offices

Central and regional production facilities

R&D facilities

E-commerce, software solutions and distribution centres

We simplify construction and offer energy-efficient solutions ...

Lindab's products and solutions are sold and distributed in many different ways, and can vary greatly depending on the segment and market. A common denominator is the close dialogue Lindab conducts with all customer groups in order to optimise its offering in each sales channel to create the highest possible customer value.

Customers




Installers ... with a focus on energy-efficient and user-friendly products, and trade stores with everything under one roof.

Contractors ... that improve the construction process and availability.

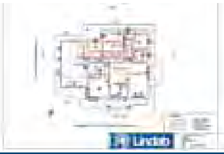
OEM ... with efficient delivery of products that complement perfectly the customer's own offerings.

Distributors ... with high availability, customer support, quality, product range and product exposure.

Property managers and property owners ... that provide support for investment and maintenance.

Building specifiers, architects and consultants ... that facilitate the design process, calculations and choice of solutions.

Authorities ... that accelerate the standardisation and adaptation of environmental goals to industry standards.


Influencers

End users

Residential as well as industrial, commercial, marine and public sector

... that give me a comfortable place to live and excellent working environment with focus on fresh air.

Global drivers

Five clear global trends that are having an impact on Lindab's business and growth opportunities

The pressure from globalisation is getting stronger worldwide, its impact being felt in virtually all areas. Having an understanding of how various global trends are affecting the business is crucial in determining how Lindab can strengthen its position in a competitive market. Rapid population growth and urbanisation, the demand for increasingly high energy-efficiency, and technologies for intelligent buildings and materials offer challenges as well as opportunities. By continuing to focus strongly on simplifying for customers and developing complete solutions for an optimal indoor climate, Lindab has great opportunities for generating higher profitability and growth in the coming years.

Environment, legislation and energy efficiency

There are great opportunities for developing solutions that will reduce costs and set Lindab's offering apart from others by going further than just “being green” – which is a must for all companies today.

Intelligent buildings

Powered by cheaper, improved technology and the “Internet of things”. Has a strong link to environmental conversion and customers' growing demands for comfort.

Development of new materials and processes

Prefabrication and modularisation result in a more efficient construction process with less time spent on site. The growing need for smart buildings and cities is creating a base for innovation.

Rising populations and urbanisation

Dramatically increased demand for housing, energy and infrastructure, as well as a more acute need for solutions for cleaner air and sustainable urban growth.

Global economic patterns

Uneven recovery in developed economies and a subdued construction industry in many countries. Large-scale investment in infrastructure in developing countries is driving global demand.

6%

The global HVAC market is anticipated to grow by 6 percent a year until 2018.*

Buildings account for the highest proportion of carbon dioxide emissions in our communities by far. Reducing the consumption of fossil fuels for heating purposes and making buildings more energy-efficient is even more important when we take into consideration continued high rates of global population growth and urbanisation. Low-energy buildings and other solutions that significantly reduce environmental impact are essential, and it is often by aggregating a large number of small improvements that major effects can be achieved. However, greater innovation is required, including the use of new technologies. For example, the ventilation business needs to contribute new solutions to improve indoor climate as well as save energy. Our ambition at Lindab is to help drive this development."

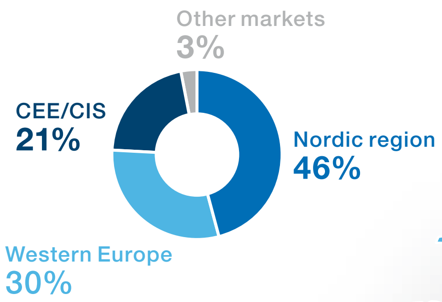
Göran Hultmark, Head of Development, Indoor Climate Solutions
Adjunct Professor of Ventilation at Aalborg University, Copenhagen

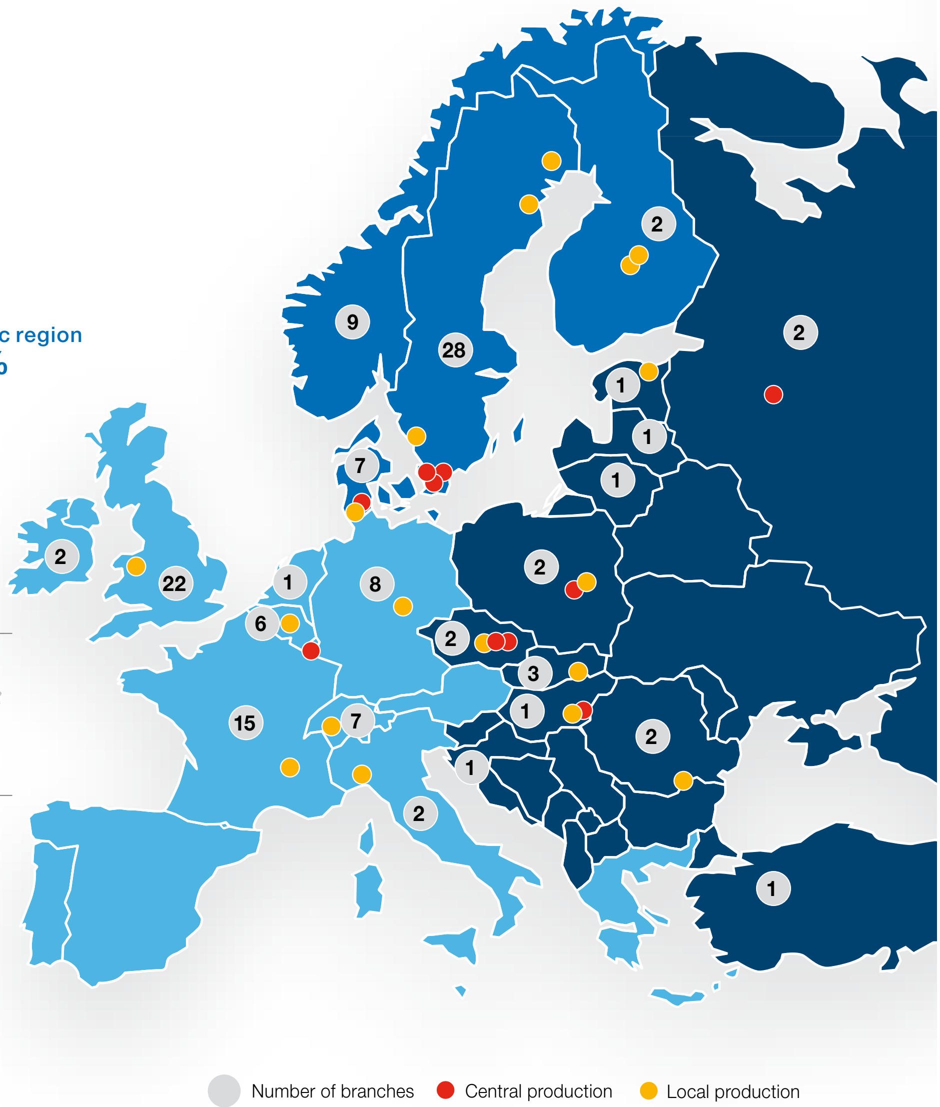
* HVAC = Heating, Ventilation and Air Conditioning
Source: Freedonia

Lindab's markets

Lindab is where the customers are. Efficient distribution and a local presence are crucial in providing more than 20,000 customers in 60 countries with the right solutions. Lindab's growing project sales and a network of 127 branches, 286 building contractors and more than 2,000 retailers are an important competitive advantage, creating opportunities for continued growth.

Sales, market 2014






Lindab's 10 largest markets

1. Sweden
2. Denmark
3. UK
4. Germany
5. Norway
6. France
7. Russia
8. Poland
9. Finland
10. Switzerland

Strengthened distribution

Lindab is developing its own network of branches by increasing local availability and creating an even better and broader offering. The goal is for each branch to be able to offer products and services covering every customer need.

New branches 2014

Ålesund, Norway
Basel, Switzerland
Paris and Nantes, France
Bratislava, Slovakia
Istanbul, Turkey
Moscow, Russia

Lindab in the Nordic region

Share of total sales

46%

Distribution, segment

Products & Solutions
Building Systems

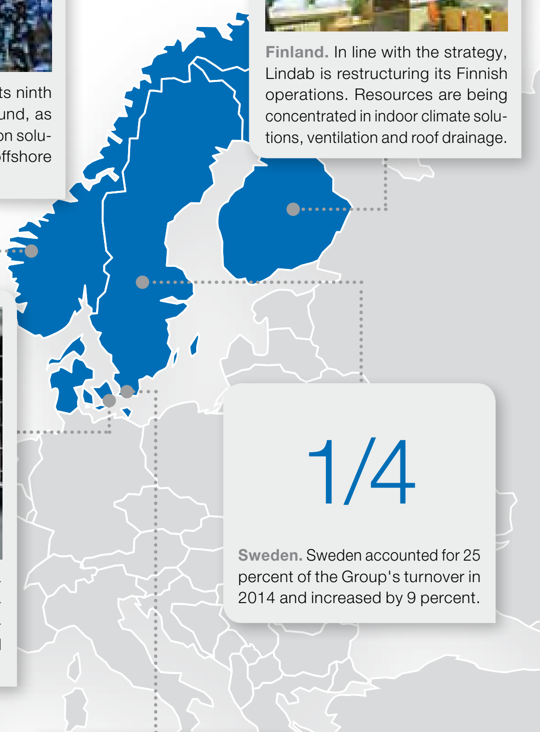
In the Nordic region, which in terms of sales is Lindab's largest region, the market position is strong in both Ventilation and Building Products and Solutions. The Lindab brand is well-established and well-known, and associated with quality of the highest order. In Sweden and Norway, both ventilation and building products are sold in all 37 branches. Parts of the product range are also sold by a number of retailers. Lindab also makes significant direct deliveries to construction sites, where products are distributed from central and local production units. Located in Farum, Denmark, Lindab's competence centre for indoor climate solutions has an advanced sound laboratory.

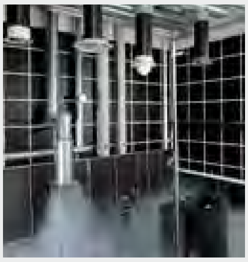
High levels of activity in Norway and Sweden

Lindab's sales in the Nordic region increased by 8 percent in 2014 but varied greatly between countries. Sales in Sweden, the largest market, were affected positively by increased activity in the construction industry, mainly in the residential segment. In Norway, too, a high level of construction activity resulted in higher sales. A weak macro-economic trend in Finland, however, meant negative sales. The construction market started recovering in Denmark, however Lindab is late cyclical and sales decreased slightly. Sales of indoor climate and building solutions continued to develop very strongly in the region.

Norway. Lindab opened its ninth branch in Norway, in Ålesund, as part of its focus on ventilation solutions for the marine and offshore segment.

Finland. In line with the strategy, Lindab is restructuring its Finnish operations. Resources are being concentrated in indoor climate solutions, ventilation and roof drainage.





Denmark. At Lindab's sound laboratory in Farum, research and full-scale tests are conducted to optimise and reduce noise produced by ventilation systems.

1/4

Sweden. Sweden accounted for 25 percent of the Group's turnover in 2014 and increased by 9 percent.

Sweden. Lindab delivered 1,000 custom-made InCapsa boxes for easy installation to a certified Green Building property in Malmö.

General market data 2014*

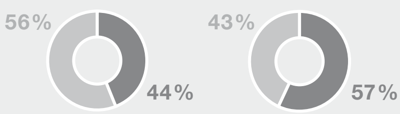
Macro facts

Population: 25 m
Construction activity: +2.1%
Investments in construction per capita: EUR 3,863

*Source: Euroconstruct's forecast November 2014.

Market development

The Swedish construction market distinguished itself by showing very strong development. The estimated increase of the new construction market in Sweden exceeded 20 percent, while it decreased in Norway and Finland. New non-residential construction rose in all countries, but most of all in Sweden. The market for renovation showed a steady increase for both non-residential and residential construction throughout the region. In Finland, total construction activity has decreased for three consecutive years, as has the country's GDP.



Non-residential construction
Residential

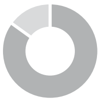
Renovation
New construction

Lindab in Western Europe

Share of total sales

30%

Distribution, segment



Products & Solutions
Building Systems

In Western Europe, through acquisitions and organic growth, Lindab has built up extensive operations, primarily in ventilation. The largest markets are the UK, Germany and France. The network of 46 branches in the region sells mainly ventilation products and is adapted to the particular needs of each market. Project sales in the region are also significant and growing. Sales of building products are small but growing in, for example, the UK and France. Building Systems sells steel construction solutions throughout the region, with Germany being the largest market. The concept for multi-storey car parks has been showing good growth in Western Europe.

Strong development in large markets

Sales increased by 20 percent in 2014, which was a dramatic improvement compared with the previous year and included both segments. Growth was particularly strong in Lindab's largest markets: the UK, France and Germany. In Germany, sales rose as a result of successful reorganisation, structural measures and greater market diversification in the Building Systems segment. Sales of indoor climate solutions rose in the region, albeit from low levels.

Belgium. Lindab delivered specialist equipment for the huge cooling system that cools the IT server rooms at UCL University Brussels.

Switzerland. Lindab's new distribution centre in Zürich is a 5,000 square metre Astron building that accommodates warehousing, production, showroom and office facilities.

19%

France. Through strengthening the offering and distribution, Lindab's sales in France have risen by 19 percent in three years.

Italy. The acquisition of Italian indoor climate company MP3, with specialist expertise in smoke and fire protection, complements Lindab's offering in ventilation solutions and strengthens the market position.

General market data 2014*

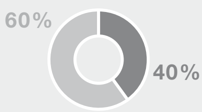
Macro facts

Population: 377 m
Construction activity: +0.7%
Investments in construction per capita: EUR 2,295

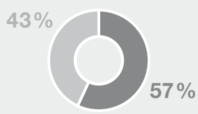
*Source: Euroconstruct's forecast November 2014.

Market development

Construction activity in the region continued to show widespread diversity. The Mediterranean countries, including France, showed continued negative growth. However, development was strong in the UK and Ireland where investments in construction, particularly in housing, picked up after several years of decline. In Germany, residential construction increased by almost 8 percent. With the exception of Spain, the market for renovation increased in all countries. Construction activity in Spain has halved in four years.



Non-residential construction
Residential



Renovation
New construction

Lindab in CEE/CIS

Share of total sales

21%

Distribution, segment

Products & Solutions
Building Systems

Lindab has a strong position in building products in CEE, primarily in roof cladding and roof drainage in Hungary, Romania, the Czech Republic, Slovakia and Poland. The products are sold primarily through 520 distributors. With the acquisition of Centrum Klima in 2012, Lindab has also built up considerable sales of ventilation products in Poland. In Russia and CIS, Lindab holds a leading niche position in complete steel construction systems under the Astron brand. These systems are sold through key accounts and a network of building contractors. In the Russian market, sales of construction and ventilation products have started on a small scale, while a new competence and distribution centre has been opened in Moscow.

Weak development due to concern about Russia

Sales in CEE/CIS decreased by 7 percent in 2014, primarily due to concerns about Russia and the negative trend in this market. Sales in Russia and Belarus fell by a total of 37 percent. In Poland, Lindab's largest market in CEE, sales rose as a result of strategic activities aimed at increasing market diversification. Other markets in CEE had a weak development.

20

Russia. Since 2009, Lindab has assisted in the expansion of more than 20 international groups of companies, with new facilities in Russia and CIS.

Russia. A new competence and distribution centre for ventilation and building products has been opened in Moscow.

Czech Republic. A complete indoor climate system, with cooling and smoke evacuation, was delivered to a new production unit for Lego in Prague.

Turkey. Part of Lindab's strategy is to expand into new markets. The new sales office in Istanbul is focused on roof drainage and ventilation solutions.

General market data 2014*

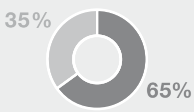
Macro facts

Population: 64 m
Construction activity: +2.4%
Investments in construction per capita: EUR 758

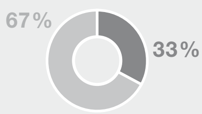
*Source: Euroconstruct's forecast November 2014. Refers to the Czech Republic, Hungary, Poland and Slovakia only.

Market development

Official statistics are not available for CIS, but the situation in Russia in 2014 caused construction activity to slow down sharply in Russia itself as well as other CIS countries. In CEE, Hungary showed strong growth, from low levels, in both residential and non-residential construction. In large and more stable economies, such as Poland, construction activity was in line with GDP growth while countries, such as Slovakia and the Czech Republic, showed a negative trend in construction activity despite stable GDP growth.

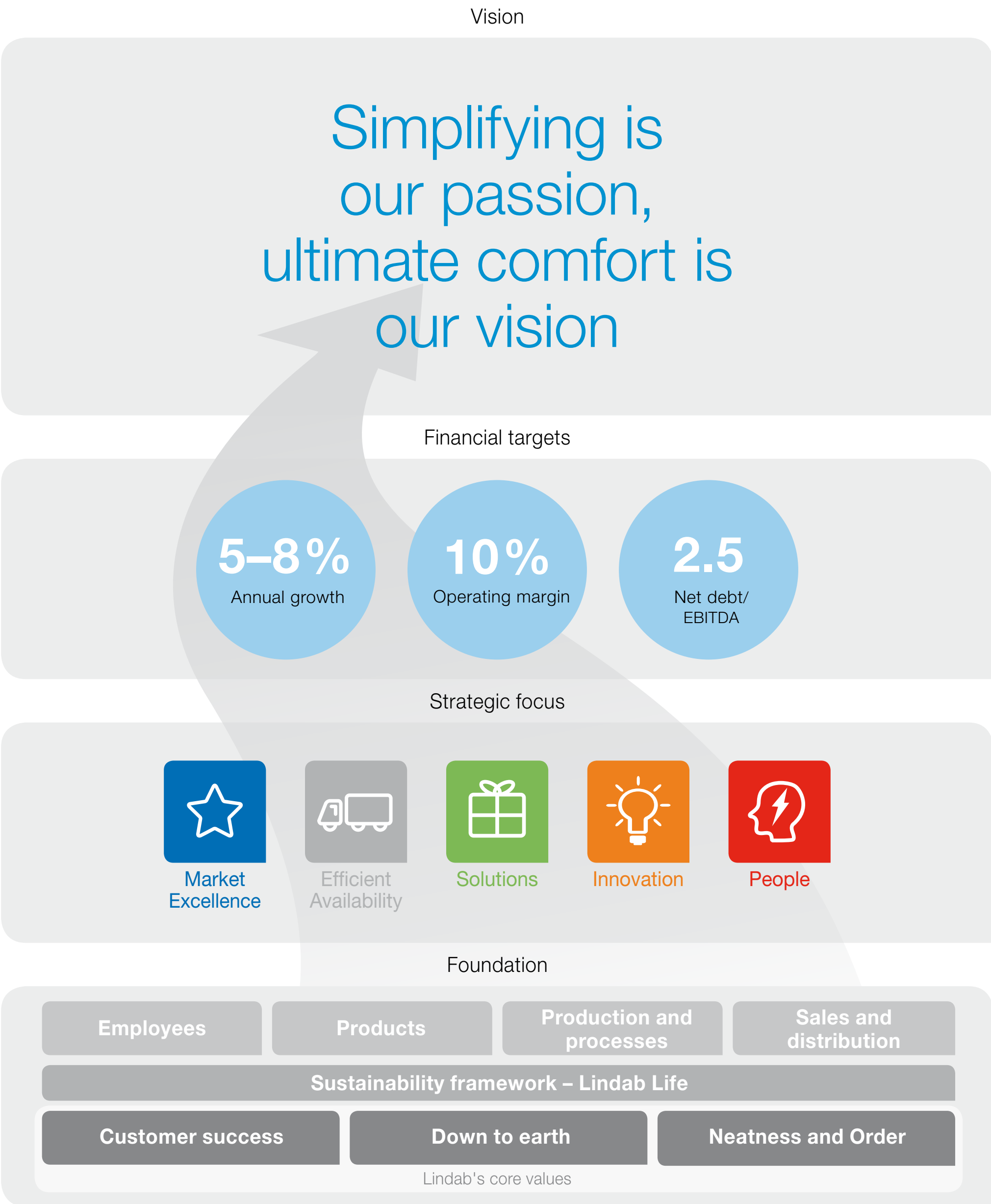


Non-residential construction
Residential



Renovation
New construction

Vision, goals and strategy



In a world where solutions that help to limit resource utilisation and reduce environmental impact are becoming increasingly important, Lindab has an important role to play. Lindab's vision expresses an ambition that permeates everything throughout the company, and is based on responsible and strong core values as well as a stable foundation of employees, products, production, processes and distribution.

Financial targets

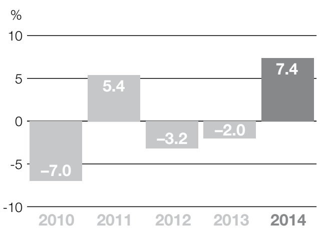
As a part of Lindab's work to generate value for the shareholders and other stakeholders, new financial targets have been set. Extending over a business cycle, these consist of growth, profitability and capital targets. The targets will contribute to increase Lindab's financial strength and further enhance its customer offering.

The targets shall be reached over a business cycle

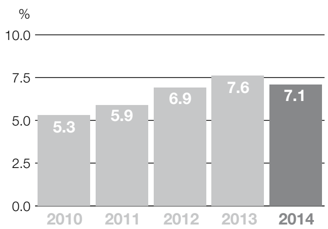
	Growth	Profitability	Capital structure
Target	5–8 %	10 %	2.5
Definition	As a combination of organic and acquired growth, the annual growth rate shall be 5–8 percent.	The operating margin (EBIT) shall average at 10 percent.	The seasonally-adjusted net debt to EBITDA* ratio is not to exceed 2.5 in the long term.
Comments on the target	The European construction sector is expected to grow by an average of 2–3 percent a year up to 2020. By successfully implementing the strategy and making complementary acquisitions that strengthen the offering in selected segments, Lindab will be able to achieve its growth targets. In 2014, sales increased by 7.4 percent.	With a strong focus on innovation, value-adding solutions and improved efficiency, the aim is to achieve Lindab's profitability target over a business cycle. Developing the Solutions focus area will be a key factor in this work. For 2014, the operating margin was 7.1 percent, which was slightly lower than the previous year.	The capacity to generate sustainable, profitable growth requires financial discipline. Although Lindab has improved its financial position in recent years, to avoid creating a high degree of indebtedness in the future, the Group's liabilities in relation to earnings have been capped. The average net debt was 2,9 times greater than EBITDA in 2014.

Historical development

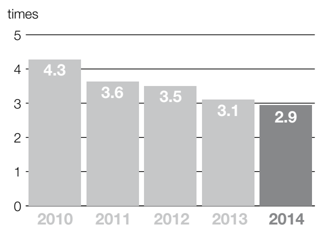
Sales growth



EBIT



Net debt/EBITDA



*Seasonally-adjusted net debt = average net debt for the year, and EBITDA adjusted for reported one-off items.

Dividend policy

Lindab will distribute 30 percent of the company's profit after tax, taking into account the company's capital structure, acquisition needs and long-term financing requirements. For 2014, a dividend of SEK 1.10 per share is proposed, which corresponds to 30 percent of profit after tax.

Strategy to achieve the targets

Lindab today has a strong platform on which to build. The new matrix organisation has led to faster decision-making paths, clearer customer focus and a more holistic approach in all areas of the Group. In addition, the improved financial position has created more scope for action to promote growth, both organically and through acquisitions. In order to consolidate the market positions further and reach the financial targets, a new strategy was launched at the end of 2014.

Long-term repositioning

Lindab's new strategy covers the period 2015–2020, and involves long-term repositioning to generate greater value for more stakeholders and expand Lindab's share of the value chain. The strategy is based on internal strengths and unique opportunities to take advantage of clear global trends, such as increased demand for energy-efficient and intelligent buildings. In short, the strategy covers five focus areas where Lindab has enormous opportunities to advance its position and thereby generate increased profitability and growth. Part of the strategy involves focusing more intently on acquisitions. These will complement and support other initiatives within the different focus areas – primarily Market Excellence and Solutions. The intention behind all four acquisitions made in 2014 – MP3 S.r.l., Bjarnes System AB, Klimasystem AS and NovoClima – was to strengthen the implementation of the strategy.

Focus areas

The new strategy will focus on five areas where Lindab aims to advance its position and meet various trends and customer requirements in the market. Each focus area includes a number of initiatives that extend over different periods of time and to which a number of activities are linked. Read more on pages 22–31.

Market Excellence	Efficient Availability	Solutions	Innovation	People
Through the strong distribution network and broad product offering along with numerous and close customer relationships, Lindab's market positions will advance even further.	The supply chain that comprises purchasing, production, logistics and distribution will generate higher value based on an overall customer-focused approach through simplification, rationalisation and innovation	By utilising the strength of Lindab's ventilation and indoor climate product portfolio comprising strong R&D and customised manufacture, complete solutions will be offered to new customer segments.	Enhance a long-term, innovative culture in order to generate ideas, both ground-breaking and incremental improvements, in all areas will assure future growth and profitability.	Strong leadership, employer brand, culture and investment in staff development will create the right conditions to ensure that Lindab has the best team for its business.

Market Excellence

Advancing Lindab's market positions

The ambition is for Lindab to be the obvious choice for customers in the various market segments and for future growth to be high. In order to succeed, Lindab needs to become even better at adapting its offering to each individual market, as well as strengthening the brand and making selective acquisitions.

Lindab operates in 32 markets with different characteristics in terms of maturity, dynamics and regulations. Acquiring an in-depth understanding of each market's unique conditions is essential to be able to continue to drive sales in a subdued market climate. Helping to accelerate changes that increase demand for energy efficiency and ventilation, thereby creating improved living and working environments, is an important part of this and a trend that Lindab is responding to with its broad offering in the area.

Effective sales channels

A key success factor is the way in which Lindab optimises its sales channels in each market. Comprehensive customer and market segmentation needs to be implemented in each of the countries where Lindab operates. Markets where Lindab only sells a part of its broad offering need to be identified and analysed. In some of those markets, it may become apparent that selling a complete solution is not the most beneficial approach, which means that Lindab can focus resources on other parts of its offering and other sales channels. By making use of benchmarking to learn from each other, rapid improvements can be implemented. In France, for example, despite weak economic growth and stagnation in the construction market, sales have increased dramatically over several years. The positive aspects of this development can be applied to other markets. Another key success factor involves boosting the knowledge of all employees to ensure they have a thorough grounding in the Lindab offering.

Strong brand

Lindab has a strong brand but is often perceived differently, depending on the market and customer segment. The work currently being executed in mapping markets is also aimed at creating the basis for further development of the Group's brand platform. This is primarily concerned with allocating the right type of resources to strengthen the Lindab brand in each individual market.

From
–24 %
to
+59 %

In 2014, Lindab's sales in different markets varied greatly. Of the countries where Lindab has its own subsidiaries, Russia showed the weakest sales and Lithuania the strongest.

3 Important initiatives for 2015

- To develop marketing and sales competence within the Group
- To strengthen Lindab's position in local markets by utilising the entire offering
- To further reinforce strategic product and market development

With its broad offering and unique customer contacts, Lindab shows great potential for growth in both new and existing markets. Customer satisfaction is central to Lindab. In 2014, approximately 2,000 customers from all over Europe responded to the customer survey, giving Lindab a high customer satisfaction rating. The main reasons for customers choosing Lindab are the high quality, followed by delivery reliability and the comprehensive offering.

Efficient Availability

Customer-focused flow creates greater value

In a market undergoing rapid transformation, customers are increasingly demanding greater simplification, speed, flexibility and reliability. Lindab is meeting these demands while strengthening the supply chain process. Implementing more initiatives to reduce environmental impact is also a crucial factor in boosting the capacity to make profitable deals in the future.

Recent years have brought dramatic changes to the supply chain in the construction industry. The business climate has become more complex as a result of shorter lead times, increased service needs, price erosion and global customer groups with special requirements, as well as more uncertainty due to greater supplier risks.

Guided by customer needs

Lindab is working long-term to establish a sustainable, value-adding network of suppliers to provide Lindab's various customer and market segments with an optimal supply of goods. Put simply, it's the customers' needs that are guiding what Lindab sells – and not what is produced. This work is carried out in close cooperation with teams in other focus areas, particularly Solutions, whose input has a powerful influence on the way in which Efficient Availability builds its organisation.

High level of activity

A number of initiatives have been launched to strengthen Lindab's competitiveness as a supplier. These include making better use of Lindab's combined purchasing power, identifying and activating potential savings in purchasing, establishing the most cost-effective global exposure in manufacturing, making warehouse management and distribution more efficient, integrating the processes of the value chain, and centralising the supply of important product groups. To create a faster process, several cross-functional teams will be established, including people from purchasing and production. There is also an imperative need to boost the organisation's capacity for analysis to facilitate making the right forecasts for manufacturing as well as deliveries. Monitoring is conducted using a variety of key performance indicators whereby Lindab's total delivery capacity, supply chain costs and impact on capital employed can be assessed.

100 %

One hundred percent transparency from supplier to customer creates fast, customised and resource-efficient deliveries.

3 Important initiatives for 2015

- To improve systems for inventory control and thereby increase availability for customers
- To use Lindab's combined purchasing power and establish a strong network of buyers within the Group
- To become better at assessing supply and demand – to produce the right quantities of each product

In line with Lindab's strategy to streamline the supply chain, the first stage of a standardised logistical review, Logistic Excellence Audits, has been implemented in five of the Group's major production units. The audit will help drive continuous improvement, create stable procedures and identify best practice, all of which frequently lead to tangible improvements.

Solutions

Complete solutions for additional customer segments

The new strategy has a clear business goal. The aim is for Lindab to be the leading European company offering complete ventilation solutions for all customer categories including end-users, property owners, regulators, installers and contractors in selected segments.

The market for ventilation and indoor climate solutions is growing faster than the rest of the construction market. This trend is being driven by a growing need for greater energy efficiency and better air quality to meet regulatory as well as user requirements. Lindab's strong position in the area has created a unique opportunity to develop the offering and become a supplier of complete and unique ventilation solutions. A "complete ventilation solution" is a solution that consists of all the components required to complete a project including products, systems, service and know-how – much more than simply selling and distributing a product straight from the warehouse shelf.

Strength in ventilation

Historically, Lindab has been a strong manufacturer and supplier of ventilation systems for the non-residential construction segment. A few years ago, Lindab began investing in the residential segment. Out of this initiative grew a need to develop more complete solutions to meet increasing demands for better indoor climates. Lindab is now using the knowledge gleaned in residential construction to develop complete solutions in other segments, too. During the initial phase, resources and expertise are being focused in areas such as Fire and Smoke, as well as to enhance the offering in sales of demand-controlled VAV systems, such as Pascal.

Complementary acquisitions

Close contact with its customers has always been a success factor for Lindab. When various functions within Lindab work together to conduct a dialogue with customers, it gives them the opportunity to note any new requirements customers may have and develop solutions to meet them. In order to offer complete ventilation solutions, and as a complement to long-term product development, companies and product areas are acquired and opportunities for partnership assessed. An important aspect of this approach involves developing expertise in IT systems for automation and control.

N° 1

The aim is for Lindab to become the leading supplier of complete ventilation solutions within selected segments

3 Important initiatives for 2015

- To develop the offering of complete ventilation solutions for homes, offices and hospitals
- To develop expertise and technical solutions in VAV systems and Fire and Smoke
- To strengthen communications about Lindab as a turnkey supplier

Jesper Nystrup, Sales Engineer, Lindab Denmark and Ginette Beeck, Architect and Project Manager, DSV, in conversation at DSV's newly-built headquarters outside Copenhagen. This beautiful building has been equipped with a demand-controlled indoor climate system and specially-designed chilled beams with recessed LED lighting from Lindab.

Innovation

Culture of innovation for long-term profitable growth

To take advantage of strong global forces while meeting increasingly tough competition, Lindab needs to promote the power of innovation throughout the Group. The aim is to develop a culture of innovation that makes Lindab the best in the industry at understanding customers' future needs.

Cost-effective solutions and comfortable, productive buildings are what make Lindab successful. Lindab aims to develop attractive, efficient solutions for installers, property companies, home-owners and everyone who lives and works in the buildings. By being close to the customers, Lindab has developed a string of innovations over the years that help simplify construction and reduce resource utilisation. At the same time, innovation is about more than just developing better products. With Lindab's history of entrepreneurship, there is every opportunity to generate a culture of innovation that permeates all areas of the company and contributes to the development of innovative products as well as innovative ways of working, generating revenue and making other lasting improvements. This type of development creates an even stronger company with increased customer value.

Generate inspiration

During the year, work began on putting processes and methodology in place to manage ideas and problems effectively within the organisation and translate them into innovations. An important part of this work involves creating an environment where employees who come up with innovative proposals are also able to pursue and implement them. Another way to create commitment is to establish a continuous dialogue around innovation through every available channel and between different units within the company. Lindab also pays visits to leading innovative, international companies to discover good examples of a strong culture of innovation.

Innovations for increased customer value

Lindab's customers do not only benefit from product solutions that simplify construction. Continuous improvements, including managing product flow, streamlining production, developing materials and making improvements in, for example, the processing of incoming orders will also, ultimately, lead to increased value for the customer. Lower accident rates are, of course, primarily about increased safety for employees, but they also lead to a reduction in set-up times making deliveries quicker and more reliable.

10 %

By 2020, 10 percent of Lindab's sales will be the result of innovations that have yet to be developed.

3 Important initiatives for 2015

- To implement workshops on innovation within the Group
- To introduce processes for handling the flow from concept to innovation
- To create Innovation Hotspots - places where good ideas as well as problems can be raised

Göran Hultmark, Head of Development Indoor Climate Solutions, and Niclas Ivarsson, Development Engineer Building Solutions, discuss business opportunities offered by the latest innovation that allows images and logos to be transferred to perforated sheet metal. The production takes place in the facade cassette line at Lindab's production unit in Förslöv, Sweden.

People

Lindab's approach to securing the best team for the business

New expertise is needed to develop a variety of skills and meet the challenges of the market. The successful development of employees is a key issue for Lindab to be able to implement strategies in all focus areas and achieve its goals.

The aim is for Lindab to have the same professional approach throughout the Group. With the emphasis on One Lindab, in 2014 Group-wide guidelines and principles were initiated for the recruitment and induction process, and corporate training programmes were established in leadership and project management. In addition, existing initiatives in talent evaluation and succession planning were promoted to support the identification and development of potential replacements for key functions.

Leadership essential

For Lindab to be able to implement its new strategy requires a strong and dedicated leadership. Work has begun on developing new leadership skills, and One Lindab – One Leadership will be applied throughout the Group. In autumn 2015, an extensive training programme for 120 managers at Lindab will be launched. Conducted in collaboration with a third party, the programme will help develop skills to support the implementation of the new strategy and include training in leadership and business acumen.

Increased diversity

Diversity and inclusivity are central to Lindab's ability to develop harmoniously with the society the company is a part of and aims to influence. In Lindab's efforts to promote diversity, a dedicated policy will be developed and particular attention paid to measuring and monitoring various initiatives in the area. To increase the proportion of women at Lindab, a project will be launched to highlight female role models within the company – successful individual employees or teams.

Attractive employer

When competing for talent a strong employer brand, built on values surrounding sustainability and innovation, is essential. An attractive employer is also one with which students and job-seekers would like to be associated. Lindab is developing an attractive careers website and increasing its activities in social media. Increasing the presence at job fairs, in areas where Lindab has significant operations, is another priority. Trainee programmes are launched on a regular basis in different units within the Group.

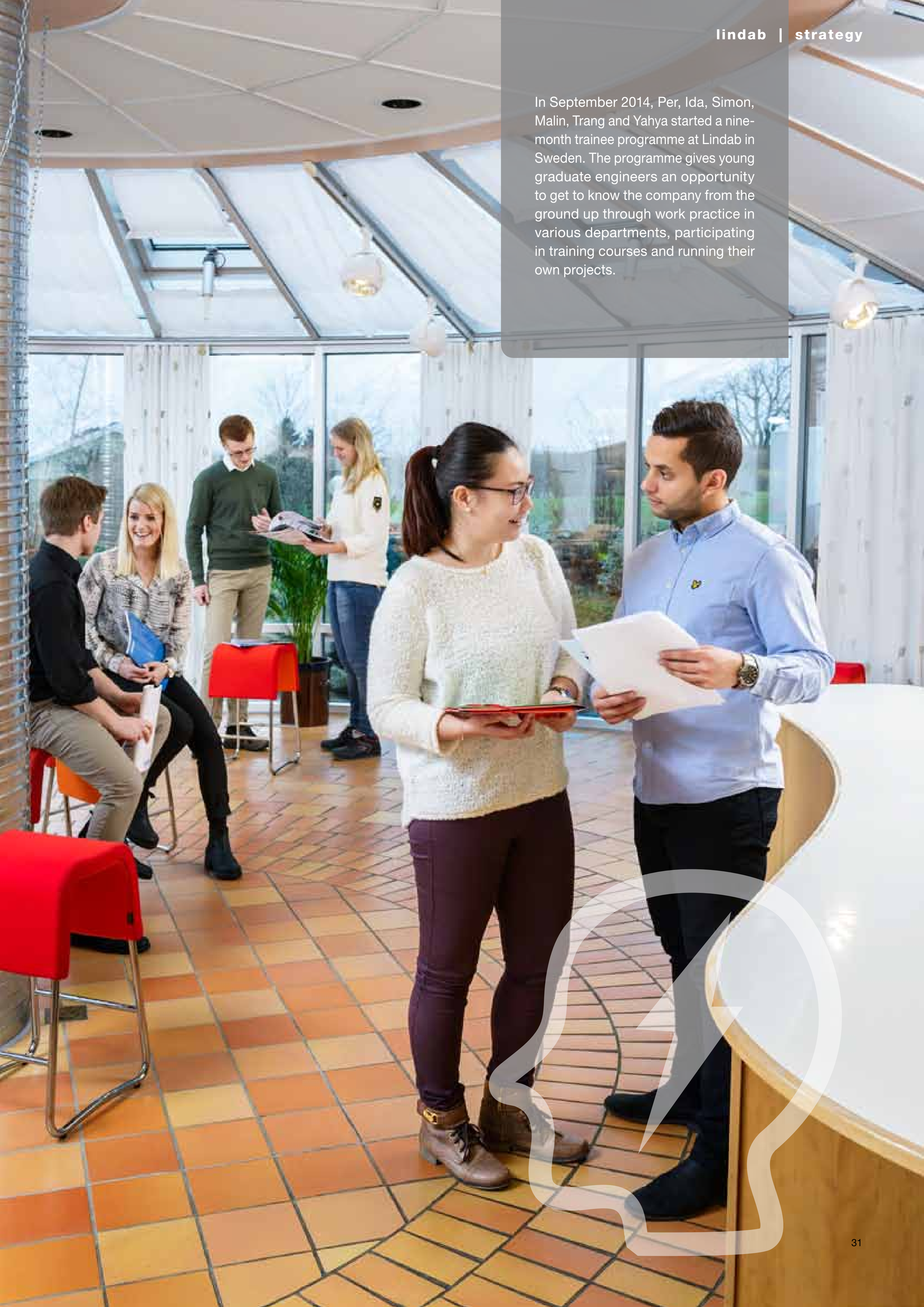
120

During 2015, 120 managers at Lindab are to undergo extensive training in leadership and business acumen.

3 Important initiatives for 2015

- To develop the quality and content of employee appraisals
- To develop a Group-wide HR system that will closely examine skills and streamline processes
- To implement Group-wide training programmes for leadership development and Lean Management

In September 2014, Per, Ida, Simon, Malin, Trang and Yahya started a nine-month trainee programme at Lindab in Sweden. The programme gives young graduate engineers an opportunity to get to know the company from the ground up through work practice in various departments, participating in training courses and running their own projects.



Risks and risk management

Being able to control and manage a variety of risks is an important part of Lindab's operations and a prerequisite for implementing the strategy and achieving the goals. During 2014, Lindab worked with measures to strengthen its financial situation and thereby facilitate future growth-promoting activities.

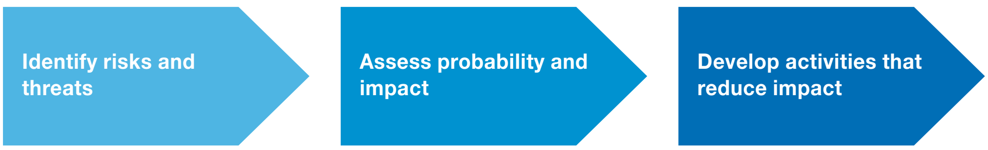
To identify and prevent risks in a structured way, Lindab has been working since 2012 with an Enterprise Risk Management (ERM) programme called LindRIM. This is a comprehensive programme that involves all business units and Group functions. LindRIM helps to raise awareness throughout the organisation, from operational decision-makers to the Board of Directors, about the risks that may occur and their likely impact. It also increases employees' understanding of how various risks interact.

Four main risk areas

The risks identified have been divided into four main risk areas: operational risks, strategic risks, financial risks and compliance risks. Reporting, monitoring and control of the various risks are conducted through formally established procedures and processes. A clear structure for reporting risks creates the basis for a common approach within the Group for what should be prioritised and addressed. Reports are made to the Board once a year.

Probability and impact

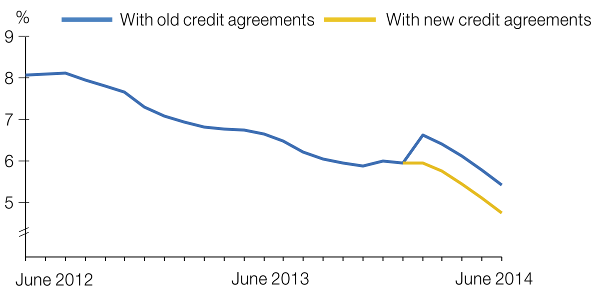
For all identified risks, an assessment is made of the probability of the risk occurring and its impact on the business. To provide an overall picture of the risk situation within the Group, the risks are placed in a matrix and divided into three levels to determine current risk management. A number of activities are proposed for each risk, the aim being to mitigate both short and long-term impact.



Risk Management in 2014

Risk management, the working environment and business ethics remained high priorities. The identification and management of new risks were also linked to various initiatives, such as efficient purchasing and supplier controls, which were launched within the framework of Lindab's new strategy. Another important area was to further reduce the Group's financing risk. New credit agreements have been concluded involving substantially improved terms with regard to margins and financial flexibility.

Financial expenses as a percentage of sales



Risk areas with examples of the management of substantial risk

Operational risks

Steel price development **Stoppages** **Bad debt losses** **Disputes** **IS/IT** **Product liability**	**IS/IT** | To protect the business against the risk of a single point of failure (SPOF) – failure of a part of the system at Lindab's central server room in Grevie, where most of the business-critical applications are run – hardware and applications at another site have been duplicated, and communication lines have been made redundant so that operations can be controlled and activities continued without any critical interruptions or major disturbances.

Strategic risks

Competition **Customer behaviour** **Macro-economy/market**	**Macroeconomics/market** | Macro-economic crises can produce rapid and sharp fluctuations in construction activity. For many years, through the Building Systems segment, Lindab has had a large exposure to Russia. Uncertainty in this market, in conjunction with significant weakening of the rouble, has had an adverse effect on sales and earnings. During 2014, measures were taken to improve the cost structure and increase market diversification within Building Systems.

Financial risks

Financing **Liquidity** **Interest** **Currency**	**Currency** | Lindab's business gives rise to a currency effect when subsidiaries with currencies other than SEK are translated into SEK in the consolidated financial statements. The exposure is the net of assets and liabilities recorded in currencies other than SEK. In order to reduce the translation exposure, Lindab hedged parts of its net exposure by taking out loans in EUR 110 m and CHF 20 m, which represents 80 and 48 percent of the net assets in EUR and CHF respectively. At year-end, the loans corresponded to SEK 1,204 m, which means that 29 percent of net assets in foreign currencies were hedged.

Compliance risks

Environment **Business ethics** **Work environment** **Internal control** **Taxes**	**Working environment** | Lindab has a zero vision for accidents at work. Preventive work, including training programmes, improvements in protective equipment and changes to working practices, has therefore been given the highest priority and is carried out continuously. Efficiency is monitored and reported monthly as LTIF, the international measure of safety performance that specifies the number of accidents resulting in lost time injuries per million hours worked. During 2014, LTIF at Lindab dropped from 12.3 to 9.5.

Read more about Lindab's risks and risk management in the Directors' Report on pages 57–60.

The Lindab Share

Since 1 December 2006, the Lindab share has been listed on the NASDAQ OMX Nordic Exchange in Stockholm (NASDAQ OMX), and is included in the Building Products sector. During 2014 the share price rose slightly and the number of shareholders continued to increase.

During 2014, the Lindab share rose by 3.5 percent. The highest rate was noted at SEK 83.70 on 28 February and the lowest rate at SEK 52.35 on 16 October. The average volume traded on the NASDAQ OMX Exchange was 261,264 Lindab shares (111,758) per trading day and turnover for the year amounted to 81 percent (35), compared with the Stockholm Stock Exchange average of 67 percent (67). Of the total trade in Lindab shares, the NASDAQ OMX Exchange accounted for 92 percent, Chi-X for 6 percent, Turquoise for 1 percent and Bats for 1 percent. During the year, the total traded in all market places amounted to 70.6 million shares at a value of SEK 4.9 billion.

Shareholders

During the year, the number of shareholders increased to 8,202 (7,036). Over the past three years, the number of shareholders has increased by 34 percent. The proportion of foreign shareholders fell to 26 percent (28). The previous largest shareholder, the ventilation Group Systemair AB, sold its entire holding in March. At year-end, Lindab's holding of treasury shares amounted to 2,375,838 shares, representing 3.0 percent of the share capital. The Executive management owns 113,390 shares. For information on performance-based share-savings programmes for senior executives, please refer to Note 6 on page 90.

Share capital and voting rights

At year-end, Lindab's 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 and entitle the holder to one vote.

Dividend and dividend policy

For the financial year 2014, the Board proposes a dividend of SEK 1.10. No dividend was paid in 2012 or 2013. Lindab's new dividend policy is to distribute the equivalent of 30 percent of net profit. However, the company's capital structure, acquisition needs and long-term financing requirements will always be taken into consideration.

For more up-to-date information on the share, go to **www.lindabgroup.com**

The Lindab share development during 2014

After an increase of 67 percent in 2013, the Lindab share rose by 3.5 percent year-on-year in 2014. The main factors affecting share price performance in 2014 were:

- Growing concern over developments in the Russian economy
- Higher sales expectations fulfilled
- Increased construction activity in certain key markets, such as Sweden
- Positive underlying stock market performance
- Positive reception for new strategy and new financial targets

At year-end, of 7 (8) analysts monitoring Lindab's progress, 4 (4) made the recommendation to Buy, 3 (3) the recommendation to Hold and 0 (1) the recommendation to Sell/Reduce the Lindab share.

Share price performance 1 January–31 December 2014, SEK

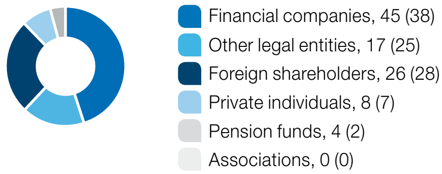
Lindab's largest shareholders

	2014		2013
	Shares	**Capital & votes, %**	Capital & votes, %
Creades	7,870,782	10.3	10.3
Lannebo Fonder	6,883,823	9.0	8.6
Handelsbanken Fonder AB RE JPMEL	4,997,781	6.5	7.8
Skandia	4,680,066	6.1	5.3
Swedbank Robur Fonder	4,552,895	6.0	5.1
IF Skadeförsäkring	3,890,055	5.1	4.8
Other	43,456,580	56.9	46.1
Total number of outstanding shares*	**76,331,982**	**100.0**	**100.0**

** Total number of shares, excluding Lindab's treasury shares.*

Geographical distribution of ownership, %

Shareholder categories, %



Data per share

SEK per share unless otherwise specified	**2014**	2013	2012	2011	2010	2009	2008	2007	2006
Diluted earnings per share (EPS)	3.71	3.05	1.61	1.21	0.36	0.45	9.32	11.45	6.29
Earnings per share[1]	3.71	3.05	1.61	1.21	0.36	0.45	9.67	11.45	7.43
Dividend	1.10[2]	-	-	1.00	1.00	-	2.75	5.25	3.25
Dividend yield, %[3]	1.68	ET	ET	2.67	1.13	ET	5.67	3.57	2.50
Dividend in %[1]	30.0	ET	ET	82.4	277.8	ET	28.4	45.9	43.7
Quoted price, at end of period	65.60	63.40	43.00	37.40	88.25	73.50	48.50	147.25	130.25
Highest quoted price	83.70	65.20	57.95	95.80	105.00	91.00	163.00	205.00	132.00
Lowest quoted price	52.35	42.17	37.17	31.84	61.25	40.00	36.50	125.00	111.00
Shareholders' equity, after dilution	43.81	38.87	35.15	35.83	36.57	40.16	44.75	37.72	27.82
Number of outstanding shares, after dilution	76,331,982	76,331,982	76,331,982	75,331,982	75,331,982	74,772,429	74,772,429	78,707,820	78,707,820

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.


Lindab's Annual General Meeting, Lindab Arena, Ängelholm, April 2014.

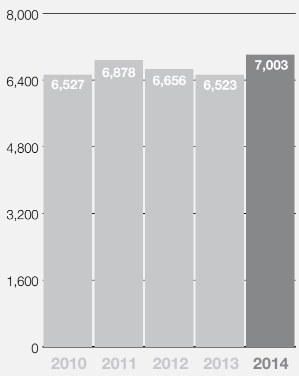
Important investor dialogue

Lindab maintains a close dialogue with various stakeholders in the financial market in order to provide relevant, reliable, open and up-to-date information on the Group's performance and financial position. Contact is made by means of presentations and Q&A sessions for each of the four interim reports and through meetings with analysts, investors and journalists at capital market days, conferences, share-savings meetings and seminars. Dialogue with the market is coordinated by the Investor relations (IR) Group function.

Five-year overview

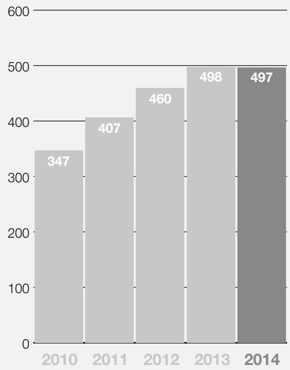
Lindab reported a strong increase in sales during 2014 with unchanged operating profit. While investments and working capital increased as a result of a higher level of sales, financing costs decreased resulting in higher earnings per share.

Sales revenues, SEK m



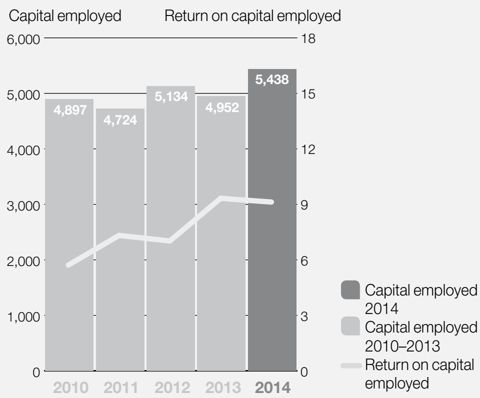
Strong markets in the Nordic region and Western Europe compensated for weaker development in CEE/CIS. Sales increased by 7,4 percent in 2014.

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



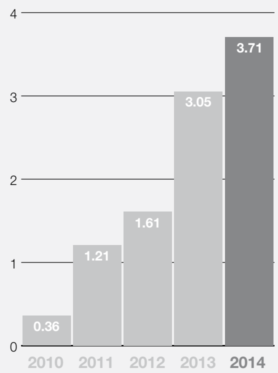
Weak profitability within the Building Systems segment contributed to the fact that operating profit did not increase despite higher sales.

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



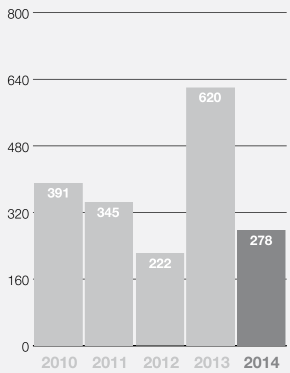
Higher working capital, acquisitions and investments in fixed assets resulted in higher capital employed in 2014.

Earnings per share after dilution, SEK



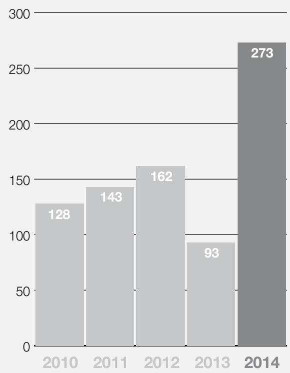
The fact that earnings per share increased in 2014 was mainly due to lower financing costs as a result of lower interest rates and a new credit agreement.

Cash flow from operating activities, SEK m



Cash flow in 2014 was negatively affected by an increase in working capital driven by higher sales volumes.

Gross investments in fixed assets, excluding acquisitions and divestments, SEK m



The increase in gross investments in 2014 is mainly attributable to the acquisition of a previously operationally leased property in the Czech Republic.

Building Systems

During the year, Building Systems continued its drive to increase cost-efficiency, develop new system solutions and create a better balance in sales exposure. Sales initiatives included the establishment of a new sales office in the UK, marketing aimed at new sectors in Russia, more sales resources in Kazakhstan, Azerbaijan and Georgia, as well as increased sales activities in Africa. During 2014, Building Systems had sales in 26 countries throughout Europe, including CIS, and parts of Africa. At year-end, it had 14 of its own sales and support offices. Building Systems' complete steel construction solutions are sold under the Astron brand.

The pictures show Lindab's new distribution centre in Zürich, Switzerland, which was inaugurated in autumn 2014. A 5,000 square metre, modern, efficient facility containing warehouse, office, shop, local production and logistics centre – all housed in one building, of the Astron brand.

Lindab Life

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

Business
Environment
Employees
+ Society
LindabLife

At Lindab, we not only take responsibility for creating sustainable development through products and services that improve energy efficiency and reduce resource consumption, we also take responsibility for all the different stakeholders who might be affected by our activities in some way. Based on our clear framework for sustainability work – Lindab Life – during 2014, we continued to improve the working environment for our employees, set an even greater focus on business ethics and anti-corruption, reduced resource consumption in our production and increased investments in the development of products with a low environmental impact. This, and many other aspects of our sustainability work, is a natural part of our new strategy. During 2015, we will take a further step through our materiality analysis and the establishment of long-term sustainability strategy. Lindab will not only be a part of the future, but also a leader in sustainable growth.

Anders Berg, President and CEO

A brief description of Lindab's sustainability work in 2014

- continued focus on business ethics and anti-corruption
- the number of accidents has continued to decrease which has reduced LTIF to 9.5 (12.3)
- a materiality analysis has been carried out as a first step to switching to GRI G4
- energy consumption and-greenhouse gas emissions have been reduced per tonne produced

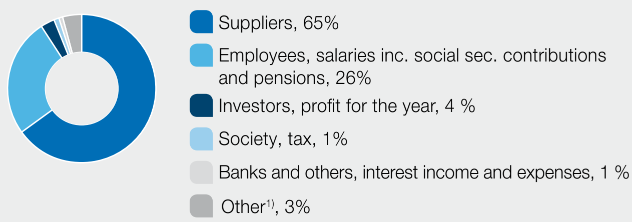
THE GLOBAL COMPACT
WE SUPPORT

Lindab's social responsibility and Lindab Life are based on the following guidelines and instruments:

- **ISO 26000** - guidelines for social responsibility.
- **Global Compact** – guidelines on human rights, environment etc.
- **Global Reporting Initiative, GRI** – sustainability reporting guidelines. Lindab reports in accordance with GRI level C.
- **Greenhouse Gas Protocol –** guidelines for calculating greenhouse gas emissions.
- **Lindab's Code of Ethics** – overall internal policy document that sets out Lindab's approach.
- **Lindab's core values –** Customer Success, Down to Earth and Neatness and Order.

Distribution of revenues to stakeholders

In 2014, Lindab's sales revenues amounted to SEK 7,003 m (6,523) comprising sales of the company's products and services. Most of this was distributed among the company's stakeholders.



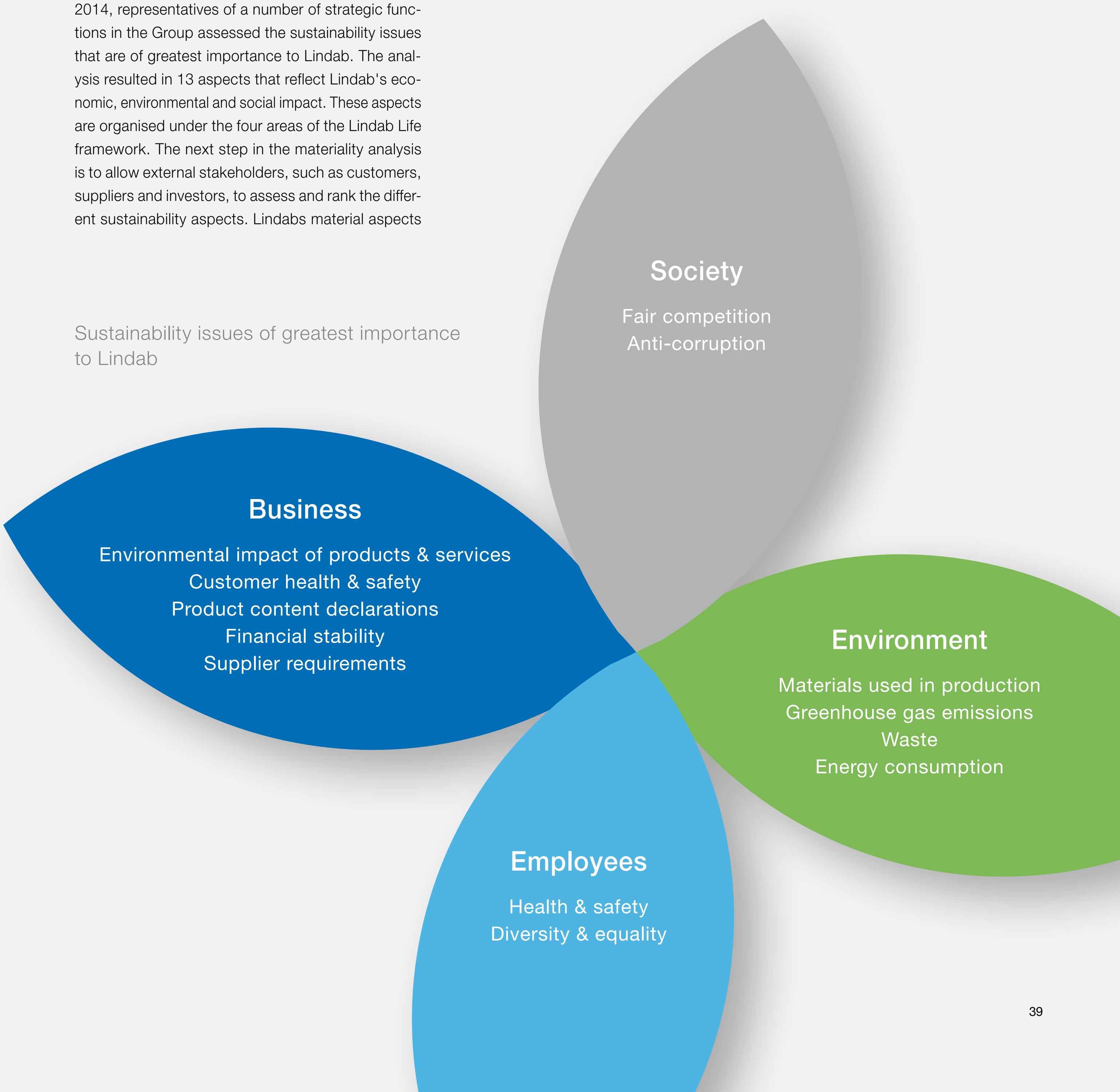
1) Other consists of items that cannot be considered to be attributable to individual stakeholders. This item mainly consists of depreciation, impairment of goodwill, exchange rate differences and capital gains on the sale of assets.

Lindab complies with the GRI sustainability reporting guidelines and reports at its discretion in accordance with GRI level C.

Materiality analysis

For the financial year 2015 Lindab will report on its sustainability work in accordance with the Global Reporting Initiatives (GRI) fourth generation guidelines (G4), level "Core". According to GRI G4 it is important to focus the sustainability report on the aspects that are most material to the company and its stakeholders. During 2014, representatives of a number of strategic functions in the Group assessed the sustainability issues that are of greatest importance to Lindab. The analysis resulted in 13 aspects that reflect Lindab's economic, environmental and social impact. These aspects are organised under the four areas of the Lindab Life framework. The next step in the materiality analysis is to allow external stakeholders, such as customers, suppliers and investors, to assess and rank the different sustainability aspects. Lindabs material aspects will emerge by weighing stakeholders' views with the company's strategy, risk profile and actual or potential impact. During 2015, Lindab will also determine its sustainability strategy and clarify activities and objectives in prioritised areas.

Sustainability issues of greatest importance to Lindab



Environment

Lindab is engaged in several environmental projects, including the drive to increase energy efficiency and reduce the amount of scrap produced. These initiatives have contributed to a reduction in energy consumption and greenhouse gas emissions per tonne of steel produced. Lindab's ongoing environmental work is guided by its environmental policy. Direct responsibility for environmental issues rests with the local companies. At Group level, a central environmental function is responsible for the development, coordination and monitoring of environmental work. The permits required are mainly business licences for industry. No breaches of permit conditions or local environmental legislation occurred in 2014. The risk of accidents that could have a negative impact on the environment is considered remote. Lindab has ensured that environmental risks are taken into consideration when, for example, acquisitions or major changes are made. Compared with the previous sustainability report, no acquired production units have been added.

Production

The modern manufacturing processes used by Lindab in the production of steel products have a relatively limited impact on the environment. This might include small emissions of dust, solvents from paint and metals in waste water. No unforeseen emissions were reported during the year. Leakage inspections are made of cooling/heat pump equipment to prevent ozone-depleting substances from leaking out. No emissions were recorded during the year.

Transport

Consolidation and logistics planning reduce the impact of transport on the environment. Most packaging consists of renewable and recycled materials. Lindab's life-cycle analysis shows that transport accounts for a small part of the product's total impact on the climate. Environmental requirements are imposed on the central procurement of all transport.

Waste

The waste products generated during production consist primarily of scrap metal. Scrap metal is recovered completely and other waste is recycled up to nearly 90 percent. A proportion of incoming and surplus packaging materials is reused on site. Anything not used is sorted and disposed of in accordance with current legislation. Hazardous waste is taken care of by local waste management companies. There is no information available concerning the export of any hazardous waste.

Chemicals

Lindab uses chemicals in production and is subject to REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) a regulation of the European Union. The business is defined as a downstream user as Lindab neither manufactures nor imports chemical products to the European market. Lindab's work in this area is mainly focused on communication with suppliers and customers on REACH-related issues.

Consolidation and logistics planning reduces the impact of transport on the environment. Most packaging consists of renewable and recycled materials.

Consumption of raw materials	2014	2013	2012
Steel, tonnes	209,000	185,000	183,000
Oils, m^3	61	65	80*
Paint, tonnes	373	429	521
Solvents, m^3	11	10	12
Rubber, tonnes	1,948	1,524	1,008

**Corrected*

Waste & scrap metal	2014	2013	2012
Steel scrap, tonnes	16,461	16,400	13,491
Hazardous waste, tonnes	994	598	655
Total other waste, tonnes	5,150	5,377	4,345
Recovery rate, %	86	88	87

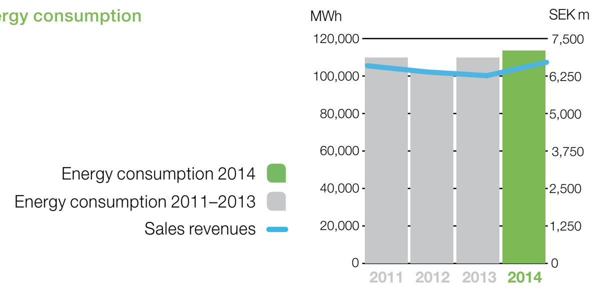
Greenhouse gas emissions	2014	2013	2012
In total, tonnes	64,524	63,552	55,987
Direct emissions, tonnes	12,588	12,537	11,349
Indirect emissions, tonnes	13,843	13,170	15,146
Other sources, tonnes	38,092	37,845	29,492

Consumption of packaging materials	2014	2013	2012
Corrugated cardboard, tonnes	2,717	2,215	1,861
Plastic, tonnes	1,216	868	679
Wood, tonnes	8,706	7,643	7,424

Energy	2014	2013	2012
Total, MWh	113,761	110,049	102,856
Direct energy, MWh	56,924	57,500	51,350
Indirect energy, MWh	56,837	52,549	51,507

1MWh=0.0036 TJ

Energy consumption



Employees

Lindab's business includes nearly 4,600 employees at 155 locations in 32 countries. In addition to continuing to build a successful corporate culture based on strong core values, the focus is on various key initiatives to simplify and facilitate local employee development.

Preventive healthcare

Lindab is working actively with preventive healthcare at individual, group and corporate level. In order to support a healthy, safe working environment, the establishment of health profiles, ergonomic aids and conventional health checks are offered. Great emphasis is placed on encouraging employees to adopt an active, healthy lifestyle. This is supported by coaching, with some financial contributions, and includes physical activity, a healthy diet and achieving a work-life balance.

Safe working environment a top priority

Lindab has a clear vision that the number of accidents at work should be zero. Efforts to create a safe working environment are, therefore, a top priority for the entire Group. Lindab's focus is on changing attitudes, clarifying responsibilities and establishing neatness and order in all production-related processes. The effectiveness of the health and safety work is measured by LTIF, the international metric that specifies the number of accidents per million hours worked. LTIF is measured continuously for each business and production unit, making it easy to track improvement work and draw comparisons. Far-reaching work performed to improve the Group's working environment has led to a reduction in LTIF of 44 percent over the past three years.

Training

Lindab has a long history of successful partnerships with schools and universities in many of the countries in which the Group operates. Employees participate as guest lecturers, and students are offered an internship at Lindab and help with their degree projects. In September, a nine-month trainee programme for six recently-graduated engineers was launched in Sweden. During the year, Lindab also started to promote the company more actively in technical colleges and participated in a number of job fairs.

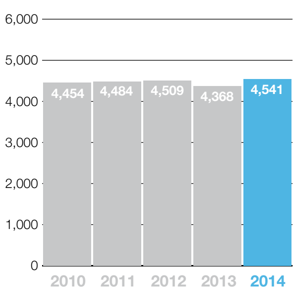
Human rights

The risk of breaches relating to issues such as oppressive practices, child labour and forced labour is considered low within the Group. During the year, no breaches were reported. Lindab does not accept any form of abuse or discrimination, and is pro-actively working for diversity and equality. All employees have the right to form, join or refrain from participating in trade unions or other organisations engaged in collective bargaining.

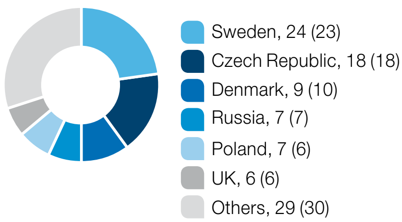
LTIF 9.5

Lindab measures and monitors safety work with LTIF, the international metric that indicates the number of accidents per million hours worked. Since January 2012, LTIF has dropped from 17.1 to 9.5.

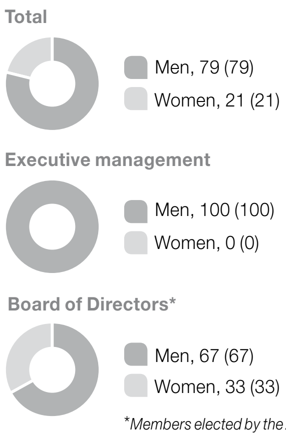
Average no. of employees



Geographical distribution of employees, %



Gender balance, %



Members elected by the Annual General Meeting.

The gender balance at Lindab remained unchanged in 2014. In accordance with the new strategy, activities were initiated to increase diversity in the long term, including increasing the number of women appointed, at all levels of the Group.

Whistleblower

A part of Lindab's Code of Ethics describes the whistleblower function which gives every employee the opportunity to anonymously report abuses contrary to Lindab Life.

Business

Lindab is a driver in the development of more effective and resource-efficient construction. The focus is on finding solutions that will increase the degree of standardisation in construction projects, contribute to a lower use of resources in all phases and create a better indoor climate. This includes the development of software and new technologies to facilitate the planning process for customers' projects and installations.

Leading indoor climate system

Lindab invests considerable resources in developing market-leading indoor climate solutions and also works with various aspects of sustainability in areas such as surface coatings, soundproofing and solutions for passive and plus energy housing. Research and development projects are carried out in-house as well as in cooperation with suppliers, including work on strengths of materials, health and environmental aspects.

Quality-assured products

The products that Lindab develops are tested and evaluated continuously to ensure quality and functionality are of the highest standard. Products are supplied with the documentation required 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, details are provided concerning the product's carbon footprint, from extraction of the raw materials used in its manufacture to the point at which the product leaves Lindab's factories.

High quality appreciated by customers

The high quality and functionality of Lindab's products mean that any risk of a negative impact on health and safety is low. During the year, no breaches were identified in respect of the Group's provision of products or the impact of the products on health and safety. Lindab's annual customer survey clearly shows that the biggest reason by far for customers choosing Lindab's products is their high quality.

Lindab's intelligent VAV solution, Pascal, optimises energy use in an office environment consuming, on average, 55 percent less energy compared with a traditional ventilation system with variable flow.

Society

Lindab is involved in a range of activities to support local communities. By partnering various organisations and agencies in locations where Lindab operates, the aim is to contribute to a generally positive trend and to gradually strengthen the region's attractiveness and competitiveness to the benefit of both the community and Lindab. A contributory factor to Lindab's commitment is that most of the recruitment of new employees, as well as managers and other staff, takes place in the communities where Group units are located.

Ethics and anti-corruption

Lindab's Code of Ethics, which is mplemented throughout the Group, describes a set of sustainable business ethics. The code is based on the UN Convention on Human Rights and describes the principles that should form the basis for the professional relationships employees have with each other as well as with shareholders, business contacts and other stakeholders. No cases involving breaches of the Group's Code of Ethics were reported in 2014. The Group's work with business ethics is also described in detail in the recently updated anti-corruption policy. Lindab has zero tolerance for corruption. All managers have signed a document stating that they support the anti-corruption policy and, in all business units, a risk assessment of the situation in the area has been conducted. In addition, all of Lindab's business partners have been reviewed.

Government grants

Lindab receives various forms of government support for its business. During 2014, this amounted to approximately SEK 7.4 million and consisted, in principle, of grants for training and freight.

“You can always be a master with Lindab” is one of Lindab's sponsored campaigns in Romania, aimed at providing judo training for children and their parents. A good example of Lindab's local commitment.

GRI Index

Lindab follows GRI guidelines for sustainability reporting, and reports through self-assessment in accordance with GRI level C.

The data presented here refers to the calendar year 2014 and, unless otherwise specified, covers all Group operating subsidiaries that were included from the start of the year. For those companies that were divested or ceased trading in 2014, data for the period they were operating is reported. The previous sustainability report was published in April 2014.

Indicator		Status	Page
1. Strategy and analysis			
1.1	CEO statement on Social Responsibility	F	p. 38
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. 48, 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. 34–35
2.7	Markets served	F	p. 14–17
2.8	Scale of the reporting organisation	F	p. 56 ff
2.9	Significant changes during the reporting period	F	p. 56 ff
2.10	Awards received during the reporting period	F	N/A
3. Report parameters			
3.1	Reporting period	F	p. 43
3.2	Date of previous report	F	p. 43
3.3	Reporting cycle	F	p. 43
3.4	Contact person for questions regarding the report	P	Back cover
3.5	Process for defining report content	F	p. 43
3.6	Boundary of the report	F	p. 43
3.7	Specific limitations on the scope or boundary of the report	F	p. 43
3.8	Reporting of entities that can affect comparability from period to period and/or between organisations	F	p. 43
3.10	Explanation of the reasons for and effect of any restatements of information	F	p. 43
3.11	Significant changes in the scope, boundary or measurement methods	F	p. 43
3.12	GRI Index	F	p. 43
4. Governance, commitments and stakeholder relationships			
4.1	Governance structure of the organisation	F	p. 45–53
4.2	Chairman's position	F	p. 44
4.3	Number of independent, non-executive Board members	F	p. 45–53
4.4	Mechanisms for shareholders and employees to provide recommendations or directions to the Board	F	p. 45–53
4.14	List of stakeholder groups engaged by the Group	F	p. 10–11, p. 38, p. 48
4.15	Basis for the identification and selection of stakeholders	P	p. 38
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. 42
Environmental performance indicators			
EN1	Materials used	F	p. 40
EN2	Percentage of materials used that are recycled input materials	F	p. 40
EN3	Direct energy consumption	F	p. 40
EN4	Indirect energy consumption	F	p. 40
EN5	Energy saved due to efficiency improvements	P	p. 40
EN8	Total water withdrawal	P	p. 40
EN16	Total direct and indirect greenhouse-gas emissions	F	p. 40
EN18	Initiatives to reduce emissions of greenhouse gases	F	p. 38–40
EN22	Total weight of waste by type and disposal method	P	p. 40
EN28	Fines and sanctions for noncompliance with environmental laws and legislation	F	p. 40
Performance indicators for labor practices and decent work			
LA1	Total workforce	P	p. 41, Note 6
LA2	Employee turnover	P	p. 41, Note 6
LA7	Work-related accidents and diseases	P	p. 41, Note 6
LA13	Composition of the Board and management	F	p. 50–51
Performance indicators for human rights			
HR4	Total number of incidents of discrimination	F	p. 42
HR6	Operations identified as having significant risk for incidents of child labor	F	p. 41
HR7	Operations identified as having significant risk for incidents of forced labor	F	p. 41
Performance indicators for society			
SO2	Percentage and total number of business units analyzed for risks related to corruption	F	p. 42
SO4	Actions taken in response to incidents of corruption	F	p. 42
Performance indicators for products			
PR1	Products and services impact on health and safety throughout the life-cycle	F	p. 10–11, p. 42
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services	F	p. 42
PR9	Monetary value of fines for noncompliance with laws and regulations concerning products and services	F	p. 42

N/A = Not applicable
F = Full
P = Partial

Chairman's comments

The Board's work was intensive throughout 2014. An important reason for this, of course, was the preparation and launch of Lindab's new strategy and new financial targets. The Board has conducted close and dynamic dialogue with management throughout the process. There is a strong, shared vision behind the strategy. With sound expertise, a broad offering and the best network of dealers, distributors and project customers in the industry, we have an excellent starting point for developing Lindab as a leading supplier of complete ventilation solutions. Part of the strategy includes acquisitions to complement our product range and geographic exposure. We discussed potential acquisitions in several of the 14 meetings held in 2014. The four acquisitions completed in the year are entirely consistent with the strategy and we will continue to evaluate activities that can complement Lindab's current offering.

Concern for Eastern Europe

Although our main focus has been on the implementation of the strategy, we have worked intensively with other areas of major importance for Lindab. We have secured better conditions for our long-term financing, and been engaged in the development in Russia. The combination of conflict with Ukraine, with subsequent sanctions, and the sharp decline in oil prices and the rouble has placed the country in a difficult situation. There is considerable uncertainty, both for domestic industry and international companies with ambitions to grow in the Russian market. These developments have had an adverse effect on Building Systems' sales and order intake. Together with management, we have therefore taken steps to improve our cost structure and increase sales activities in new markets. While all the time maintaining our long-term faith in the Russian market. There is an enormous need for our solutions there, and we have no plans to leave the market. One of the ways in which we have demonstrated our conviction in this respect is by deciding to establish a competence and distribution centre for Products & Solutions in Moscow.

To conclude, I can state that we have a Board of Directors that, in close dialogue with Executive management, is able to execute key decisions quickly and meet the challenges of an increasingly complex economic climate.

Grevie, March 2015

Kjell Nilsson
Chairman of the Board of Directors

"The four acquisitions are entirely consistent with the strategy."

Corporate governance report

Lindab International AB (publ) is a Swedish public limited company which, according to the Articles of Association, develops, produces and sells products to both the ventilation business area and the construction industry. Lindab is listed on the NASDAQ OMX Nordic Exchange in Stockholm.

Lindab applies the Swedish Code of Corporate Governance ("the Code").

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 the Stockholm Stock Exchange, the Code, and other applicable Swedish laws and regulations.

From the Annual General Meeting of 2014, Lindab has followed the Code. Companies that apply the Code may deviate from individual rules. Up until the Annual General Meeting of 2014, Lindab followed the Code with the following exceptions. A majority of the members of the Nomination Committee were also Board members. Lindab deemed it appropriate that these representatives, comprising the Chairman of the Board and representatives of Lindab's largest shareholders, participated in both the work of the Nomination Committee and the work 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, only one class, have a face value of SEK 1, meaning that the total number of shares amount to 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 therefore amounts to 76,331,982. Lindab has no voting rights for the repurchased shares. There were 8,202 shareholders (7,036) at 31 December 2014. The four largest shareholders, in relation to the number of outstanding shares, were Creades with 10.3 percent (10.3), Lannebo Fonder with 9.0 percent (7.8), Handelsbanken Fonder AB with 6.5 percent (6.9), and Skandia with 6.1 percent (7.5). More information about Lindab's shareholders and the share development in 2014 can be found on pages 34-35.

Annual General Meeting 2014

The Annual General Meeting for the financial year 2013 was held on 29 April 2014 at Lindab Arena, in the municipality of Ängelholm. 210 shareholders participated. The minutes of the 2014 Annual General Meeting have been available since 13 May 2014 on the company's website.

In addition to other matters, the 2014 Annual General Meeting adopted resolutions regarding:

- The re-election of the Chairman of the Board, Kjell Nilsson, and the Board members Sonat Burman-Olsson, Stefan Charette, Erik Eberhardson and Birgit Nørgaard as well as Hans Porat as a new member of the Board.
- The election of the registered accounting firm Deloitte AB as the company's auditors.
- Guidelines for the appointment of the Nomination Committee.
- Guidelines for remuneration of senior executives.
- Authorisation for the Board to decide on the acquisition and transfer of treasury shares.

Annual General Meeting 2015

The Annual General Meeting for the financial year 2014 will take place on 27 April 2015 at 16.00 in Grevieparken, municipality of Båstad, Sweden. In accordance with the Articles of Association, the notice to attend the Annual General Meeting will be published in the Official Swedish Gazette (Sw. Post and Inrikes Tidningar), as well as on the company's website. The fact that notice has been given will be published in Dagens Industri. Shareholders wishing to attend the meeting must be registered in the company's share register five working days before the meeting, i.e., 21 April 2015, and must notify the company as specified in the notice to attend the 2015 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 the matter to the Chairman no later than 9 March 2015.

Nomination Committee

At the Annual General Meeting in 2014, it was resolved that the company shall have a Nomination Committee consisting of a minimum of four members, one of whom will be the Chairman of the Board. The Chairman was instructed at the end of the third quarter of 2014 to contact the three largest identified shareholders in the Company as of 31 August 2014 and request them to appoint the representative to the Nomination Committee as soon as possible. The Chairman of the Nomination Committee shall be the member who is appointed by the largest shareholder, unless agreed otherwise by the Nomination Committee. The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed.

A Nomination Committee was constituted on 22 September 2014, comprising:

- Sven Hagströmer, representative for Creades AB (Chairman)
- Caroline af Ugglas, representative for Skandia
- Peter Rönström, representative for Lannebo Fonder
- Kjell Nilsson, Chairman of the Board of Lindab International AB

In accordance with the resolution of the Annual General Meeting, the Nomination Committee shall evaluate the composition and work of the Board of Directors and submit proposals for the 2015 Annual General Meeting with regard to:

- election of the Chairman at the 2015 Annual General Meeting
- election of the Board and Chairman of the Board
- election of auditors
- fees for the Board of Directors and auditors
- composition of the Nomination Committee for the 2016 Annual General Meeting.

The Nomination Committee held two minuted meetings in 2014. In 2015, the Nomination Committee held a minuted meeting prior to the Annual General Meeting.

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

- an e-mail to fredrik.liedholm@lindab.com (subject "To the Nomination Committee") or
- a letter to "Lindab's Nomination Committee", Fredrik Liedholm, Lindab International AB (publ), SE-269 82 Båstad, Sweden.

Board of Directors

At the Annual General Meeting on 29 April 2014, it was decided that the Board of Directors would consist of six members without deputies. The company's Chief Executive Officer is the rapporteur for the Board of Directors. The various assignments of the members of the Board of Directors are shown below and on page 50 of the Annual Report.

Work of the Board of Directors

The work of the Board of Directors is governed by the rules of procedure approved annually. The rules of procedure include the instructions to the Company's Chief Executive Officer, the duties of the Chairman, the Board's meeting procedures as well as decision-making procedures together with instructions and policies. All documents have been adapted to Lindab's business and organisation. The Company's Chief Financial Officer, Per Nilsson, has been present at Board meetings, as well as the Secretary of the Board and the Company's General Counsel who, up until 1 September 2014, was Carl-Gustav Nilsson and thereafter was Fredrik Liedholm.

During 2014, the Board of Directors met 14 times including six additional meetings. At each ordinary meeting, the financial performance was reported and followed up. The Board has held one meeting with the auditors, without the Executive management present, to review the cooperation with the Executive management regarding implementation of the audit process and other related matters. Key issues addressed at Board meetings are shown separately.

An evaluation of the work of the Board and Chief Executive Officer took place in 2014. The evaluation showed that the Chief Executive Office and Board perform their duties very well.

Key Issues at each Board meeting

– 12 Feb	New credit agreements
– 17 Feb	Year-end Report, Auditors' Report (current), financing issues
– 17 Feb	Authority to sign for the firm
– 3 March	Acquisition issues
– 6 March	Annual Report
– 26 March	Notice to attend the Annual General Meeting
– April 28	Interim Report
– 29 April	Result follow-up
– 29 April	Inaugural meeting
– 24 June	Result follow-up, auditing matters, strategy, investments
– 17 July	Interim Report
– 17 Sept	Result follow-up, strategy, investments
– 27 Oct	Result follow-up, quarterly report, strategy, acquisitions, Board evaluation
– 15 Dec	Result follow-up, budget, market review, investments, remuneration issues, financing issues

Remuneration to the Board of Directors

At the Annual General Meeting on 29 April 2014, fees totalling SEK 2,200,000 were decided and 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 Board in its entirety performs the duties of the Remuneration Committee as this is deemed appropriate considering the high priority of the issues concerned. No separate fee is paid for the Remuneration Committee as it consists of the Board of Directors in its entirety.

The Board of Directors and breakdown of Board fees

Name	Function	Number of meetings present 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	13	2011	Independent	Independent	300,000
Stefan Charette	Member	14	2012	Independent	Dependent	300,000
Erik Eberhardson	Member	13	2009	Independent	Independent	300,000
Gerald Engström[2]	Member	7	2012	Independent	Dependent	300,000
Birgit Nørgaard	Member	14	2012	Independent	Independent	300,000
Hans Porat [3]	Member	6	2014	Independent	Independent	300,000
Markku Rantala[1]	Member	14	1998			25,000
Total						**2,200,000**

[1] *Employee representatives replaced by deputies due to absence*
[2] *Resigned 29 April, mandate period covered 8 meetings*
[3] *Elected to the Board of Directors on 29 April, mandate period covered 6 meetings*

**Refers to the fee for the mandate period of each Board member.*

Audit Committee

In addition, the Board in its entirety manages matters that are referred to the Audit Committee. The Board will thus ensure the quality of the financial statements, maintain ongoing contact with the auditors, evaluate the auditing work, assist the Nomination Committee in its preparations for the election of auditors, ensure that the company has a proper system for internal control, risk management and other related issues. Sonat Burman-Olsson is an independent member with specialist expertise in accounting and auditing matters. No separate fee is paid for the Audit Committee as it consists of the Board of Directors in its entirety.

Auditors

At the 2014 Annual General Meeting, the accounting firm Deloitte AB, was elected to be the company's auditor. Authorised public accountant Hans Warén was appointed as lead auditor. Hans Warén is also appointed by other listed companies, but this does not encroach on the time necessary to carry out his work for Lindab. The accounting firm, Deloitte AB, and the lead auditor, Hans Warén, do not perform any services that could bring their independence into question. Nor do the services performed by the auditor for Lindab, over and above the auditing services, alter this opinion.

Auditors' fees

After the 2014 Annual General Meeting, the auditors' fees paid to the company's accounting firm, Deloitte AB, amounted to SEK 0.3 m for the parent company and SEK 5.6 m for the Group. Fees paid to Deloitte for other services for the Group amounted to SEK 0.3 m.

Rules of Procedure

At the constitutive Board Meeting on 29 April 2014, the Board of Directors adopted rules of procedure for determining the distribution of duties between the members of the Board, the Chairman's role, decision-making procedures and issues regarding financial reporting and internal control. The rules of procedure include the Chief Executive Officer's instructions for the determination of the Chief Executive Officer's duties and responsibilities.

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

Code of Ethics

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

Information Policy

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

Insider Policy

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

IPR Policy

Intellectual property rights, consisting of registered rights, such as patents, trade marks and designs, as well as other rights such as copyright, trade secrets and know-how, are valuable assets for Lindab. The policy describes the strategy and guidelines for Lindab's management and protection of their 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 built to enable the business to be run effectively. It contains rules about how the data centres will be organised, including the management of critical IT equipment, access to support, backup procedures and system administration.

Anti-corruption Policy

Lindab has zero tolerance for corruption. The policy is the regulatory framework for Lindab's business and employees.

Competition Law Policy

It is important that the Group and its employees observe competition legislation. The adopted Competition Law Policy protects against breaches of competition legislation.

Environmental Policy

An international Environmental Policy governs Lindab's work with environmental issues, which are reported on page 40.

Working Environment Policy

The Working Environment Policy is in line with Lindab's efforts to ensure a safe and healthy working environment. The policy provides a clear message concerning responsibility and that the key to a safe working environment is prevention.

Treasury Policy

The purpose of the Treasury Policy is to define the framework for the Lindab Group's management of financial risks and transactions. These issues are handled centrally by the Group treasury function in order to minimise costs.

SR Policy

Lindab has adopted a number of policies and guidelines in the area of Social Responsibility under the collective name Lindab Life.

CEO and Executive management

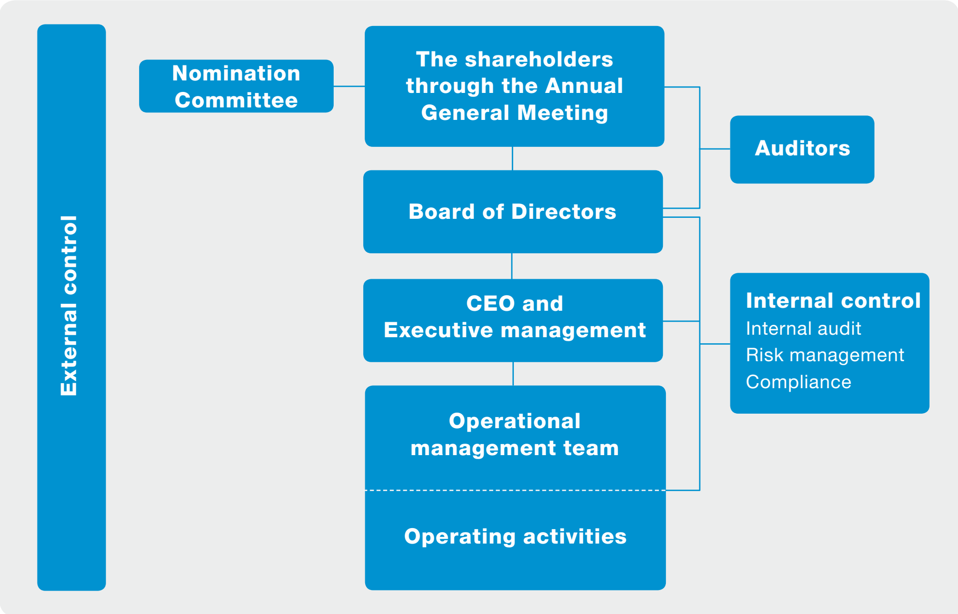
Anders Berg, born in 1972, was appointed President and Chief Executive Officer of Lindab on 18 March 2013. Before taking up his post at Lindab, Anders Berg, who has an M.Sc. in Industrial Engineering, worked for eight years in various positions within the SSAB Group, including Vice President, in Shanghai, China, and Managing Director of the subsidiary Plannja AB. In addition to his duties at Lindab, Anders Berg is a board member of Symbrio AB. For the full year 2014, the Executive management included Anders Berg, Chief Executive Officer, and Per Nilsson, Chief Financial Officer, with Bengt Andersson, Product and Marketing Director, included since 1 June 2014. Carl-Gustav Nilsson, formerly General Counsel, was included in the Executive management until 1 September 2014. From 1 September 2014, Fredrik Liedholm, General Counsel, was included in the Executive management.

Overview of governance in the Lindab Group

Shareholders
Shareholders' rights to decide on Lindab matters are exercised at the AGM or, where appropriate, at the Extraordinary General Meeting, which is Lindab's highest decision-making body. The AGM is usually held during April or May in Ängelholm or Båstad. The AGM decides on matters referred to in the Companies Act and the company Code, including matters concerning amendments of the Articles of Association and election of the Board of Directors and auditors.

Nomination Committee
The Nomination Committee submits proposals to the AGM for the election of the Chairman of the Meeting, Board of Directors, Chairman of the Board, auditors, remuneration of the Board and auditors, as well as composition of the Nomination Committee at the next AGM.

Auditors
Lindab's elected auditors review the company's Annual Report and accounts, as well as the management of the Board of Directors and the President and CEO. The auditors work according to an audit plan and report their findings to the Executive management throughout the year and at least once annually to the Board of Directors. The auditors also attend the AGM to deliver the auditors' report which describes the review process and observations made.



Operational management team
The CEO and Executive management have appointed an operational management team of twelve people who are responsible for different areas of operating activities.

External control
The external regulations concerning Lindab's corporate governance include the Companies Act, the Annual Accounts Act, other relevant legislation, rules for issuers of shares on the NASDAQ OMX Exchange, Stockholm, and the Code.

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

Internal audit
Lindab has an internal audit function that continuously reports directly to Executive management which, in turn, reports to the Board of Directors. The internal audit is designed 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 works with risk management according to the Enterprise Risk Management programme, a structured and efficient way of working with the Group's risks. Reporting, monitoring and control of the different risks are conducted through established procedures and processes. These are of crucial importance in creating long-term, sustainable, profitable growth. Read more about Lindab's work with risk management on page 32.

Compliance
An important part of the governance of the Group is Lindab's commitment to social responsibility under the collective name Lindab Life. Lindab Life summarises Lindab's conduct in its dealings with customers and other business partners, as well as employees and the communities in which Lindab operates. Lindab Life is also concerned with Lindab's focused work on continuous environmental improvements. Lindab's values have been translated into different policies and regulations with which Lindab is required to comply. Of these, Lindab's Code of Ethics is the overall policy document that includes the company's business ethics. Read more about Lindab Life on page 38.

Board of Directors

Composition of the Board of Directors
According to the Articles of Association, the Board shall consist of between three and ten members, with a maximum of ten deputies. Members and deputies are elected at the AGM for the period from the date of the AGM until the end of the next AGM. The Board consists of six members elected by the AGM and two employee representatives. The employees have also appointed two deputy members to the Board. The CEO is the rapporteur 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. Since 1 June 2014, the Product and Marketing Director has also participated in Board meetings. The Board of Directors in its entirety constitutes both the Remuneration Committee and the Audit Committee.

The Chairman's responsibilities
The Chairman leads the Board's work, 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 on 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 the instructions to 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 the interim reports, Annual Report and year-end report at Board meetings and during reviews with the auditors.

Remuneration of senior executives

Remuneration principles

At the 2014 Annual General Meeting, guidelines for the remuneration of senior executives were established. The guidelines are based on remuneration that reflects the market and environment in which the executives operate. The remuneration shall be competitive, facilitate recruitment and motivate employees to remain with the company. The remuneration shall consist of fixed salaries, variable salaries, benefits and pensions. The fixed salaries and benefits will be established individually, based on the above and on the specific skills for each individual. The variable salary shall be based on clear goals and awarded as a percentage of the fixed salary and shall, thus, have a cap not exceeding 50 percent of the fixed remuneration. The pension shall be a defined contribution plan based on the same principles as for the fixed and variable salaries. In special cases, the Board of Directors has the right to deviate from the guidelines. The Board of Directors has not exercised this mandate in 2014.

Remuneration and other benefits for the Executive management are shown in the table on the right. A further SEK 3.3 m has been recorded relating to payroll overheads, including special employers' contributions on pensions.

Remuneration of the CEO

Anders Berg's fixed salary for 2014 totalled SEK 3,600,000. Anders Berg can 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 accommodation, plus a free car and certain other benefits. Payments received by Anders Berg in 2014 are shown in a separate table. The notice period for Anders Berg is 12 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 the variable remuneration. 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 company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Anders Berg.

Remuneration to Executive management in general

For the full year 2014, the Executive management included Anders Berg, Chief Executive Officer, and Per Nilsson, Chief Financial Officer, with Bengt Andersson, Product and Marketing Director, included since 1 June 2014. Carl-Gustav Nilsson was included in the Executive management until 1 September 2014. From 1 September 2014, Fredrik Liedholm, General Counsel, was included in the Executive management. The remuneration to the Executive management follows the guidelines adopted by the Annual General Meeting. The employment contracts of the Executive management include notice periods of twelve months from the company and six months from the employee. During the notice period, the company may exercise the right to give the employee garden leave, whereby salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. Executive management is bound by non-competition clauses effective for one year from the expiration of employment, during which they are entitled to remuneration of up to 60 percent of the fixed salary. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

Remuneration and other benefits for the Executive management 2014

SEK	Anders Berg	Remuneration of other Executive management*	Total
Fixed salary incl. holiday pay	4,021,200	4,825,401	8,846,601
Variable salary	540,000	588,999	1,128,999
Pension expenses	1,072,274	1,357,445	2,429,719
Benefits	248,157	208,079	456,236
Total	**5,881,631**	**6,979,924**	**12,861,555****

**) Remuneration to Bengt Andersson refers to the period from 1 June 2014, to Carl-Gustav Nilsson up until 1 September 2014 and to Fredrik Liedholm from 1 September 2014.*
***) The above amount does not include social security contributions or special employers' contributions.*

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 these programmes required participants to make their own investments in Lindab shares. Participation entitles the holder to receive new shares, provided certain requirements are met. Performance is measured in the financial years 2013 and 2014 and compared with the outcomes for the financial years 2010 and 2011, respectively.

The first programme was settled on 30 June 2014 and included 53 people , who together invested in a total of 35,091 shares. In total, 35,091 matching shares were allocated. No allocation of performance shares has occurred as none of the targets were met. The total cost for of the programme was approximately SEK 3 m. There are 50 participants remaining in the second programme, who have invested in a total of 53,550 shares. In the case of the maximum allocation, 231,000 Lindab shares will be transferred to the participants. The total cost of the programme is estimated at approximately SEK 2 m. Settlement will take place during the second quarter of 2015.

The Board did not propose incentive programmes prior to the 2013-2014 Annual General Meetings.

Evaluation

The Board has monitored and evaluated the company's programmes for variable remuneration to the Executive management, the application of guidelines for remuneration to senior executives and applicable remuneration structures and levels of remuneration in the company. The variable remuneration to the Executive management has been found to be appropriate and in accordance with the guidelines laid down by the Annual General Meeting. The application of guidelines for the remuneration of senior executives was also found to be correct and the Board's assessment is that the remuneration for senior executives provides a good balance between motivating employees and providing compensation in a competitive manner. Thus, the remuneration structures and levels within the company are well balanced and in accordance with market practice.

Board of Directors

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.

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

Holding: 10,000 shares.

Erik Eberhardson

Born 1970.

Elected to the Board in 2009, independent.

Executive Vice Chairman and founder of Ferronordic Machines AB and Scandsib Holdings Ltd. President of Volvo Ukraine LLC, 1996-2000, and of Volvo Construction Equipment in the CIS countries, 2002-2005. Between 2005 and 2009, Erik Eberhardson held various positions in OJSC "GAZ", Russia's largest manufacturer of commercial vehicles, as Strategic Manager, President and Chairman.

Main qualifications: MBA at Uppsala University, and Engineering Physics at KTH.

Holding: 0 shares.

Sonat Burman-Olsson

Born 1958.

Elected to the Board in 2011, independent.

President and CEO of COOP Sverige AB since 2014. Deputy CEO and CFO of the ICA Group from 2007 to 2013. Prior to the above, 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). Sonat Burman-Olsson is a member of the Boards of Tredje AP-fonden, Svensk Handel and Svensk Dagligvaruhandel.

Main qualifications: BBA, Executive MBA and retail management training in Oxford and at Harvard.

Holding: 0 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 Vice Chairman of NNE Pharmaplan A/S, as well as Board member of IMI Plc, WSP Global inc, Cobham Plc, Kvaerner ASA, Danish Growth Capital and DSV A/S.

Main qualifications: M.Sc. Economics and MBA, INSEAD.

Holding: 0 shares.

Hans Porat

Born 1955.

Elected to the Board in 2014, independent.

Hans Porat is President and CEO of Nolato AB and has many years of experience from leading positions within Fläkt AB, ABB, vice President of Trelleborg AB and CEO of Gadelius Trelleborg AB Japan. Other directorships: NEFAB, Nolato AB

Main qualifications: Mining Engineering

Holding: 0 shares.

Stefan Charette

Born 1972.

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

CEO and CIO of Athanase Industrial Partners Ltd. Former CEO of the investment firm Creades AB, Investment AB Öresund, AB Custos and Brokk Group. Stefan Charette is Chairman of the Board of Athanase Industrial Partners Ltd, Athanase Capital Partners AB, Concentric 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: 55,206 shares.

Markku Rantala

Born 1952.

Elected to the Board in 1998.

Employee representative with LO (Swedish Trade Union Confederation). Employed since 1993 and currently Chairman of Verkstadsklubben Lindab IF Metall.

Holding: 250 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. He has professional qualifications in engineering.

Holding: 250 shares.

Deputies

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.

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 Philipsson is a mechanical engineer.

Holding: 50 shares.

Executive Management

Per Nilsson

Born 1974.

Chief Financial Officer.

Employed since 1999.

Holding: 6,800 shares.

Anders Berg

Born 1972.

President and CEO.

Employed since 2013.

Holding: 56,000 shares.

Bengt Andersson

Born: 1960.

Product and Marketing Director.

Employed since 1991.

Holding: 45,500 own shares.

Related parties' holdings 3,590.

Fredrik Liedholm

Born: 1964.

General Counsel and HR Director.

Employed since 2014.

Holding: 1,500 shares.

Auditors

Deloitte AB

Lead auditor

Hans Warén

Born 1964.

Authorised public accountant, Deloitte AB, Gothenburg, Sweden.

Auditor to Lindab since 2014.

Extensive experience of publicly listed companies.

The Board of Directors' Report on Internal Control

The Board of Directors' Report on Internal Control for the Financial Year 2014

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 of each of the countries in which business is conducted. The Board of Directors will issue a report on how the internal control of the financial statements is organised.

The objectives of Lindab's financial statements are:

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

In addition to these objectives, the internal financial statements will provide support to ensure correct business decisions are made at every level within the Group.

The Board of Directors' description of the internal control uses the structure found in COSO's (Committee of Sponsoring Organisations 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 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 routines. In addition, reports are issued by the company's auditors.

The internal control structure is based on a management system that is based on the company's organisation and methods for 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 concerned with accounting and financial reporting comprise the most important parts of the control environment with regards to the financial statements.

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

Risk Assessment

The Group carries out an ongoing risk assessment to identify material risks regarding the financial statements. The main risk with the financial statements is considered to be material misstatements in the accounts e.g. regarding the accounting and valuation of assets, liabilities, income and expenses or other discrepancies. Further risks include fraud and losses through embezzlement. Risk management is built into every process while various methods are used for to evaluate and limit risks, and ensure that the risks to which Lindab is exposed are managed according to established policies, instructions and follow-up procedures. This is to minimise potential risks and promote accurate accounting, reporting and the issuing of information.

Control Activities

Control activities are designed to manage 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 consists of clear roles within the organisation that allow for efficient distribution of responsibilities for specific control activities, the aim being to discover and prevent any risk of errors in the reports. Such activities may include clear decision-making processes for major decisions such as acquisitions and other types of major investment, divestments, agreements and analytical follow-ups.

Another important task for Lindab's staff is to implement, develop and maintain the Group's control routines and implement internal controls for dealing with business-critical issues. Process managers at various levels are responsible for implementing the necessary controls regarding the financial statements. The accounting and reporting processes include controls pertaining to valuation, accounting principles and estimates. All units have their own controllers/financial managers who undertake evaluations of their own reporting. Continual analysis of the financial statements, together with analysis performed at Group level, is extremely important to ensure that the financial statements are free from any material misstatements. The Group's controller organisation plays an important role in the internal control process and is responsible for ensuring the financial statements from each unit are accurate, complete, and timely.

Information and communication

Lindab has internal information and communication channels aimed at promoting completeness and accuracy in the financial statements, for example, by means of controlling documents in the form of internal instructions, guidelines and policies relating to the financial statements. Regular updates and communications concerning changes in accounting policies, reporting requirements or other forms of information are made available and known to the employees concerned. The organisation has access to policies and guidelines through the Group's intranet (Lindnet).

The Board of Directors receives monthly financial statements. External information and communication is controlled by the company's Information Policy which describes Lindab's general principles for releasing information.

Follow-up

The Group's compliance with adopted policies and guidelines is followed up by the Board of Directors and Executive management. The company's financial situation is discussed at every Board meeting. The Board's Remuneration Committee and Audit Committee play an important role in matters concerned with remuneration, financial statements and internal control. The Board of Directors in its entirety constitutes both the Audit Committee and the Remuneration Committee.

Before the publication of interim and annual reports, the Board of Directors reviews the financial statements. Lindab's management conducts monthly result follow-ups with analyses of deviations from budget, forecast and previous years. All monthly accounts are discussed with the management of each business area. The external auditors' duties also include an annual review of the internal control of the Group companies. The auditors normally attend the Board meetings twice a year and report their findings from their audit of the internal control, their preliminary audit of the third quarter financial statements and their audit of the financial statements.

Internal audit

Lindab has an internal audit function that is an integrated part of the Group financial function. This function reports continuously to Lindab's Executive management which in turn reports to Lindab's Board of Directors in its capacity as Audit Committee. The direction and scope of the internal audit work is determined by the Board. During 2014, the function continued to develop internal control by means of audits according to an annual plan. This included consultancy work in relation to internal control issues within the business. Control measures that involve visits to subsidiaries are implemented according to an established and evolved control process which has been continuously developed throughout the year to optimise the approach and provision of value-added reports. The aim of Lindab's internal audit function is to create added value for each operating unit by providing independent, objective scrutiny of its processes, and to identify and recommend improvements.

Internal audit is a dynamic process, evolving in line with changes in internal and external business conditions. The aim is 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 reasonable assurance of reliability.

Båstad, 9 February 2015

Board of Lindab International AB

Auditor's statement concerning the Corporate Governance Report

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

It is the Board of Directors who is responsible for the corporate governance statement for the year 2014 included in the printed version of this document on pages 45–53 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance statement and based on that 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 statement 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 statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Gothenburg 16 February 2015

Deloitte AB

Hans Warén
Authorized Public Accountant

Information to shareholders

Annual General Meeting

The Annual General Meeting for Lindab International AB (publ) will be held on 27 April 2015 at 16.00 in Grevieparken, Båstad, Sweden.

Registration

Shareholders who wish to attend the Annual General Meeting must be registered in the register of shareholders maintained by Euroclear Sweden AB no later than 21 April 2015, and must notify Lindab International AB (publ) of their intention to attend the meeting no later than 16.00 on 21 April 2015.

Please register using one of the following methods:

- via the website: www.lindabgroup.com
- by telephone: +46 (0)431 850 00 or
- by e-mail: “Lindab International AB”, subject “Annual General Meeting”, 269 82 Båstad.

To participate in the meeting and exercise their right to vote, shareholders who have nominee-registered shares through a bank or other nominee must request temporary registration in their own name in the Euroclear Sweden AB share register. Such registration must be completed at Euroclear Sweden AB no later than Tuesday 21 April 2015. Shareholders must notify their bank or other trustee in good time before this date. The notification must include the shareholder's name, personal or corporate identity number, shareholding, address, telephone number and, where applicable, information regarding assistants and representatives wishing to attend the meeting.

Shareholders who wish to be represented by a proxy at the meeting must issue a written, dated power of attorney for such proxy. A proxy form is available on the company's website www.Lindabgroup.com. A power of attorney issued by a legal entity must be accompanied by a copy of the certificate of registration for such legal entity. To facilitate admission to the meeting, the original power of attorney and authorisation documents must be received by the company no later than Tuesday 21 April 2015.

Reports

Reports can be ordered from Lindab International AB via the website, www.lindabgroup.com, or e-mail “Lindab International AB”, subject “Reports”, 269 82 Båstad.

Printed annual reports will only be sent to shareholders and stakeholders who order copies.

Nomination Committee

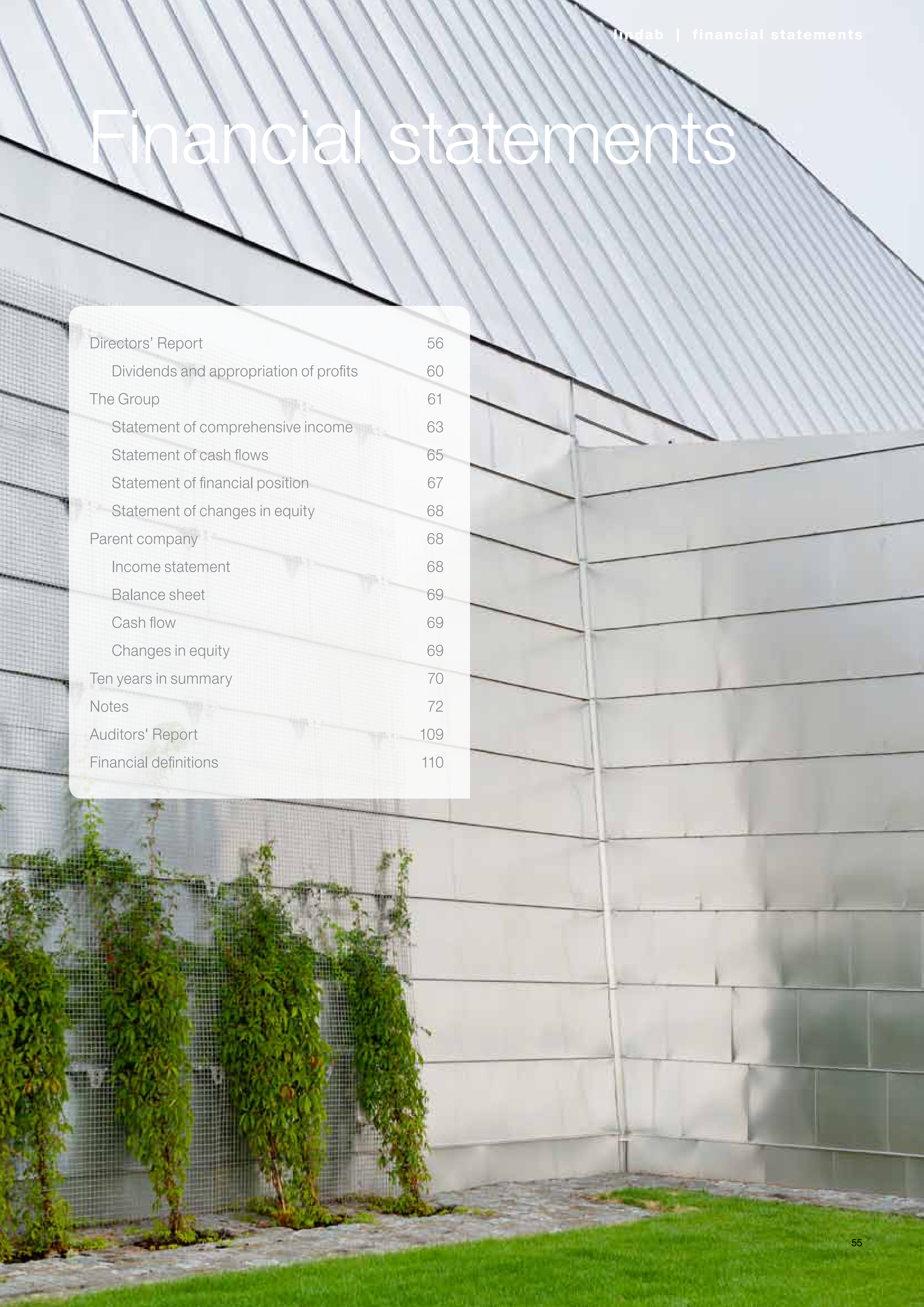
The Nomination Committee proposes the election of Board members, auditors, the Chairman of the Annual General Meeting, Board fees and similar issues.

Prior to the Annual General Meeting in 2015, the Nomination Committee consists of:

- Sven Hagströmer, representative for Creades AB (Chairman)
- Caroline af Ugglas, representative for Skandia
- Peter Rönström, representative for Lannebo Fonder
- Kjell Nilsson, Chairman of the Board of Lindab International AB

Financial Statements, financial year 2015

Interim Report January–March, Q1	27 April
Interim Report January–June, Q2	17 July
Interim Report January–September, Q3	27 October
Q4 and Year-end Report	February 2016
Annual Report 2015	April 2016



Financial statements

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 2014.

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

Lindab's 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.

Lindab's business was operated in three business areas up until the reorganisation of 1 October 2013. The former business area structure for Ventilation and Building Components was then replaced by a matrix organisation. From 1 January 2014 onwards, reports are issued under the new reporting structure, which means that the Group now consists of two segments, Products & Solutions and Building Systems. Products & Solutions consists of the former business areas Ventilation and Building Components, and Building Systems will continue as its own segment as was previously the case.

Financial targets and target fulfilment 2014

As a part of Lindab's work to generate value for the shareholders and other stakeholders, new financial targets have been set. These targets consist of a growth, a profitability and a capital target. These targets are intended to contribute to improve Lindab's financial strength and to further strengthen the customer offering. The period for achieving these financial targets extends over one business cycle. The new financial targets are:

- The annual growth rate shall be 5–8 percent, as a combination of organic and acquired growth.
- The average operating margin (EBIT) is to be 10 percent.
- The seasonally adjusted net debt* to EBITDA, excluding one-off items, is not to exceed 2.5.
- Dividends to shareholders are to normally comprise 30 percent of profit of the year, taking into account Lindab's financial position, acquisition needs and long-term financing needs.

*Average net debt for the year.

By successfully implementing the strategy and making acquisitions that complement and strengthen the offering within selected segments, Lindab aims to achieve its growth targets. For the year, Lindab's sales development, adjusted for currency effects, was 5 percent (0) compared with 2013. With a strong focus on innovation, value-adding solutions and improved efficiency, Lindab's profitability target is to be achieved in the current business cycle. The EBIT margin for the full-year 2014, excluding one-off items, amounted to 7.1 percent (7.6). To be able to generate sustainable, profitable growth, finacial discipline is required. In recent years, Lindab has improved its financial position, but in order not to create a situation of high debt in the future, a ceiling has been set for Lindab's net debt in relation to earnings. At the end of 2014, the seasonally adjusted net debt was 2.9 (3.1) times greater than EBITDA, excluding one-off items.

Business combinations

During the fourth quarter, an agreement was signed concerning the acquisition of the ventilation company MP3, which is further described under Significant events after the reporting period, since the takeover was carried out on 15 January 2015.

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

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

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

Research and development

Lindab is a driver in the development of more effective and resource-efficient construction. The focus is, among other things, finding solutions that will increase the degree of standardisation in construction projects, contribute to a lower use of resources in all phases and create a better indoor climate. This includes the development of software and new technologies to facilitate the planning process for customers' projects and installations. Lindab invests considerable resources in developing market-leading indoor climate systems and also works with various aspects of sustainability in areas such as surface coatings, soundproofing and solutions for passive and plus energy housing. Research and development projects are carried out in-house as well as in cooperation with suppliers, including work on strength of materials, health and environmental aspects.

Particularly popular product launches during year included the new product line, Lindab Airy, comprising extremely quiet designer vents with a large range of choice in colour and shape. The digital application for configuring EcoBuild (smaller single-storey buildings) was also launched in an upgraded version with four new building types, more variations and building accessories, more colours, and expanded choice of service.

In 2014, research and development costs amounted to SEK 51 m (45), of which SEK 36 m (35) was within Products & Solutions, and

SEK 15 m (10) was within Building Systems. The number of people employed within the Group's product development departments totalled 57 (59), of whom 40 (41) were within Products & Solutions, and 17 (18) within Building Systems.

Personnel and personnel development

During the year, the average number of employees in the Lindab Group totalled 4,541 (4,368), an increase of 173 people. The number of employees at the end of the year was 4,587 (4,371), an increase of 216 people compared with the previous year. Adjusted for acquisitions, the net increase in the number of employees was 185 compared with the previous year. The average number of employees in Sweden was 1,075 (1,018), corresponding to 24 percent (23) of all employees. Note 6 contains further information about personnel costs and the average number of employees.

The aim for Lindab is to have the same professional approach throughout the Group. During 2014, with emphasis on One Lindab, Group-wide guidelines and principles were initiated for the recruitment and introduction process, and corporate training programmes were established in leadership and production. In addition, existing initiatives such as talent evaluation and succession planning were promoted to support the identification and development of potential replacements for key functions.

Guidelines for remuneration of senior executives

The most recently resolved remuneration principles for senior executives, 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 2014, including special employers' contributions. At the end of 2014, the foundation held 88,500 Lindab shares. A smaller profit-sharing plan also exists in one of Lindab's French companies. See also Note 6.

Environment

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. During 2014, the company conducted a materiality analysis as part of the work involved in switching to GRI G4. The purpose of the analysis was to identify those aspects of sustainability that are significant to the company and its stakeholders. During 2015, the company will also be working on a sustainability strategy with activities and targets in prioritised areas.

Products

By focusing on product development and continuous improvement, products have been developed that are good in terms of both quality and environment, and that also improve customers' environmental performance.

Environmental permits

The majority of Lindab´s production units do not normally fall under specific environmental regulations or permits. The companies report to the regulatory bodies in each country in accordance with local regulations.

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 relatively limited impact on the environment. The Group pursues activities on properties where soil contamination may occur. The company controls, monitors and addresses any issues in consultation with the local authorities. The waste products generated during production consist of primarily scrap metal, and are recovered completely. Other waste is recycled up to 90 percent. Anything not used is sorted and disposed of in accordance with applicable regulations.

Climate impact

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

Corporate Governance

Please refer to the Corporate Governance Report on pages 45-53.

Risks and risk management

Exposure to risk is, to a certain extent, part of the business activities. 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 damage and/or losses. If this does not fully succeed, the next goal is to mitigate the effect of damage that has already occurred.

As with other international companies, Lindab risks being affected by damage 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.

Since 2012, Lindab has a risk management programme, Enterprise Risk Management (ERM), covering all parts of the business including segments 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 the most important suppliers of steel and sheet metal, 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. 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 utilise its size to obtain competitive prices and terms with steel mills, thereby creating competitive advantages in relation to smaller competitors. 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 problems making payments. 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 (2.2) percent of sales.

In general for the Group, a provision of 50 percent is made for accounts receivable that have been due for between 180 and 360 days, while a provision of 100 percent is made for accounts receivable due for more than 360 days. However, credit insurance, etc., is to be taken into account. Furthermore, individual judgements are to be made when required. On 31 December 2014, the provision for bad debts amounted to SEK 73 m (83). During the year, SEK 12 m (40) was expensed concerning provisions for bad debts, equivalent to 0.2 percent (0.6) of the Group's sales. The previous year's introduction of a stricter interpretation of internal policy resulted in higher costs, which led to increased provisions for bad debts.

Disputes

This risk pertains to costs that the Group may incur as a party to various legal disputes. The responsibility for monitoring and guiding the legal risk management lies with the legal department led by Lindab's General Counsel.

Within the Building Systems segment, provisions are regularly made for potential future claims. Provisions are based, among other things, on Building Systems' history of various claims costs. In addition, provisions are made, as well within Building Systems as within Products & Solutions, for disputes that are deemed likely to result in a risk of liability to pay compensation. The warranty provision for 2014 amounted to SEK 20 m (28). See Note 24 Other provisions.

IS/IT

Lindab harmonises business processes and consolidates the Group's IS/IT systems with the aim of establishing a sustainable value chain that offers customer and market segments order management and service that is perfectly in balance with the overall cost.

To provide high availability and disaster preparedness and to minimise the risk of disruption, a redundant IT infrastructure has been established (communication lines, servers, storage and server rooms).

Regular risk analyses are conducted on critical IS/IT systems, including identification, analysis and mitigation measures.

A Group-wide project methodology has been implemented to ensure uninterrupted start-up when rolling out harmonised business processes and consolidated IS/IT systems.

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, Armat, Marley, Plannja, Balex Metal, Budmat, Pruszynski, Fläkt Woods, Swegon, Systemair, Trox, 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, systems solutions and services.

Lindab's primary raw material is steel, mainly in the form of sheet metal, and Lindab's competitive strength is partially affected by changes in the price of raw materials.

Lindab is continuously rationalising production, distribution and organisation to maintain the competitive edge. 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 long-term relationships with customers and to provide added value by simplifying construction through the use of Lindab's products and system solutions.

Customer behaviour

Demand for Lindab's products is affected by changes in customers' investment plans and production levels. Customers' investments can change if the political or economic situation in a country or an industry changes. 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 is not possible to protect against a downturn in the global economy. The current economic climate in Europe is affecting the majority of Lindab's markets and has therefore had some impact on Lindab. Political unrest and instability, e.g. in the Russian market, is also having an effect on Lindab.

Macro-economy/market

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. Generally, over time the construction market follows overall GDP growth, although with greater fluctuation. The market in non-residential construction is often somewhat later in the business cycle than residential construction as the projects involved are generally larger and extend over longer lead times.

During normal business 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

For a description of financial risks, see Note 3.

Compliance risks

Taxes

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. Since 2013 there is an ongoing project within OECD, BEPS (Base Erosion Profit Shifting) in order to further strengthen regulations within the transfer pricing area. 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 also monitoring the development of the BEPS project, in order to adapt the new regulations.

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.

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

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. In cases where there is a risk of environmental liability, a judgement is made to determine whether a provision is required. No provisions were made in 2014. 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 disposed of in accordance with applicable regulations.

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 environmental 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. Lindab aims to be a good corporate citizen wherever the Group is active. A Code of Ethics has been produced and implemented in the Group to ensure that all employees in Lindab's markets follow good business 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 an important 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, LTIF has dropped from 17.1 to 9.5. In the event of very serious accidents, with the risk of permanent disability, the President and CEO is informed within 24 hours and corrective and preventive actions are followed up and implemented within 2 weeks. In 2014, no serious accidents occurred.

Internal control

To ensure that the financial reporting is accurate and complete and complies with applicable laws, rules and recommendations, provides a fair view 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 Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework for internal control. See also the Board of Directors' report on internal control, pages 52–53.

Share capital

As of 31 December 2014, 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.

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

All shares have the same right to dividends 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.

On 31 December 2014, the company had a market capitalisation of SEK 5,007 m (4,839) and 8,202 shareholders (7,036). The largest shareholder in relation to outstanding shares is Creades AB, which owns 10.3 percent (10.3). This is followed by Lannebo Fonder with 9.0 percent (7.8), Handelsbanken Fonder with 6.5 percent (4.8), Skandia with 6.1 percent (8.6), and Swedbank Robur Fonder with 6.0 percent (5.3). These five largest shareholders together hold 37.9 percent (44.0) of the share capital and votes. The ten largest holdings constitute 58.1 percent (61.1) of the shares.

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

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 resolved at general meetings.

Events after the reporting period

In December, an agreement was signed to acquire MP3 S.r.l., a leading manufacturer of solutions for indoor climate, with specialist knowledge in smoke and fire protection. The acquisition is in line with Lindab's ambition to strengthen its position as a supplier of complete ventilation solutions and to increase its market coverage. Access and takeover occurred on 15 January 2015. Negotiations on the final total purchase price is in progress. MP3 has its registered office in Padua in Northern Italy, has annual sales of approximately SEK 210 m, with an operating profit (EBIT) of around SEK 20 m, and 95 employees. Half of its sales are in Italy and half are export sales, mainly within Europe. MP3 will be integrated into Lindab's operations, which means synergy gains, mainly in sales, but also in terms of costs. The acquisition is expected to make a positive contribution to Lindab's operations already in 2015.

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

As of 29 January 2015, when the current lease agreement in Luxembourg expired, Lindab acquired all shares in the company that owns the property. Simultaneously, the property was disposed to a third party and a lease agreement signed, for which a Group company has signed a guarantee commitment. For further information, see Note 28 Pledged assets and contingent liabilities.

On 16 February 2015, it was announced that Per Nilsson, Chief Financial Officer, will be leaving his position at Lindab in 2015.

Dividend

Dividend policy

Lindab's new dividend policy is to distribute the equivalent of 30 percent of net profit. However, the company's capital structure, acquisition needs and long-term financing requirements will always be taken into consideration.

Proposed appropriation of profits for the financial year 2014

The Annual Report will be presented to the Annual General Meeting on 27 April 2015 with the following proposal for appropriation of profits:

At the disposal of The Annual General Meeting

SEK	
Profit brought forward	595,717,283
Net profit for the year	1,027,582
Profit carried forward	**596,744,865**

Lindab's Board of Directors proposes that the Annual General Meeting on 27 April 2015 should approve a dividend of SEK 1.10 per share, which is in line with the company's dividend policy and provides dividends totalling SEK 84 m. It is proposed that the record date for the right to a dividend payout should be 29 April 2015, with the dividend expected to be paid to shareholders on 5 May.

Sales revenue and profit

Sales revenue

Sales revenue amounted to SEK 7,003 m (6,523), which is an increase of 7 percent compared with the previous year. Adjusted for currency effects and structure, the increase was 5 percent. Currency effects impacted turnover by 2 percent while completed acquisitions had a limited effect on sales. Foreign sales revenue increased by 6 percent and amounted to SEK 5,229 m (4 956), corresponding to 75 percent (76) of the Group's total sales.

Lindab has its own operations in 32 (32) countries and the geographical breakdown of sales in 2014 was 46 percent (46) in Nordic region, 30 percent (27) in Western Europe, 21 percent (24) in CEE/CIS and 3 percent (3) in other markets, primarily the USA.

In all quarters in 2014, sales improved compared with the corresponding quarter of the previous year. The improvement in sales is explained by continued positive sales development within the Products & Solutions segment. The new organisation, in place since October 2013, along with a number of completed sales activities have contributed strongly to the growth, which can be compared with the underlying market growth, estimated at around 1 percent when weighted for the relevant markets. However, the sales trend for the Building Systems segment has been negative, explained by very weak sales in the two important markets for the segment, Russia and Belarus.

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.

Performance by segment

From 1 January 2014, the Group's operations has been reported in two segments, Products & Solutions and Building Systems. The distribution of sales revenue and operating profit (EBIT) by segment are shown in the table on page 62.

Products & Solutions Segment

The product and solution offering for Products & Solutions includes products and entire systems for ventilation, cooling and heating, as well as construction products and building solutions such as roof drainage in steel, roof and wall cladding, steel profiles for wall, roof and beam constructions and large span buildings.

Sales revenue amounted to SEK 6,084 m (5,496), an increase of 11 percent, adjusted for currency and structure the increase was 7 percent. In 2014, sales increased in all product areas and geographical regions. The growth in sales of indoor climate solutions and building solutions was particularly strong while sales of building products fell towards the end of the year. In the Nordic region, sales growth was fragmented: good organic growth in Sweden and Norway combined with slightly reduced sales in Denmark and Finland. Most of the markets in Western Europe showed good growth, including the three largest; the UK, Germany and France. Reorganisation and completed structural measures have made a positive contribution to the strong growth experienced in Germany. Also in CEE/CIS, which accounts for 15 percent of the segment's sales, growth was extremely good throughout the year despite a slight fall in sales towards the end of the year.

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

The operating profit (EBIT), excluding one-off items, increased by 31 percent to SEK 471 m (360). The operating margin (EBIT) amounted to 7.7 percent (6.6) . The improvement in the operating profit and margin is explained by the higher volume of sales.

Building Systems Segment

The Building Systems segment offers complete prefabricated steel building systems and proprietary IT software that simplifies the project planning and quotation process for designers and contractors.

Sales revenue in 2014 amounted to SEK 919 m (1,027), which is a decrease of 11 percent compared with the previous year. Adjusted for currency effects the decrease was 8 percent. The lower sales compared with the previous year are a result of weaker sales in Russia and Belarus, both important markets for the segment. A number of interacting factors have affected sales in the Russian market negatively; a weak underlying market, imposed sanctions and the heavy fall of the rouble in the second half of the year. Difficulties with financing among customers has also postponed planned projects and deliveries into the future. Nevertheless, the order intake appeared to stabilise towards the end of the year. Several strategic activities were initiated and implemented during the year to increase market diversification in the segment.This contributed to excellent growth in Western Europe, although not enough to fully compensate for the decline in Russia and Belarus.

Operating profit (EBIT), excluding one-off items, decreased to SEK 52 m (159). The operating margin (EBIT) amounted to 5.7 percent (15.5). For several years now, profitability for Building Systems has had a large exposure to Russia, and also to Belarus. The decline in sales in these markets, combined with a significantly weakened rouble, has negatively affected the result and explains most of the decline in earnings.

Sales revenue and growth

	2014	2013	2012
Sales revenues, SEK m	7,003	6,523	6,656
Change, SEK m	480	–133	–222
Change, %	7	-2	-3
Of which			
Volumes and prices, %	5	–1	–5
Acquisitions, %	0	1	3
Currency effects, %	2	–2	–1

Sales revenue by region

SEK m	**2014**	**Share, %**	2013	Share, %	2012	Share, %
Nordic region	3,208	46	2,968	46	3,019	45
Western Europe	2,106	30	1,761	27	1,895	29
CEE/CIS	1,479	21	1,590	24	1,542	23
Other markets	210	3	204	3	200	3
Total	**7,003**	**100**	**6,523**	**100**	**6,656**	**100**

Gross profit

Gross profit increased by 5 percent to SEK 1,973 m (1,880). The gross margin stood at 28 percent (29) of sales revenue.

Other operating income

Other operating income amounted to SEK 63 m (120) and consists primarily of exchange rate gains on operating receivables/liabilities.

Indirect costs

Sales and administration expenses increased by 4 percent, to SEK 1,409 m (1,351), equivalent to 20 percent (21) of sales revenue. Research and development expenses amounted to SEK 51 m (45), equivalent to 0.7 percent (0.7) of sales revenue.

Other operating expenses

Other operating expenses amounted to SEK 109 m (152). Other operating expenses include one-off items of SEK 28 m (46), see one-off items on page 63. In addition, this also includes exchange rate losses on operating receivables/liabilities.

Depreciation/amortisation and write-downs

Total depreciation/amortisation and impairment losses for the year, included in the costs per function, see Note 8, amounted to SEK 158 m (157). One-off items of SEK 2 m (-) are included in total depreciation/amortisation and impairment expenses.

Operating profit

The operating profit (EBIT) amounted to SEK 467 m (452), which is an increase of 3 percent compared with the previous year. The operating profit (EBIT), excluding one-off items, amounted to SEK 497 m (498), which is line with the previous year. The operating margin (EBIT), excluding one-off items, decreased and amounted to 7.1 percent (7.6). The lower margin is due to a declining market in Russia and Belarus in the Building Systems segment.

Total one-off items charged to operating profit (EBIT) amount to SEK –30 m (–46), see specification of one-off items on page 63. These refer to restructuring costs resulting from the reorganisation.

Profit before tax

Profit before tax amounted to SEK 386 m (329), an increase of 17 percent. Net financial items amounted to SEK –81 m (–123). This positive development is explained by lower indebtedness during the year, as well as better conditions and lower credit limit in the new credit agreement which was concluded with Nordea, SEB and Svensk Exportkredit (SEK) in February 2014.

Taxes

The Group's tax expenses for the year amounted to SEK –103 m (–96) and the effective tax rate amounted to 27 percent (29) of the profit before tax. Current tax amounted to SEK –109 m (–95). The cost of current tax has increased due to higher profits in Group companies. Deferred tax amounted to SEK 6 m (–1). The deferred tax revenue has been impacted positively by SEK 1 m, resulting from the assets and liabilities for deferred taxes in foreign companies, i.e. Denmark, having been remeasured due to new tax rates. This has also been adversely affected by SEK 20 m (18) as deferred tax on net losses in some subsidiaries having not been recognised. The recognition of deferred tax on loss carry-forwards attributable to previous years, particularly in the USA, has had a positive impact of SEK 8 m (10). A reversal of SEK 5 m (6), previously recognised loss carry-forwards, in Finland among other countries, has been recorded. For more information, see Note 14 on pages 94-95.

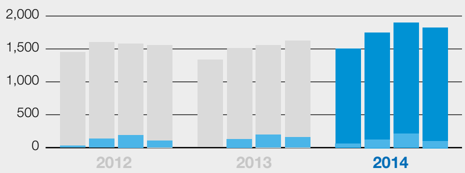
Profit for the year and earnings per share

Profit for the year amounted to SEK 283 m (233). The earnings per share, both undiluted and diluted, amounted to SEK 3.71 (3.05).

Comprehensive income

Comprehensive income amounted to SEK 366 m (283). Comprehensive income includes Other comprehensive income, comprising translation differences arising when foreign operations are translated to SEK, adjustments to the value of hedging of net investments, actuarial gains and losses regarding defined benefit plans and tax.

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



Sales revenue 2012–2013

Sales revenue 2014

Operating profit (EBIT), adjusted for one-off items

Sales revenue, operating profit (EBIT) and operating margin (EBIT) by segment

	Sales revenue			Operating profit (EBIT) excl. one-off items			Operating margin (EBIT), excl. one-off items, %		
SEK m	**2014**	2013	2012	**2014**	2013	2012	**2014**	2013	2012
Products & Solutions	6,084	5,496	5,643	471	360	398	7.7	6.6	7.1
Building Systems	919	1,027	1,013	52	159	100	5.7	15.5	9.9
Other operations	-	-	-	–26	–21	–38	ET	ET	ET
One-off items	-	-	-	–30	–46	–126	ET	ET	ET
Total	**7,003**	**6,523**	**6,656**	**467**	**452**	**334**	**7.1**	**7.6**	**6.9**

Statement of comprehensive income

(Income statement)

Amounts in SEK m	Note	**2014**	2013
Sales revenue	7	7,003	6,523
Cost of goods sold	6, 8, 9, 27	–5,030	–4,643
Gross profit		**1,973**	**1,880**
Other operating income	12	63	120
Selling expenses	6, 8, 9, 27	–952	–905
Administrative expenses	6, 8, 9, 10, 27	–457	–446
R & D expenses	6, 8, 9, 11	–51	–45
Other operating expenses	9, 12	–109	–152
Total operating expenses		**–1,506**	**–1,428**
Operating profit (EBIT)		**467**	**452**
Interest income	13	7	9
Interest expenses	13	–79	–127
Other financial income and expenses	13	–9	–5
Net financial expense		**–81**	**–123**
Profit before tax (EBT)		**386**	**329**
Tax on profit for the year	14	–103	–96
Profit for the year		**283**	**233**
– thereof attributable to parent company shareholders		*283*	*233*
Other comprehensive income			
Items that will not be reclassified to the income statement			
Actuarial gains/losses, defined benefit plans		–29	11
Deferred tax attributable to defined benefit plans		6	–2
		–23	9
Items that later can be reclassified to the income statement			
Translation differences, foreign operations		163	55
Hedging of net investments		–73	–18
Deferred tax attributable to hedging of net investments		16	4
		106	41
Other comprehensive income, net of tax		**83**	**50**
Comprehensive income		**366**	**283**
– thereof attributable to parent company shareholders		*366*	*283*
Earnings per share, SEK			
Undiluted	15	3.71	3.05
Diluted	15	3.71	3.05

Specification of one-off items

2014	**Products & Solutions**	**Building Systems**	**Other operations**	**Total**
Operating profit (EBIT), excl. one-off items	471	52	–26	497
One-off items	–21	–11	2	–30*
Operating profit (EBIT), incl. one-off items	**450**	**41**	**–24**	**467**

2013				
Operating profit (EBIT), excl. one-off items	360	159	–21	498
One-off items	–24	–1	–21	–46**
Operating profit (EBIT), incl. one-off items	**336**	**158**	**–42**	**452**

Operating profit (EBIT) has been adjusted for the following one-off items, which are reported as other operating income, other operating expenses and depreciation/amortisation.

2014 SEK –30 m relating to restructuring costs resulting from the reorganisation.*

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

Cash flow

Cash flow from operating activities

Cash flow from operating activities decreased and amounted to SEK 278 m (620). This is partly explained by the reduced cash flow from operating activities after adjustments for items not affecting cash flow, which amounted to SEK 566 m (595). The change in working capital has also decreased compared with the previous year, amounting to SEK –161 m (192), where the changes in stocks, operating receivables and operating liabilities contributes to the negative trend primarily driven by the increased sales volume. For the previous year, operating liabilities were affected by a change in accounts payable, which was an accrual effect of payments to suppliers.

Compared with the previous year, interest paid affected cash flow positively by SEK –62 m (–115). The positive development is explained by lower indebtedness, as well as better conditions and a lower credit limit in the new credit agreement.

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

Investments in fixed assets amounted to SEK 273 m (93), of which SEK 25 m (17) refers to investments in intangible assets related to IT projects. The increase in investments in fixed assets is explained mainly by the acquisition of a property in the Czech Republic that was previously operationally leased. The purchase price amounted to SEK 139 m, which corresponds to the current market value of the property. The property is used by the Group primarily for the central production of ventilation products. The positive full-year effect on operating profit (EBIT) exceeded SEK 4 m. Apart from the normal level of maintenance investments and reinvestments, other investments in fixed assets are mainly related to a number of efficiency projects in Switzerland, Finland and Estonia for example, as well as in central production in Grevie and Luxembourg. In addition, investments have been made in expansion projects, in part for ventilation products capacity and in part to extend the range in Norway. Disposals amounted to SEK 11 m (3).

Net cash flow from investing activities amounted to SEK –262 m (–90), excluding acquisitions.

Business combinations

During the fourth quarter, an agreement was signed concerning the acquisition of the ventilation company MP3, which is described further in Note 5 on pages 86-87.

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

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

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

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

For a more detailed explanation, see Note 5 Business Combinations, on pages 86-87.

Financing activities

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

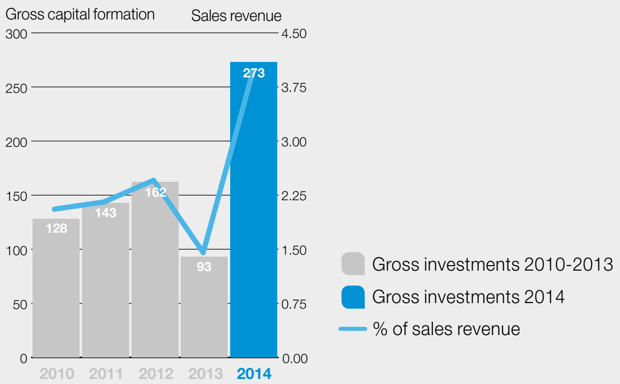
Statement of cash flows for the Group

(Indirect method)

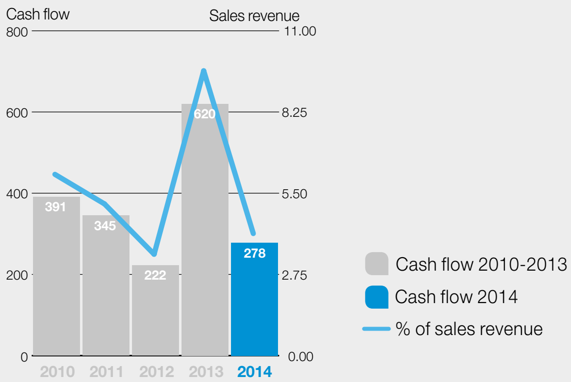
Amounts in SEK m	Note	**2014**	2013
Operating activities			
Operating profit		467	452
Reversal of depreciation/amortisation and impairment loss	8	158	157
Reversal of capital gains (–)/losses (+) reported in operating profit		3	2
Provisions, not affecting cash flow		–42	–10
Adjustment for other items not affecting cash flow		–20	–6
Total		**566**	**595**
Interest received		7	10
Interest paid		–62	–115
Tax paid		–72	–62
Cash flow from operating activities before change in working capital		**439**	**428**
Change in working capital*			
Stock (increase – /decrease +)		–111	8
Operating receivables (increase – /decrease +)		–76	76
Operating liabilities (increase + /decrease –)		26	108
Total change in working capital		*–161*	*192*
Cash flow from operating activities		**278**	**620**
Investing activities			
Acquisition of Group companies, net of cash	5	–30	–21
Investments in intangible fixed assets	16	–25	–17
Investments in tangible fixed assets	17	–248	–76
Sales of tangible fixed assets	17	11	3
Cash flow from investing activities		**–292**	**–111**
Financing activities			
Proceeds from borrowings		1,885	-
Repayment of borrowings		–1,907	–482
Shares for allocation, incentive programme		–2	-
Cash flow from financing activities		**–24**	**–482**
Cash flow for the year		**–38**	**27**
Cash and cash equivalents at the beginning of the year		331	301
Effect of exchange rate changes on cash and cash equivalents		7	3
Cash and cash equivalents at the end of the year		**300**	**331**

*) *Working capital, see definition on page 110.*

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 comments to the Statement of cash flows on page 64.

Stock and accounts receivable
Compared with the previous year, both stock and accounts receivable increased by 15 percent and 13 percent, respectively. The increase is primarily driven by the increased sales volume. At the year-end, stock and accounts receivable in relation to sales revenue amounted to 16 percent (15) and 15 percent (14) respectively.

Cash and cash equivalents
At the year end, consolidated cash and cash equivalents totalled SEK 300 m (331). Escrow accounts amounting to SEK 5 m (4) are included in cash and cash equivalents. Unappropriated cash and cash equivalents including unused credit facilities amounted to SEK 1,064 m (1,525), based on an underlying credit limit of SEK 1,600 m (2,800).

Capital employed
Consolidated capital employed, including goodwill and consolidated surplus value, amounted to SEK 5,438 m (4,952), which is an increase of 10 percent. Return on capital employed, including goodwill, amounted to 8.9 percent (9.1).

Shareholders' equity
At the year end, the consolidated equity totalled SEK 3,344 m (2,967). No dividend was paid during the year. Equity per share amounted to SEK 43.81 (38.87). Return on equity, i.e. profit for the year in relation to equity, has increased to 9.0 percent (8.5).

Operating capital
Operating capital amounted to SEK 5,090 m (4,579). The return on operating capital amounted to 9.3 percent (9.6). Adjusted for one-off items, the return is 9.9 percent (10.5).

Net debt
On 31 December 2014, net debt amounted to SEK 1,746 m (1,612). The weak Swedish krona has increased net debt by approximately SEK 95 m since the beginning of the year. 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 2,094 m (1,985), of which SEK 201 m (169) were provisions for pensions. Interest-bearing assets including cash and bank balances amounted to SEK 348 m (345).

The net debt/equity ratio is included in the Group's financial targets. The goal is that the ratio of seasonally adjusted net debt* to EBITDA, excluding one-off items, is not to exceed 2.5. 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 (0.5).

*Average net debt for the year.

Interest coverage ratio
The interest coverage ratio, which expresses the Group's ability to pay interest, was 5.4 times (3.5).

Equity/assets ratio
The Group's equity/assets ratio, i.e. shareholders' equity in relation to total assets, amounted to 48 percent (46).

Credit agreement
New credit agreements were entered into with Nordea, SEB and Svensk Exportkredit in February 2014. The new long-term credit limits amount to SEK 1,600 m from Nordea and SEB, and SEK 500 m from Svensk Exportkredit. 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 current line of credit limits with Nordea/SEB, was extended for a further year at the beginning of January 2015. These credit limits now extend to the first quarter 2018.

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 regarding margins and flexibility.

Pledged assets and contingent liabilities
Pledged assets total SEK 42 m (363). Contingent liabilities total SEK 27 m (26).

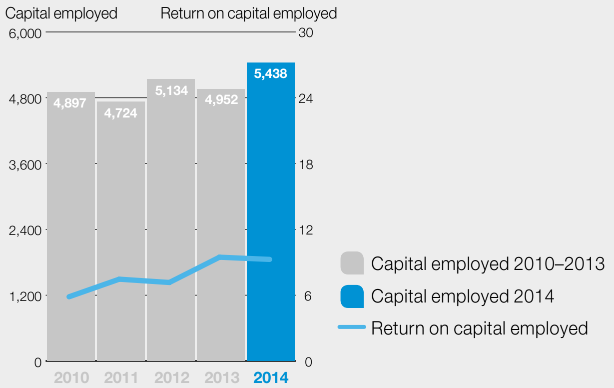
Statement of financial position

(Balance sheet)

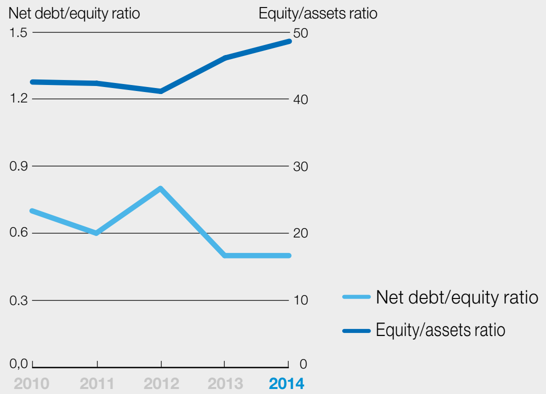
Amounts in SEK m	Note	**31 Dec 2014**	31 Dec 2013
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised expenditure for development work	16	0	0
Patents and similar rights	16	1	0
Goodwill	16	2,859	2,734
Other intangible fixed assets	16	63	60
Total intangible fixed assets		*2,923*	*2,794*
Tangible fixed assets			
Buildings and land	17, 27	731	617
Machinery and equipment	17	456	478
Construction in progress and advance payments on tangible fixed assets	17	53	49
Total tangible fixed assets		*1,240*	*1,144*
Financial fixed assets			
Financial investment	23	46	42
Deferred tax assets	14	126	147
Other investments held as fixed assets	18	3	3
Other long-term receivables	19	3	2
Total financial fixed assets		*178*	*194*
Total fixed assets		**4,341**	**4,132**
Current assets			
Stock	20	1,107	958
Accounts receivable	21	1,064	942
Other receivables	21	53	47
Current tax assets		14	27
Prepaid expenses and accrued income	21	80	79
Prepaid expenses and accrued income, interest-bearing	21	2	1
Cash and cash equivalents		300	331
Total current assets		**2,620**	**2,385**
TOTAL ASSETS		**6,961**	**6,517**

Amounts in SEK m	Note	**31 Dec 2014**	31 Dec 2013
EQUITY AND LIABILITIES			
Shareholders' equity			
Equity attributable to parent company shareholders			
Share capital	22	79	79
Other contributed capital		2,239	2,228
Reserves		51	-55
Profit brought forward, including profit for the year		975	715
Total shareholders' equity		**3,344**	**2,967**
Long-term liabilities			
Interest-bearing liabilities			
Liabilities to credit institutions	25	1,765	1,645
Provisions for pensions and similar obligations	23	201	169
Total interest-bearing liabilities		*1,966*	*1,814*
Non-interest-bearing liabilities			
Deferred tax liabilities	14	96	132
Other provisions	24	15	44
Other liabilities		5	10
Total non-interest-bearing liabilities		*116*	*186*
Total long-term liabilities		**2,082**	**2,000**
Current liabilities			
Interest-bearing liabilities			
Liabilities to credit institutions	25	8	6
Bank overdraft facilities	25	99	160
Accrued expenses and deferred income	26	21	5
Total interest-bearing liabilities		*128*	*171*
Non-interest-bearing liabilities			
Advance payments from customers		159	132
Accounts payable		650	681
Current tax liabilities		20	11
Other provisions	24	52	62
Other liabilities		99	92
Accrued expenses and deferred income	26	427	401
Total non-interest-bearing liabilities		*1,407*	*1,379*
Total current liabilities		**1,535**	**1,550**
TOTAL EQUITY AND LIABILITIES		**6,961**	**6,517**
Pledged assets	28	42	363
Contingent liabilities	28	27	26

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



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



Statement of changes in equity

	Equity attributable to parent company shareholders				
Amounts in SEK m	**Share capital**	**Other contributed capital**	**Foreign currency translation reserve**	**Profit brought forward incl. profit for the year**	**Total shareholder's equity**
Opening balance, 1 January 2013	**79**	**2,227**	**–96**	**473**	**2,683**
Profit for the year				233	233
Other comprehensive income, net of tax					
Actuarial gains/losses, defined benefit plans				9	9
Translation differences, foreign operations			55		55
Hedging of net investments			–14		–14
Total comprehensive income	-	-	*41*	*242*	*283*
Incentive programme 1)		1			1
Transactions with shareholders	-	*1*	-	-	*1*
Closing balance, 31 December 2013	**79**	**2,228**	**–55**	**715**	**2,967**
Profit for the year				283	283
Other comprehensive income, net of tax					
Actuarial gains/losses, defined benefit plans				–23	–23
Translation differences, foreign operations			163		163
Hedging of net investments			–57		–57
Total comprehensive income	-	-	*106*	*260*	*366*
Incentive programme 1)		0			0
Matured futures contracts to acquire treasury shares, Incentive programme		11			11
Effect unutilised shares, incentive programme		2			2
Shares for allocation, incentive programme		–2			–2
Transactions with shareholders	-	*11*	-	-	*11*
Closing balance, 31 December 2014	**79**	**2,239**	**51**	**975**	**3,344**

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

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 (3). Profit for the year amounted to SEK 1 m (0). Group contributions received from subsidiaries amounted to SEK 49 m (94). No dividends from subsidiaries were received in 2014.

Income statement

Amounts in SEK m	Note	**2014**	2013
Sales revenue*		3	3
Administrative expenses	9, 10	–4	–4
Other operating income	12	0	0
Other operating expenses	6, 9, 10, 12	0	0
Operating profit		**–1**	**–1**
Profit from subsidiaries	13	49	94
Interest expenses, internal	13	–48	–93
Profit after financial items		**0**	**0**
Tax on profit for the year	14	1	0
Profit for the year**		**1**	**0**

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

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

Balance sheet

Amounts in SEK m	Note	31 Dec 2014	31 Dec 2013
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			
Accounts receivable		51	-
Current tax assets		1	1
Cash and cash equivalents		0	2
Total current assets		**52**	**3**
TOTAL ASSETS		**3,528**	**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*		1	0
Total shareholders' equity		**1,384**	**1,383**
Provisions			
Provisions, interest-bearing		8	8
Total provisions		**8**	**8**
Long-term liabilities			
Liabilities to Group companies, interest-bearing		2,134	2,086
Total long-term liabilities		**2,134**	**2,086**
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		**3,528**	**3,479**
Pledged assets	28	1,705	1,707**
Contingent liabilities	28	-	-

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

**) Guarantee commitment referring to credit agreements for the corresponding period previous year has been adjusted to SEK 1,707 m.

Cash flow analysis

Amounts in SEK m	2014	2013
Operating profit	–1	–1
Provisions, not affecting cash flow	0	1
Interest received	0	0
Interest paid	–48	–93
Tax paid	1	1
Cash flow from operating activities before change in working capital	**–48**	**–92**
Change in working capital		
Other liabilities	0	0
Cash flow from operating activities	**–48**	**–92**
Financing activities		
Loans from Group companies	46	93
Cash flow from financing activities	**46**	**93**
Cash flow for the year	**–2**	**1**
Cash and cash equivalents at the beginning of the year	2	1
Cash and cash equivalents at the end of the year	**0**	**2**

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 shareholder's equity
Opening balance, 1 January 2013	**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**
Profit for the year					1	1
Closing balance, 31 December 2014	**79**	**708**	**90**	**506**	**1**	**1,384**

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

Shareholders' equity

Dividends to shareholders for the financial year 2013

The Annual General Meeting held on 29 April 2014 resolved that no dividends would be paid to shareholders for 2013. The retained earnings of SEK 595,717,283 were carried forward. In 2013, no dividends were paid for the financial year 2012.

Outstanding shares

On 31 December 2014, 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. The number of outstanding shares is 76,331,982 (76,331,982). For further information see Note 22 Shareholders' equity and shares.

Risks, risk management and internal control

See the Directors' Report, pages 56-60, Corporate Governance Report, pages 45-53, and Note 3, pages 81-83.

The Group: Ten-year summary

Amounts in SEK m unless otherwise indicated.

Sales revenue and profit	**2014**	2013	2012	2011*	2010*	2009*	2008*	2007*	2006*	2005*
Sales revenue	7,003	6,523	6,656	6,878	6,527	7,019	9,840	9,280	7,609	6,214
Growth, %	7	–2	–3	5	–7	–29	6	22	22	13
of which volumes and prices	5	–1	–5	9	–1	–33	2	14	10	6
of which acquisitions	0	1	3	0	0	1	3	8	13	5
of which currency effects	2	–2	–1	–4	–6	3	1	0	1	2
Net sales abroad, %	75	76	76	76	77	81	82	82	80	77
Operating profit (EBITDA)	625	609	490	511	565	479	1,388	1,512	1,103	751
Depreciation/amortisation	158	157	156	163	280	225	225	203	209	194
Operating profit (EBITA)	467	452	334	348	401	265	1,172	1,318	903	560
Operating profit (EBIT)	467	452	334	348	284	254	1,163	1,309	894	557
One-off items[1)]	–30	–46	–126	–59	–63	–47	–116	-	–39	7
Operating profit (EBIT), excluding one-off items	497	498	460	407	347	301	1,279	1,309	933	550
Profit before tax (EBT)	386	329	178	186	112	119	990	1,175	797	484
Profit for the year	283	233	122	91	27	34	723	901	585	351
Comprehensive income	366	283	36	36	–298	–142	1,124	1,035	439	485
Cash flow										
Cash flow from operating activities	278	620	222	345	391	719	673	875	778	730
Cash flow from investing activities	–292	–111	–441	–143	241	–188	–418	–225	–424	–667
Cash flow from financing activities	–24	–482	291	–202	–616	–541	–396	–487	–395	58
Cash flow for the year	–38	27	72	0	16	–10	–141	163	–40	121
Operating cash flow	58	546	319	361	418	731	931	985	821	659
Capital employed and financing										
Balance sheet total	6,961	6,517	6,623	6,479	6,570	7,442	8,625	7,700	7,077	6,525
Capital employed	5,438	4,952	5,134	4,724	4,897	5,701	6,419	5,594	4,998	4,949
Operating capital	5,090	4,579	4,789	4,446	4,611	5,425	6,120	5,207	4,792	4,699
Net debt	1,746	1,612	2,106	1,747	1,856	2,422	2,774	2,238	2,602	1,846
Shareholders' equity	3,344	2,967	2,683	2,699	2,755	3,003	3,346	2,969	2,190	2,853
Data per share, SEK										
Undiluted average number of shares, '000s[2)]	76,332	76,332	75,998	75,332	75,203	74,772	77,548	78,708	90,702	120,000
Diluted average number of shares, '000s[2)]	76,332	76,332	75,998	75,332	75,203	74,772	77,548	78,708	93,062	122,940
Undiluted no. of shares at year end, '000s	76,332	76,332	76,332	75,332	75,332	74,772	74,772	78,708	78,708	120,000
Diluted no. of shares at year end, '000s	76,332	76,332	76,332	75,332	75,332	74,772	74,772	78,708	78,708	122,940
Undiluted earnings per share	3.71	3.05	1.61	1.21	0.36	0.45	9.32	11.45	6.45	2.93
Diluted earnings per share (EPS)	3.71	3.05	1.61	1.21	0.36	0.45	9.32	11.45	6.29	2.86
Earnings per share, current number of outstanding shares	3.71	3.05	1.61	1.21	0.36	0.45	9.67	11.45	7.43	2.93
Undiluted equity per share	43.81	38.87	35.15	35.83	36.57	40.16	44.75	37.72	27.82	23.77
Diluted equity per share	43.81	38.87	35.15	35.83	36.57	40.16	44.75	37.72	27.82	23.21
Cash flow from operating activities per share	3.64	8.12	2.92	4.58	5.20	9.62	8.68	11.12	9.89	5.94
Dividend per share										
(for 2014 according to Board's proposal)	1.10	-	-	1.00	1.00	-	2.75	5.25	3.25	-
P/E ratio	17.7	20.8	26.7	30.9	245.1	163.3	5.2	12.9	20.7	ET
Quoted price at year end, LIAB	65.60	63.40	43.00	37.40	88.25	73.50	48.50	147.25	130.25	ET
Market capitalisation at year end	5,007	4,839	3,282	2,817	6,648	5,496	3,626	11,590	10,252	ET
Investments										
Fixed assets (gross)	273	93	162	143	128	182	301	195	146	218

Key figures	2014	2013	2012	2011*	2010*	2009*	2008*	2007*	2006*	2005*
Operating margin (EBITDA), %	8.9	9.3	7.4	7.4	8.7	6.8	14.1	16.3	14.5	12.1
Operating margin (EBITA), %	6.7	6.9	5.0	5.1	6.1	3.8	11.9	14.2	11.9	9.0
Operating margin (EBIT), %	6.7	6.9	5.0	5.1	4.4	3.6	11.8	14.1	11.7	9.0
Operating margin (EBIT), excluding one-off items, %	7.1	7.6	6.9	5.9	5.3	4.3	13.0	14.1	12.3	8.9
Profit margin (EBT), %	5.5	5.0	2.7	2.7	1.7	1.7	10.1	12.7	10.5	7.8
Return on capital employed, %	8.9	9.1	6.8	7.1	5.5	4.3	20.0	24.5	18.2	11.9
Return on operating capital, %	9.3	9.6	7.1	7.4	5.6	4.3	20.7	25.4	19.1	12.2
Return on operating capital, excluding one-off items, %	9.9	10.5	9.8	8.7	6.9	5.1	22.8	25.4	19.9	11.8
Return on equity, %	9.0	8.5	4.6	3.3	0.9	1.1	23.4	35.9	25.1	13.7
Return on total assets, %	6.8	6.9	5.0	5.2	4.1	3.3	14.3	17.4	13.3	9.4
Equity/assets ratio, %	48.0	45.5	40.5	41.7	41.9	40.4	38.8	38.6	30.9	43.7
Seasonally adjusted net debt** to EBITDA, excluding one-off items	2.9	3.1	3.5	3.6	4.3	5.3	1.7	1.8	2.1	2.6
Net debt/equity ratio	0.5	0.5	0.8	0.6	0.7	0.8	0.8	0.8	1.2	0.7
Interest coverage ratio, times	5.4	3.5	2.1	2.1	1.6	1.8	6.1	8.6	8.4	6.9
Employees										
Average no. of employees	4,541	4,368	4,509	4,484	4,454	4,586	5,389	5,013	4,689	4,135
of which abroad	3,466	3,350	3,469	3,474	3,460	3,638	4,211	3,907	3,611	3,011
Number of employees at close of period	4,587	4,371	4,363	4,347	4,381	4,435	5,291	5,256	4,942	4,479
Payroll expenses including social security contributions and pension expenses	1,778	1,659	1,706	1,735	1,724	1,874	2,098	1,938	1,706	1,480
Sales per employee, SEK ('000s)	1,542	1,493	1,476	1,534	1,465	1,531	1,826	1,851	1,623	1,503

** Not restated due to standard amendments, IAS 19R.*
*** Average net debt for the year.*

1) One-off items for

- *2014, totalling SEK –30 m, consist of restructuring costs as a result of the reorganisation.*
- *2013, totalling SEK –46 m, consist of 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 acquisition of subsidiaries, and SEK –27 m relating to severance cost for the President and CEO.*
- *2011, totalling SEK –59 m, consisting of the transfer of Ventilation's production in St. Petersburg, Russia, to Tallin, Estonia, and the change of business area manager, SEK –17 m for the cost-reduction programme, SEK –22 m 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 the President and 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 110.

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 11 March 2015. 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 27 April 2015.

Information on the structure of the Group at the end of the financial year is shown in Note 30.

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 prepares 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 measuring assets and liabilities except for certain financial instruments, which are measured at fair value.

New and revised IFRS standards and interpretations 2014

The judgement of management is that new and revised standards that apply from the financial year 2014 have not had a material impact on the consolidated financial statements.

New and revised standards and interpretations which have not yet come into effect

The new and revised standards and interpretations that have been issued but which only come into effect for financial years beginning after 1 January 2015 have not yet been applied by the Group. The following describes the new and revised standards and interpretations that are expected to have an impact on the consolidated financial statements in the period in which they are first applied.

The International Accounting Standards Board, IASB, has issued the following new and revised standards which have not yet come into effect:

- IFRS 15 Revenue from contracts with customers. Shall be applied to financial years beginning on or after 1 January 2017.
- IFRS 9 Financial Instruments. Shall be applied to financial years beginning on or after 1 January 2018.

The IFRS Interpretations Committee has published the following new interpretations, IFRIC, which have not yet come into effect:

- IFRIC 21 Levies. Shall be applied to financial years beginning on or after 14 June 2014.

IFRS 15 Revenue from contracts with customers was issued on 28 May 2014 and will replace IAS 18 Revenue and IAS 11 Construction contracts. Application of IFRS 15 is mandatory for all IFRS reporting companies from the financial year beginning 1 January 2017 or later. The standard has not yet been adopted by the EU.

IFRS 15 represents a model for revenue recognition for almost any revenue arising from contracts with customers, with the exception of lease contracts, financial instruments and insurance contracts. The basic principle for revenue recognition is that the company shall recognise revenue when all risks and benefits associated with the goods and/or services are transferred to the customers in exchange for payment for such goods and/or services.

The new standard may have an impact on service agreements, sales of various elements of goods and/or services, long-term contracts, consulting fees, licence-based sales and possibly underlying guarantee agreements.

The judgement of the management is that the application of IFRS 15 may affect the amounts reported in the financial statements. Management has not yet completed a detailed analysis of the effects of adoption of IFRS 15 and cannot therefore quantify the effects yet.

IFRS 9 Financial Instruments was issued on 24 July 2014 and will replace IAS 39 Financial Instruments: Recognition and measurement. The standard is published in phases with the version that was released in July 2014 replacing all previous versions. The standard contains new requirements for the classification and measurement of financial instruments, for derecognition, impairment and general principles for hedge accounting. The standard is mandatory for periods beginning 1 January 2018 and has not yet been adopted by the EU.

The judgement of management is that the application of IFRS 9 may affect the amounts reported in the financial statements regarding the Group's financial assets and liabilities. Management has not yet completed a detailed analysis of the effects of adoption of IFRS 9 and cannot therefore quantify the effects yet.

IFRIC 21 Levies deals with the reporting of charges and taxes (which are not income taxes) that the state or similar body has imposed on the company. The interpretation clarifies the time at which a liability for such charges and taxes should be reported. The event that triggers the obligation to pay the charge or tax is the event that results in an obligation to report a liability. The interpretation was approved within the EU as of 14 June 2014, and adopted to financial years beginning 14 June 2014 or later in the EU.

For the Group, IFRIC 21 means that property tax is entered as a liability in its entirety when the obligation arises. As the obligation arises annually as of 1 January, the Group will recognise the entire liability for property tax for the year as of 1 January. In addition, a prepaid expense of the property tax will be recognised and amortised on a straight-line basis over the financial year. IFRIC 21 will therefore not affect reporting on the annual accounts but will have an effect on interim reporting compared with the principles currently applied.

Management believes that other new and revised standards and interpretations that have not yet been adopted, are not expected to have any significant impact on the consolidated financial statements when they are applied for the first time.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Lindab International AB, and the companies over which the parent company has a controlling influence, subsidiaries. Controlling influence exists when the parent company has influence over the investment object, is exposed to, or is entitled to variable returns from its commitment to the investment object and can use its influence over the investment object to affect its returns.

The parent company performs a rejudgement of whether a controlling influence exists if the facts and circumstances suggest that one or more of the factors listed above has changed.

Consolidation of a subsidiary takes place from the date the parent company gains a controlling influence until the date it ceases to have a controlling influence over the subsidiary. This means that revenues and expenses for a subsidiary that was acquired or divested during the current financial year are included in the consolidated statement of income and other comprehensive income from the date the parent company gains a controlling influence until the date the parent company ceases to have a controlling influence.

Consolidated profits and components of other comprehensive income is attributable to the parent company's owners.

The accounting principles of subsidiaries have been adjusted where necessary to conform with the Group's accounting principles. All inter-company transactions, dealings and unrealised gains and losses attributable to inter-company transactions are eliminated when preparing the consolidated financial statements.

Business combinations

Business combinations are accounted for using the acquisition method. The purchase price of the business combination is measured at fair value on the acquisition date, which is calculated as the sum of the fair values as at the acquisition date of the assets issued, liabilities incurred or assumed, and equity interests issued in exchange for control of the acquired business. Acquisition-related costs are recognised in the income statement when incurred.

The purchase price also includes the fair value at the acquisition date for the assets or liabilities resulting from an agreement on the conditional purchase price. Changes in the fair value of the conditional purchase price that arise as a result of additional information received after the acquisition date about facts and circumstances that existed as of the acquisition date, qualify as adjustments during the valuation period and are adjusted retroactively, with a corresponding adjustment of goodwill. All other changes in the fair value of an additional purchase price that are classified as an asset or liability, are recognised in accordance with the applicable standard. The additional purchase price, which is classified as equity, is not revalued and its subsequent settlement is accounted for within equity.

In the case of acquisitions where the aggregated purchase price, any non-controlling interests and the fair value as of the acquisition date of previous shareholdings exceeds the fair value as of the acquisition date of the identifiable acquired net assets the difference is recorded as goodwill in the statement of financial position. If the difference is negative, it is recognised as a gain on a bargain purchase, negative goodwill, directly in profit after reconsideration of the difference.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant but not controlling influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control only exist when decisions about the relevant activities require unanimous consent of the parties sharing control. Lindab has made an judgement of the joint arrangements and determine they all are joint ventures.

An investment in an associate or a joint venture is accounted for using the equity method. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and thereafter adjusted to recognise the Group´s share of the profit or loss and other comprehensive income of the associate/joint venture, with adjustment for impairment.

When the Group´s share of losses of an associate or a joint venture exceeds the Group´s interest in that associate/joint venture (including any long-term interest that, in substance, form part of the Group´s net investment in the associate/joint venture), the Group derecognises its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture.

Sales and other transactions with associates/joint ventures have been eliminated in the consolidated financial statements. Dividend received reduces the carrying amount of an investment.

When a business combination is achieved in stages, the Group´s previously held equity interest in the acquire is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss.

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. The 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 segment. The operating segments are reported in a manner consistent with the internal reporting provided to the chief executive decision maker. The Group's segments consist of Products & Solutions 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 the treasury function. 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 related to ownership of the goods have been transferred to the purchaser. For projects within the Building Systems segment, 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 2012 Annual General Meeting resolved to introduce 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 2014 financial year and compared to the 2011 financial year.

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. The allocated, share-related instruments are charged to the income statement over the earning period and also recognised in equity. The cost is based on the Group's estimate of the number of shares to be allocated, which means that earning conditions are taken into consideration in this judgement. A rejudgement of the anticipated number of allocated shares is made at each year-end. Any changes compared with the original judgement are recognised in the income statement and a corresponding adjustment is made to equity.

Lindab has entered into transactions with a third party as a result of the incentive programme to ensure the holding of sufficient shares when the incentive programme matures. See also under “Equity” section.

Financial income and expenses

Financial 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, which are considered as the ineffective portion of the hedge and profit when the hedging instrument matures 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 reversal of discounted provisions as well as losses on financial instruments measured at fair value through profit or loss. This item also includes losses on hedges of net investments, which are considered as the ineffective portion of the hedge and profit when the hedging instrument matures 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

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 the attributable 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.

Intangible fixed assets

Goodwill

Goodwill arising from the acquisition of a company and operations is measured in accordance with 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 two segments Products & Solutions and Building Systems are regarded as the lowest level of cash-generating units that are tested for impairment.

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 amortisation. 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 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 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 depreciated 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

	Year
Buildings	20-50
Land facilities	20
Machinery and equipment	5-15
Vehicles and computers	3-5

Impairment losses

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 depreciation/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. However, 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, investments, investments held as fixed assets, interest-bearing receivables, accounts receivable, accounts payable, 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. Financial assets are derecognised 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 derecognised from the statement of financial position when the obligation has been met, cancelled or has matured.

Financial instruments are initially recognised at their acquisition value corresponding to the instrument's fair value at the date of acquisition plus transaction costs for all financial instruments apart from the financial instruments classified under the financial assets category which are recognised at fair value through profit or loss where transaction costs are recognised directly in the income statement.

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 measurement and recognition of changes in value.

Fair value

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.

Amortised cost

Amortised cost referes to the amount by which the asset or liability measured is initially recognised at net of amortisation and impairment losses as well as additions for the accrual of the initial amount and the maturity amount.

Financial assets measured at fair value through profit or loss

For Lindab, 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.

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.

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. Loans receivable and accounts receivable are recognised at the amortised cost less any impairment, i.e. at the amount that is expected to flow in. The expected maturity period for accounts receivable is short, and therefore the value is reported at the nominal amount without discounting.

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 is considered to reflect fair value.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are either classified as assets that can be sold or do not fall into any of the other categories. The assets are measured at fair value with fair value changes in 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.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value in the income statement 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".

Impairment losses

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 recognised 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 decrease of customers' creditworthiness.

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 derecognised from the statement of financial position.

Other financial liabilities

This category includes loans, other financial liabilities and accounts payable. Other financial liabilities are subsequently measured at the amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash holdings and bank balances as well as current investments with high liquidity which can be quickly converted into a known amount of cash and which are subject to an insignificant risk from foreign currency fluctuations. Bank overdrafts are reported in the statement of financial position as part of borrowings in current liabilities.

Derivatives

The Lindab Group uses derivative instruments to cover risks of currency and interest rate exposure. The holding of financial derivatives consists of currency swaps and currency futures. Currency risk in the Group is managed through foreign exchange contracts entered into with a third party for the biggest gross flows in each period.

Derivatives are recognised in the statement of financial position on the trade date and measured at fair value, both initially and subsequently. The method of recognising the gain or loss arising on remeasurement depends on whether the derivative is recognised as a hedging instrument, and if so, the nature of the item being hedged.

Hedging of net investments in foreign operations

Hedging of net investments in foreign operations is reported according to the principles for hedge accounting in IAS 39. In order to apply these principles, the hedging must be documented in accordance with the regulatory requirements. This means that there should be a designated hedging relationship between the hedging instrument and the hedged items, as well as a link to the company's risk management policy and the risk management goals. In addition, the hedge is expected to be highly effective and it must be possible for this effectiveness to be measured in a reliable way.

Lindab uses loans as hedging instruments. The profit 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. Profit or loss recognised in other comprehensive income is reclassified to the income statement when the foreign operation is divested.

Stock

The Group's stock is reported excluding inter-company profits. Inter-company 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 cost and net realisable value for raw materials, consumables and purchased finished goods. Own produced goods have been valued at the lower of production costs and net realisable 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

Non-current 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.

Shareholders' 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 Shareholder's equity 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 at the present value of future payments and a reduction in other capital in shareholder's 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 a past 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 for instance 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 is recognised at amortised cost using the effective interest method. 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.

Statement of cash flows

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 IFRS standards 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.

The changes in RFR 2 Accounting for legal entities that came into effect and are applicable to financial year 2014 have not had a significant impact on the parent company's financial reports in 2014.

The changes in RFR 2 Accounting for legal entities that come into effect on 1 January 2015 are not expected to have any significant impact on the parent company's financial reports.

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, due 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

Financial risks include currency risk, interest rate risk, financing, liquidity and financial credit risks. The work involved in financial risks is an integrated part of Lindab's business. All risks are managed in accordance with Lindab's established policies. The Group's treasury function is responsible for these risks and also supports the Group's companies in the implementation of financial policies and guidelines.

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.	As of 31 December 2014, Lindab's total credit limit amounts to SEK 1,600 m (2,800).	Lindab's credit agreement with SEB and Nordea include 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. According to the Group's Treasury policy, long-term financing should always be in place 12 months before existing financing expires.
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 1,064 m (1,525), based on an underlying credit limit of SEK 1,600 m (2,800).	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. According to the Group's Treasury policy, the Group will at all times hold unappropriated funds, including unused credit facilities to cover all obligations of the business.
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 1,746 m (1,612), which means that rising interest rates have an adverse effect on the Group.	In accordance with the Treasury policy, any surplus liquidity must be used to amortise existing loans. In accordance with the treasury policy, the fixed interest rate period will be 1-12 months.
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 result 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.	75 percent (76) of the Group's sales are made using foreign currency. Sales are made in 14 (14) different currencies, the most important of which, besides SEK, are EUR, DKK, GBP and NOK. Lindab's net exposure translated to SEK is approximately SEK 200 m (400) annually. The reduced exposure is due to a better matching of inflows and outflows in foreign currency. SEK 26 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 is responsible for identifying its own currency exposure. Some special orders, projects, investments and purchases can be hedged to create certainty of future cash flows. The treasury function is responsible for the Group's overall currency exposure, and make decisions and implements any hedging of subsidiaries' exposure.
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 31 December. 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 since 2013.	At the end of 2014, the Group's net assets in foreign currency amounted to SEK 4,120 m (3,832), of which SEK 1,205 m (951) are hedged by loans in foreign currency.	Hedging of the Group's translation exposure is determined by the Board. Up to 90 percent of the exposure in each currency can be hedged.
Lindab AB has currency risks in its lending and borrowing to Group companies, which mainly takes place in the Group companies' local currency.	Lindab AB's lending and borrowing in foreign currencies at the end of 2014 amounted to SEK 342 m (92) and SEK 296 m (269) 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 analyses the Group's financial liabilities, broken down according to the time remaining until the contractual maturity date.

On 31 December 2014	< 3 months	between 3-12 months	between 1-2 years	between 2-5 years	> 5 years
Borrowings (excluding financial lease liabilities)	10	132	52	1,748	5
Financial lease liabilities	1	6	7	14	32
Derivative instruments	143	28	-	-	-
Trade creditors and other liabilities	650	178	-	-	-

On 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 other liabilities	1,006	92	6	-	-

The amounts included in the table are the contractual undiscounted cash flows. The derivatives flow refers to the gross flow of currency futures.

Currency futures on 31 December 2014

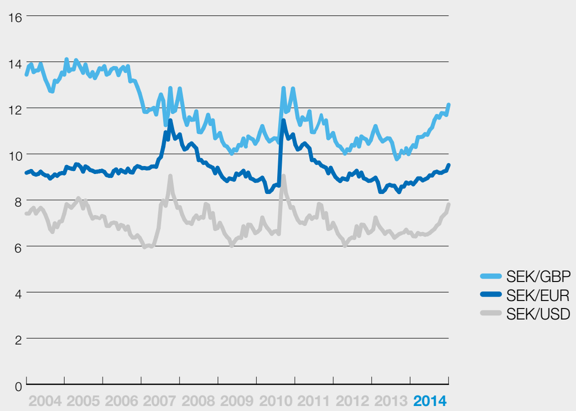
Equivalent in SEK m		2014 Amount	2014 Term months	2013 Amount	2013 Term months
Sell	EUR	–71	3	–172	4
Sell	NOK	–26	3	–24	3
Sell	CZK	–73	3	-	-
Sell	LTL	-	-	–2	3
Sell total		*–170*		*–198*	
Buy	USD	5	3	33	3
Buy	CZK	-	-	32	2
Buy	EUR	-	-	181	1
Buy	CHF	53	3	67	3
Buy	GBP	-	-	89	4
Buy	RUB	113	4	50	3
Buy total		*171*		*452*	
Net		**1**		**254**	

Offsetting of assets and liabilities within ISDA agreements

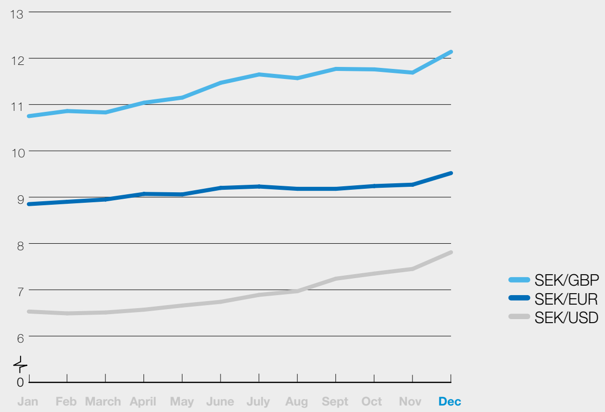
There is no balance sheet offsetting as the Lindab Group has a right to offset under the ISDA agreement. The right to offset amounts to SEK 1 m in accordance with the table below.

On 31 December 2014	Amounts recognised in the balance sheet	Financial agreements	Net
Assets			
Currency derivatives	1	–1	0
Total	**1**	**–1**	**0**
Liabilities			
Currency derivatives	–19	1	–18
Total	**–18**	**0**	**–18**

Exchange rate movement 2004–2014, SEK



Exchange rate movement January–December 2014, SEK



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

Country	Cur-rency	Currency code	Average exchange rate Jan-Dec 2014	2013	Rate on balance sheet date 2014	2013
Euroland	1	EUR	9.10	8.65	9.52	8.94
Denmark	1	DKK	1.22	1.16	1.28	1.20
Latvia	1	LTL	-	12.33	-	12.73
Lithuania	1	LVL	2.63	2.51	2.76	2.59
Norway	1	NOK	1.09	1.11	1.05	1.06
Poland	1	PLN	2.17	2.06	2.21	2.15
Romania	1	RON	2.05	1.96	2.11	2.00
Russia	100	RUB	18.05	20.46	13.95	19.85
Switzerland	1	CHF	7.49	7.03	7.91	7.29
UK	1	GBP	11.29	10.19	12.14	10.73
Czech Republic	100	CZK	33.04	33.32	34.35	32.60
Hungary	100	HUF	2.95	2.91	3.02	3.01
USA	1	USD	6.86	6.51	7.81	6.51

Sensitivity Analysis

	Change	Impact on profit, SEK m	
Variations in volume, %	+/–5	+/–104	(+/–98)
Fluctuations in the steel price, %	+/–10	+/–154	(+/–140)
Fluctuations in interest rates, %	+/–1	+/–15	(+/–19)

Calculations are based on the 2014 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 +/–104 m (98).

Fluctuations 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 154 m (140) 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 15 m (19), of which interest expense comprise SEK 14 m (15) and rental charges on existing "sale and leaseback" contracts are SEK 1 m (4).

Asset management

Lindab's managed capital comprises the sum of equity and the Group's net debt, totalling SEK 5,090 m (4,579).

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 the financial targets, as detailed below:

- The annual growth rate shall be 5–8 percent, as a combination of organic and acquired growth.
- The average operating margin (EBIT) is to be 10 percent.
- The seasonally adjusted net debt* to EBITDA, excluding one-off items, is not to exceed 2.5.
- Dividends to shareholders are to normally comprise 30 percent of profit after tax, taking into account Lindab's financial position, acquisition needs and long-term financing needs.

*Average net debt for the year.

Examples of active measures include the proposal by Lindab's Board of Directors to pay a dividend of SEK 1.10 per share for 2014. 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. The credit agreement includes two covenants in the form of the net debt to EBITDA ratio and the interest coverage ratio. Lindab fulfils these obligations.

Lindab's Treasury 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.

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 (2.2) 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 function 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 minimise the concentration of risks and thereby reduce financial losses.

Note 4 Key Estimates and judgements for accounting purposes

IFRS is a principles-based framework 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. Judgements that are made are central to the financial outcome, and these are combined with detailed information.

Estimates and judgements 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 the financial statements.

Impairment testing for goodwill

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. To perform these calculations, certain assumptions must be made in which the gross margin, discount rate and annual growth rate after the forecast period are significant assumptions, see also Note 16.

No impairment losses have been identified in the Group. Reported goodwill amounted to SEK 2,859 m (2,734) at the end of the year, of which SEK 2,479 m (2,376) related to Products & Solutions and SEK 380 m (358) related to Building Systems.

A deterioration in each of the main assumptions included in the calculation of value in use shows that the recoverable amount exceeds the carrying amount for the next year by a margin. In the analysis, a reasonable deterioration in the gross margin, an increase in the discount rate and a reduced growth assumption have been taken into account.

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 the production units in Luxembourg and in Switzerland 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 judgement 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 assets

Deferred tax assets, which are primarily attributable to loss carry-forwards, are recognised to the extent that it is likely that future taxable surpluses will be available, against which the accumulated deficit may be utilised. The Group's loss carry-forwards relate primarily to countries with long or indefinite periods of utilisation. Lindab´s judgement is that it will be possible for sufficient taxable income to be generated in the coming years to utilise the tax loss carry-forwards.
At the end of 2014, deferred tax assets related to tax loss carry-forwards totalled SEK 115 m (95).

Accounting of stock

Stock is recognised at the lowest of cost and net realisable value. Valuations and judgements of stocks are governed by internal regulations which all companies within the Group are obliged to comply with. The aim is to ensure that stocks are valued at the lowest of cost and net realisable value.

When calculating the net realisable value, a judgement is made of discontinued items, surplus items, damaged goods, and the estimated sales value based on available information. On 31 December 2014, the stock provision amounted to SEK 36 m (52).

Doubtful accounts receivable

A judgement of unpaid accounts receivable provides the basis for doubtful accounts. The provision for bad debts is based on a calculation in accordance with the internal regulations, combined with an individual judgement. The judgement is made based on the circumstances that may lead to significant effects on the valuation, such as significant customer solvency and financial position, as known on the balance sheet date.

Lindab´s judgement is that 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 Bad debt losses in the section on Risk in the Directors' report. At the end of 2014, the provision for bad debts amounted to SEK 73 m (83).

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, judgements 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 67 m (106) is reported as other provisions, see Note 24. This is important when assessing the Group's financial position, since provisions are normally based on judgements of probability and estimates of costs and risks.

Lindab's manufacture of products from steel has a limited environmental impact. The Group pursues activities on properties where soil contamination may occur. In cases where there is a risk of environmental liability, a judgement is made to determine whether a provision is required based on information known, the perceptions of representatives and other advisors, the probability that a present obligation exists and the reliability of these estimates of the amount of the obligation amount to. No provisions were made in 2014.

Pension expenses

The Group's provisions for benefit-based pensions amounted to SEK 153 m (127) 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. A judgement is then made as to whether reserves are required in the financial statements. A judgement that does not correspond with the actual outcome may have an effect on the financial statements, see also the Directors' report.

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

Note 5 Business combinations

Acquisitions in 2014

In December, an agreement was signed to acquire MP3 S.r.l., a leading manufacturer of solutions for indoor climate, with specialist knowledge in smoke and fire protection. The acquisition is in line with Lindab's ambition to strengthen its position as a supplier of complete ventilation solutions and to increase its market coverage. Access and takeover occurred on 15 January 2015. Negotiations on the final total purchase price are in progress.

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

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

During the year, Lindab acquired all shares in Klimasystem AS in Norway and Bjarnes System AB in Sweden. Operations in NovoClima were acquired through an acquisition of assets.

On 14 November, Bjarnes System AB was acquired. The company had annual sales of approximately SEK 12 m and had one employee. The acquisition creates opportunities for continued development of the important Nordic tinsmith market, and opens up new opportunities in other markets in Europe.

On 16 July, Klimasystem AS, a former agent for the Lindab indoor climate systems, was acquired in Norway. The number of employees in the company amounted to 4 people and annual turnover amounted to approximately SEK 15 m. The acquisition contributes additional expertise to the product range for indoor climate solutions. The acquisition means that consolidated goodwill increased by SEK 2 m.

On 13 March, NovoClima was acquired through an acquisition of assets, which were placed in a newly formed company, Lindab Götene AB. These operations had annual sales of approximately SEK 40 m, of which only a marginal proportion were to customers outside the Lindab Group. The number of employees was 26 and activities include the manufacture of waterborne indoor climate products included in the Lindab range. With the acquisition of NovoClima, Lindab has assured and increased efficiency in the value chain.

The purchase price for the acquisitions totalled SEK 33 m. The acquisitions mean that the consolidated goodwill increased by SEK 2 m and the cash flow was negatively affected by SEK 30 m.

Financial impact of acquisitions in 2014

Bjarnes System AB was consolidated from November 2014. The acquisition resulted in a SEK 1 m increase in the Group's sales from the acquisition date to 31 December 2014. The effect on the Group's profit for the year was marginal. Had the acquisition been made on 1 January 2014, it was estimated that the sales revenue for the Group would have increased by SEK 11 m and the effect on the Group's profit for the year would have increased by SEK 2 m.

Klimasystem AS was consolidated from July 2014. The acquisition resulted in a SEK 9 m increase in the Group's sales from the acquisition date to 31 December 2014. The effect on the Group's profit for the year was marginal. Had the acquisition been made on 1 January 2014, it was estimated that the sales revenue for the Group would have increased by SEK 17 m and the effect on the Group's profit for the year would have been marginal.

NovoClima was consolidated from March 2014. The acquisition resulted in a SEK 38 m increase in the Group's sales from the acquisition date to 31 December 2014. Consolidated profit for the year was negatively affected by SEK 2 m. Had the acquisition been made on 1 January 2014, it was estimated that the sales revenue for the Group would have increased by SEK 45 m and the Group's profit for the year would have been affected negatively by SEK 2 m.

Acquisitions in 2013

In the previous year, there were no acquisitions in the Lindab Group.

Financial impact of acquisitions in 2013

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

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 businesses	
	2014	2013
Purchase price	33	21
Direct costs relating to the acquisition	-	-
Acquisition total	**33**	**21**
Less direct costs relating to acquisitions	-	-
Total purchase price	**33**	**21**
Fair value of acquired net assets/liabilities	–31	-
Goodwill	**2**	**-**
Purchase price	33	21
Direct costs relating to the acquisition	-	-
Cash and cash equivalents in the acquired subsidiary	–3	-
Effect of acquisition on consolidated cash and cash equivalents	**30**	**21**

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

The fair value of acquired assets and liabilities corresponds with their book value.

Acquired assets and liabilities

Acquired net assets, liabilities and goodwill related to acquisitions are shown below.

	Acquired businesses	
	2014	2013
Tangible fixed assets	13	-
Intangible fixed assets	0	-
Deferred tax assets	1	-
Stock	19	-
Accounts receivable and other current assets	5	-
Cash and cash equivalents and current investments	3	-
Total acquired assets	**41**	**-**
Deferred tax liabilities	1	-
Current and long-term liabilities	9	-
Total acquired liabilities	**10**	**-**
Acquired net assets	**31**	**-**
Goodwill	2	-
Purchase price	**33**	**-**

Note 6 Employees and senior management

Average no. of employees

	2014			2013		
	Men	**Women**	**Total**	Men	Women	Total
Parent company, Sweden	-	-	-	-	-	-
Subsidiaries						
Sweden	860	215	1,075	780	238	1,018
Belgium	23	5	28	23	4	27
Denmark	322	103	425	325	105	430
Estonia	39	5	44	33	5	38
Finland	90	16	106	89	19	108
France	89	27	116	80	24	104
Ireland	21	6	27	19	3	22
Italy	21	9	30	19	9	28
Croatia	1	1	2	3	1	4
Latvia	9	1	10	5	1	6
Lithuania	4	1	5	4	1	5
Luxembourg	208	22	230	200	20	220
Netherlands	12	4	16	12	2	14
Norway	80	11	91	64	20	84
Poland	196	112	308	208	65	273
Romania	76	14	90	74	15	89
Russia	255	58	313	258	48	306
Switzerland	94	11	105	99	12	111
Slovakia	31	12	43	30	10	40
UK	222	54	276	224	51	275
Czech Republic	626	193	819	577	214	791
Turkey	0	1	1	0	0	0
Germany	94	22	116	98	23	121
Hungary	130	28	158	124	24	148
USA	85	22	107	85	21	106
Subsidiaries total	*3,588*	*953*	*4,541*	*3,433*	*935*	*4,368*
Group total	**3,588**	**953**	**4,541**	**3,433**	**935**	**4,368**

Gender balance, among senior management

Parent company						
The Board, incl. employee representatives	6	2	8	6	2	8
President/Executive management	4	-	4**	3	-	3*
The Group						
President/Executive management	4	-	4**	3	-	3*

** Nils-Johan Andersson, Peter Andsberg and Hans Berger were included in Executive management for the period up to 16 September 2013.*

***Bengt Andersson has been a member of the Executive management since 1 June. On 1 September Carl-Gustav Nilsson was replaced by Fredrik Liedholm in the Executive management.*

Personnel costs

	2014			2013		
Salaries and other benefits	**Board/ President and Executive management**	**Other employees**	**Total salaries and other benefits**	Board/ President and Executive management	Other employees	Total salaries and other benefits
Parent company, Sweden	2.2	-	2.2	2.2	-	2.2
Subsidiaries total	63.6	1,330.9	1,394.5	66.4	1,232.3	1,298.7
Group total	**65.8**	**1,330.9**	**1,396.7**	**68.6**	**1,232.3**	**1,300.9**

Payroll overheads

Parent company, Sweden	0.6	-	0.6	0.7	-	0.7
of which pensions	0.0	-	0.0	0.1	-	0.1
Group total	18.8	362.8	381.6	21.6	336.6	358.2
of which pensions	5.8	82.0	87.8	6.6	74.8	81.4
Total personnel costs	**84.6**	**1,693.7**	**1,778.3**	**90.2**	**1,568.9**	**1,659.1**

Pension obligations of SEK 40 m (38) 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 40 m (38). The cost of pension obligations for the year, attributable to the current and previous Presidents and Board members, are SEK 3.8 m (3.4).

Note 6 Employees and senior management, cont.

In 2014, total remuneration paid to Board members totalled SEK 2,200 k (2,200), broken down in the table below.

At the Annual General Meeting on 29 April 2014, it was resolved 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)	**2014**	2013
Kjell Nilsson	650	650
Pontus Andersson	25	25
Sonat Burman-Olsson	300	300
Erik Eberhardson	300	300
Markku Rantala	25	25
Birgit Nørgaard	300	300
Stefan Charette	300	300
Gerald Engström (resigned in 2014)	100	300
Hans Porat (elected in 2014)	200	-
Total	**2,200**	**2,200**

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

Remuneration to Executive management and other terms of employment

Fixed and variable salaries

Remuneration to Executive 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 2014 totalled SEK 3,600,000 with a variable salary of up to 50 percent of the fixed salary. Pension contribution entitlements amount 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 2014 is shown in the separate table.

For the full year 2014, the Executive management included Anders Berg, Chief Executive Officer, and Per Nilsson, Chief Financial Officer, with Bengt Andersson, Product and Marketing Director, included since 1 June 2014. Carl-Gustav Nilsson, formerly General Counsel, was included in the Executive management until 1 September 2014. From 1 September 2014, Fredrik Liedholm, General Counsel, was included in the Executive management.

Remuneration for 2014 to Anders Berg, CEO, and the other members of the Executive management, is shown in the table below.

	Anders Berg	**Remuneration of other Executive management***	**Total**
Fixed salary incl. holiday pay	4,021,200	4,825,401	8,846,601
Variable pay	540,000	588,999	1,128,999
Pension expenses	1,072,274	1,357,445	2,429,719
Benefits	248,157	208,079	456,236
Total	**5,881,631**	**6,979,924**	**12,861,555**

**) Bengt Andersson has been a member of the Executive management since 1 June. On 1 September Carl-Gustav Nilsson was replaced by Fredrik Liedholm in the Executive management.*

Guidelines for remuneration of senior executives.

The Annual General Meeting resolved 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.
- Fixed salaries and benefits will be established on an individual basis according to the criteria outlined above and specific skills for each individual.
- 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 cap 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 deviate the guidelines. The Board of Directors has not exercised this mandate in 2014.

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 company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Anders Berg.

The notice period for other senior executives is twelve months from the company and six months from the employee. During the notice period, the company may exercise the right to give the employee garden leave, whereby any salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. Other senior executives are bound by non-competition clauses effective for twelve months from the termination of employment, during which they are entitled to remuneration of up to 60 percent of the fixed salary. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

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 1,072 k (810).

Other senior executives have pension benefits, over and above their legal right to a pension. The pension is to be a defined contribution plan and is to be based on the same principles as for fixed and variable salaries. The cost of pension premiums for these individuals, over and above their legal right to a pension, totalled SEK 1,357 k (2,528).

Bonus scheme

In addition to the variable salaries for Executive 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 6,345 k (6,190) including special 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 2014, the foundation held 88,500 Lindab shares.

A smaller profit-sharing plan also exists in one of Lindab's French companies.

Incentive programme

The Annual General Meetings in 2011 and 2012 resolved 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 2013 and 2014 and compared to the outcomes for the financial years 2010 and 2011, respectively.

Participants in the programme are divided into five groups: CEO, Executive management and three groups consisting of senior executives or other key personnel.

The allocation of shares in both programmes is dependent on the outcome of the three financial goals: operating margin, organic growth and acquisitions/strategic growth. Allocation will be free of charge after completing the programme. As a general rule, if participants terminate their employment at Lindab during the programme, the right to receive the allocation of shares will become void upon termination of employment.

The first programme was settled on 30 June 2014 and included 53 people, who together invested in a total of 35,091 shares. In total, 35,091 matching shares were allocated. No allocation of performance shares occurred, since none of the set targets have been met. The total cost for the programme amounted to around SEK 3 m.

There are 50 participants (52) remaining in the second programme, who have invested in a total of 53,550 shares (56,350). If the minimum level is reached, allocation of 23 percent of a maximum allocation of 231,000 shares (242,200) in Lindab will take place. The total cost for the programme is estimated at approximately SEK 2 m (4). Settlement will take place during the second quarter of 2015.

To ensure that the company can meet its commitment under the incentive programmes, an agreement has been signed with a third party to acquire treasury shares on Lindab's behalf, see also accounting principles concerning equity on page 78.

Note 7 Segment reporting

	Products & Solutions		Building Systems		Other		Total		Elimination		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Sales revenue, external	6,084	5,496	919	1,027	-	-	7,003	6,523	-	-	7,003	6,523
Sales revenue, internal	24	14	0	0	-	-	24	14	–24	–14	0	0
Sales revenue, total	**6,108**	**5,510**	**919**	**1,027**	**-**	**-**	**7,027**	**6,537**	**–24**	**–14**	**7,003**	**6,523**
Operating profit (EBITDA) before one-off items	**592**	**480**	**77**	**184**	**–16**	**–9**	**653**	**655**	**-**	**-**	**655**	**655**
Depreciation/amortisation	–123	–120	–25	–25	–10	–12	–158	–157	-	-	–158	–157
Operating profit (EBITA) before one-off items	**471**	**360**	**52**	**159**	**–26**	**–21**	**497**	**498**	**0**	**0**	**497**	**498**
Operating profit (EBIT) before one-off items	**471**	**360**	**52**	**159**	**–26**	**–21**	**497**	**498**	**0**	**0**	**497**	**498**
One-off items	–21	–24	–11	–1	2	–21	–30	–46	-	-	–30	–46
Operating profit (EBIT)	**450**	**336**	**41**	**158**	**–24**	**–42**	**467**	**452**	**0**	**0**	**467**	**452**
Net financial expense											–81	–123
Profit after financial items (EBT)											**386**	**329**
Tax on profit for the year											–103	–96
Profit for the year											**283**	**233**
Fixed assets excl. financial assets	3,411	3,141	585	621	167	176	4,163	3,938	-	-	4,163	3,938
Stock	988	822	119	136	-	-	1,107	958	-	-	1,107	958
Other assets	1,144	994	91	90	275	200	1,510	1,284	–313	–216	1,197	1,068
Unallocated assets											494	553
Total assets							**6,780**	**6,180**	**–313**	**-216**	**6,961**	**6,517**
Shareholders' equity											3,344	2,967
Other liabilities	1,329	1,275	307	291	84	71	1,720	1,637	–313	–216	1,407	1,421
Unallocated liabilities											2,210	2,129
Total equity and liabilities								**1,637**	**–313**	**–216**	**6,961**	**6,517**
Gross investments in fixed assets	239	62	24	26	10	5	273	93	-	-	273	93

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 (2.2) of the Group's total sales revenue, meaning that Lindab's dependence on individual customers is limited.

Country	2014	Percent
Sweden	1,717	25
Denmark	707	10
UK	613	9
Germany	538	8
Norway	528	7
Other	2,900	41
Total	**7,003**	**100**

Country	2013	Percent
Sweden	1,581	24
Denmark	682	10
UK	511	8
Germany	433	7
Russia	381	6
Other	2,935	45
Total	**6,523**	**100**

Fixed assets per country

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

Country	2014	Percent
Sweden	287	22
Czech Republic	227	17
Denmark	190	14
Russia	139	11
Poland	125	10
Luxembourg	60	5
Other	276	21
Total	**1,304**	**100**
Goodwill	2,859	-
Total	**4,163**	**-**

Country	2013	Percent
Sweden	296	25
Russia	207	17
Denmark	190	16
Poland	128	11
Czech Republic	81	7
Luxembourg	49	4
Other	253	20
Total	**1,204**	**100**
Goodwill	2,734	-
Total	**3,938**	**-**

Segment information

Lindab's business is based on a geographically distributed sales organisation supported by four product and system areas with central production and purchasing functions. The basis for the division of segments are the different products on offer. The Products & Solutions segment includes complete systems for both ventilation and indoor climate, while the construction sector offers complete systems for roof drainage, lightweight construction and roof and façade solutions in sheet metal. Building Systems produces and sells complete steel building systems. The Other segment comprises parent company functions including the treasury function.

In the previous year, up until the reorganisation of 1 October 2013, the business was divided into three business areas, as were the segments, Ventilation, Building Components and Building Systems. The new segment, Products & Solutions, comprises former business areas Ventilation and Building Components.

In 2014, Lindab adopted new financial targets that form the basis of control of the business. These are growth, profitability, capital structure and dividend policy.

The segments are responsible for the management of operational assets and their performance is calculated at this level, while the treasury function is responsible for financing at the Group 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.

Note 7 Segment reporting, cont.

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 segments.

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	**2014**	2013
Capitalised development expenditure (Note 16)	0	0
Patents (Note 16)	0	0
IT and other intangible fixed assets (Note 16)	24	25
Properties (Note 17)	34	27
Machinery and other technical facilities (Note 17)	79	83
Equipment, tools and installations (Note 17)	19	19
Total	**156**	**154**
Impairment losses		
Properties (Note 17)	0	3
Machinery and other technical facilities (Note 17)	2	0
Equipment, tools and installations (Note 17)	0	0
Total	**2**	**3**
Total depreciation/amortisation and impairment losses by type of asset	**158**	**157**
Total depreciation/amortisation distributed by function		
Cost of goods sold	118	114
Selling expenses	15	15
Administrative expenses	22	24
R & D expenses	1	1
Total	**156**	**154**
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	2	3
Total	**2**	**3**
Total depreciation/amortisation and impairment losses distributed by function	**158**	**157**

Note 9 Costs distributed by cost items

	Group		Parent company	
	2014	2013	**2014**	2013
Cost of direct materials	3,216	3,032	-	-
Personnel costs (Note 6)	1,797	1,665	3	3
Depreciation/amortisation and impairment losses (Notes 8, 16, 17)	158	157	-	-
Other operating expenses	1,428	1,337	1	1
Total	**6,599**	**6,191**	**4**	**4**

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 6,599 m (6,191). A breakdown of these costs into key cost categories is shown above. Personnel costs consist of employed members of staff, SEK 1,778 m (1,659), and temporary employees, SEK 19 m (6).

Note 10 Auditors´ fees and expenses

Auditors' fees

An audit includes an examination of the annual report, a judgement 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	
	2014	2013	**2014**	2013
Deloitte/Ernst & Young *				
Auditing assignments	5.6	6.6	0.3	0.4
Audits separate from auditing assignments	-	-	-	-
Tax advice	0.2	1.3	-	-
Other assignments	0.1	0.8	-	0.1
Total Deloitte/Ernst & Young	*5.9*	*8.7*	*0.3*	*0.5*
Other				
Auditing assignments	0.9	0.9	-	-
Audits separate from auditing assignments	-	-	-	-
Tax advice	0.3	0.3	-	-
Other assignments	0.3	0.5	-	-
Total Other	*1.5*	*1.7*	-	-
Total	**7.4**	**10.4**	**0.3**	**0.5**

** At the 2014 Annual General Meeting, Deloitte AB was elected to be the Group's auditors. The fees for 2014 refer to Deloitte and the fees for 2013 refer to Ernst & Young as the Group's auditors.*

Note 11 Research & development

Costs for research and development amount to SEK 51 m (45) and are reported directly in the statement of comprehensive income, of which SEK 0 m (0) relates to the amortisation of capitalised development expenditure. For capitalised development expenditure, see Note 16.

Note 12 Other operating income and expenses

	Group		Parent company	
Income	**2014**	2013	**2014**	2013
Exchange rate differences in operating receivables/liabilities	47	72	-	-
Capital gains on the sale of fixed assets	2	5	-	-
Other	14	43	-	-
Total	**63**	**120**	**-**	**-**
Costs				
Exchange rate differences in operating receivables/liabilities	–65	–74	-	-
Capital losses on the sale of fixed assets	–4	–6	-	-
Restructuring provision	–30	–46	-	-
Other	–10	–26	-	-
Total	**–109**	**–152**	**-**	**-**

Note 13 Financial income and expenses

	Group		Parent company	
Result from participations in Group companies	**2014**	2013	**2014**	2013
Received Group contribution	-	-	49	94
Total		-	*49*	*94*
Interest income				
External	7	9	0	0
Total	*7*	*9*	*0*	*0*
Interest expenses				
External	–72	–123	0	0
To Group companies	-	-	–48	–93
For pensions, net	–7	–4	-	-
Total	*–79*	*–127*	*–48*	*–93*
Other financial income and expenses				
Exchange rate gains	0	0	-	-
Exchange rate losses	–5	–2	-	-
Other financial expenses	–4	–3	-	-
Total	*–9*	*–5*	-	-
Total	**–81**	**–123**	**1**	**1**

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	
	2014	2013	**2014**	2013
Income statement				
Current tax				
Tax on profit for the year	–110	–93*	0	0
Adjustments in respect of previous years	1	–2	1	0
Total current tax	*–109*	*–95*	*1*	*0*
Deferred tax				
Occurrence and reversal of temporary differences	5	1	-	-
Effect of changed tax rates abroad	1	–2	-	-
Total deferred tax	*6*	*–1*	-	-
Total reported tax expense in the income statement	**–103**	**–96**	**1**	**0**
Other comprehensive income				
Deferred tax attributable to defined benefit plans	6	–2	-	-
Deferred tax attributable to net investment hedges	16	4	-	-
Total reported tax expense in other comprehensive income	**22**	**2**	**-**	**-**

** Adjustments have been made for tax attributable to net investment hedges. In 2013, it was eliminated against gross deferred tax while, in 2014, it was eliminated directly against current tax.*

The Group's tax expenses for the year amounted to SEK 103 m (96) and the effective tax rate amounted to 27 percent (29) of the profit after financial items. The tax rate in Sweden is 22 percent.

The average tax rate was 20 percent (23). This has been calculated by weighting the subsidiaries' result before tax (EBT) against the local tax rate for each country.

The discrepancy between the effective and the average tax rate amounts to 7 percentage points (6) and is due in part 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 recognised 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 the deferred tax has been impacted positively by SEK 1 m, resulting from the assets and liabilities for deferred taxes in foreign companies, i.e. Denmark, having been remeasured due to new tax rates. This has also been affected negatively by SEK 20 m (18) as deferred tax on net losses in some subsidiaries having not been recognised.

The recognition of deferred tax on loss carry-forwards attributable to previous years, particularly in the USA, has had a positive impact of SEK 8 m (10).

A reversal of SEK 5 m (6) of previously recognised loss carry-forwards, in Finland among other countries, has been recorded.

Reconciliation of reported tax is shown below.

	Group			
	2014	**Percent**	2013	Percent
Profit before tax	386		329	
Tax in accordance with current tax rates for the company	–85	–22.0	–72	–22.0
Reconciliation with reported tax				
Effect of other tax rates for companies abroad	7	1.8	–2	–0.6
Deficit not recognised, incurred during the year	–20	–5.2	–18	–5.5
Tax attributable to previous years	–3	–0.8	–1	–0.3
Non-deductible expenses	–11	–2.9	–11	–3.3
Non-taxable income	4	1	6	1.8
Effect of changed tax rates on deferred tax	1	0.3	–2	–0.6
Reversal of previously recognised loss carry-forwards	–5	–1.3	–6	–1.8
Recognised loss carry-forwards attributable to previous years	8	2.1	10	3
Other	1	0.3	0	0
Reported tax expense	**–103**	**–26.7**	**–96**	**–29.3**

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	
	2014	2013	**2014**	2013	**2014**	2013
Intangible fixed assets	29	39	-	0	29	39
Tangible fixed assets	3	2	–132	–130	–129	–128
Financial fixed assets	0	-	–2	–2	–2	–2
Stocks	14	16	0	0	14	16
Receivables	6	4	0	0	6	4
Provisions	42	36	–1	0	41	36
Liabilities	-	0	-	-	0	0
Leases	1	1	–1	–1	0	0
Other	15	14	–13	–6	2	8
Loss carry-forward	115	95	-	-	115	95
Tax allocation reserves	-	-	–46	–53	–46	–53
Total	**225**	**207**	**–195**	**–192**	**30**	**15**
Offsetting receivables/liabilities	–99	–60	99	60		
Reported in the statement of financial position	**126**	**147**	**–96**	**–132**	**30**	**15**

Reconciliation of deferred net receivables	2014	2013
Opening balance	15	19
Reported in the statement of comprehensive income	6	–1**
Acquisitions of subsidiaries (Note 5)	0	-
Reported in other comprehensive income and equity:		
- adjustment of defined benefit plans, pensions	6	–2
- hedging of net investments	-	-**
Translation differences	3	0
Other	0	–1
Closing balance	**30**	**15**

Maturity dates for loss-carry forwards	2014	2013
Next year	11	45
In 2-4 years	23	32
In 5-6 years	108	137
After 6 years	753	579
- thereof without maturity date	*569*	*424*
	895	**793**

*** Tax attributable to hedging of net investments was eliminated in 2013 as deferred tax, from 2014 as current tax.*

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 895 m (793), of which SEK 385 m (330) is the basis for the deferred tax asset of SEK 115 m (95).

The remaining loss carry-forwards of SEK 510 m (463) could result in a deferred tax asset of SEK 145 m (129). 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	2014	2013
Profit attributable to parent company shareholders, SEK m	283	233
Weighted average number of outstanding ordinary shares	76,331,982	76,331,982
Undiluted earnings per share (SEK per share)	**3.71**	**3.05**

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	2014	2013
Profit attributable to parent company shareholders, SEK m	283	233
Weighted average number of outstanding ordinary shares	76,331,982	76,331,982
Weighted average number of ordinary shares for calculation of diluted earnings per share	76,331,982	76,331,982
Diluted earnings per share (SEK per share)	**3.71**	**3.05**

Note 16 Intangible fixed assets

	Capitalised expenditure for development work	Patents, etc.	IT and other intangible assets	Brands	Goodwill	Total
1 January–31 December 2013						
Accumulated acquisition values						
Opening balance	9	77	211	46	2,781	3,124
Acquisitions	2	0	15	-	-	17
Disposals	-	-	–6	-	-	–6
Reclassifications	–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 amortisation according to plan						
Opening balance	–9	–77	–146	–46	0	–278
Depreciation for the year	0	0	–25	-	-	–25
Disposals	-	-	6	-	-	6
Reclassifications	-	-	-	-	-	-
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	-	-	-	-	-	-
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**
1 January–31 December 2014						
Accumulated acquisition values						
Opening balance	9	77	228	46	2,833	3,193
Assets provided through acquisitions	-	0	0	-	0	0
Acquisitions	-	1	24	-	2	27
Disposals	-	-	–1	-	-	–1
Reclassifications	-	-	13	-	-	13
Translation differences for the year	0	1	16	-	143	160
Closing balance	**9**	**79**	**280**	**46**	**2,978**	**3,392**
Accumulated amortisation according to plan						
Opening balance	–9	–77	–168	–46	0	–300
Depreciation for the year	-	0	–24	-	-	–24
Disposals	-	-	1	-	-	1
Reclassifications	-	-	–13	-	-	–13
Translation differences for the year	0	–1	–13	-	-	–14
Closing balance	**–9**	**–78**	**–217**	**–46**	**0**	**–350**
Accumulated impairment losses						
Opening balance	0	0	0	-	–99	–99
Impairment losses for the year	-	-	-	-	-	0
Disposals	-	-	-	-	-	0
Translation differences for the year	-	-	-	-	–20	–20
Closing balance	**0**	**0**	**0**	**0**	**–119**	**–119**
Net carrying value at start of year	0	0	60	0	2,734	2,794
Net carrying value at end of year	**0**	**1**	**63**	**0**	**2,859**	**2,923**

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 2015-2020.

Testing for impairment is to be based on the lowest cash-generating unit, which for the Lindab Group is considered to be the strongly integrated operating and reporting segments, Products & Solutions and Building Systems.

Lindab performed its impairment test on 31 October 2014. Due to Building Systems' weak performance in the fourth quarter, impairment tests for this cash-generating unit were updated. Following this update, there is no indication of impairment.

The recoverable amount for the cash-generating units is based on estimates of value in use. These calculations are based on estimated future cash flows after tax based on financial budgets for each segment, covering the period up to 2019. The generated financial budgets are included in the Board-approved 2015-2020 strategy, which involves long-term repositioning to generate greater value for more stakeholders and expand Lindab's share of the value chain. The strategy is based on internal strengths and unique opportunities to take advantage of trends. The financial budgets form the basis for fulfilment of the new financial targets, see Directors' Report on page 56, and are part of the new strategy. Key assumptions used for calculating value in use are gross margins, discount rates and growth assumptions following the close of the budget periods. The gross margin assumption consists of assumptions about sales volumes, sales prices and raw materials prices, all of which are key assumptions for calculating the gross margin. The following describes the methods that management used to determine the value of each essential assumption.

Sales volumes are based on previous results and an assessment of future development. External sources of information are used in the assessment of future development.

Sales prices are based on previous results and an assessment of future development. External sources of information are used in the assessment of future development.

Raw materials prices are based on previous results and an assessment of future development. External sources of information are used in the assessment of future development.

The discount rate has been estimated based on a weighted cost of capital after tax of 8.3 percent (9.3) 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 10.0 percent (11.1) 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 shareholder's equity. The capital cost of shareholder's 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 2019 have been extrapolated using an estimated average long-term growth of 2.0 percent (2.0), which is in line with the average growth in markets where the segments 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.

Both segments conduct operations in Construction as their main industry, 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 considered to be uniform since, taken together, the segments act in similar geographical markets. The same assumptions have therefore been made regarding the discount rate and long-term growth for each segment.

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 main assumptions included in the calculation of value in use shows that the recoverable amount exceeds the carrying amount by a margin. In the analysis, a reasonable deterioration in the gross margin, an increase in the discount rate and a reduced growth assumption have been taken into account. Consequently there is no need for recording impairment loss of goodwill at the end of 2014.

Goodwill allocated per segment	2014	2013
Products & Solutions	2,479	2,376
Building Systems	380	358
Total goodwill	**2,859**	**2,734**

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 2013						
Accumulated acquisition values						
Opening balance	831	1,771	432	61	47	3,142
Acquisitions	14	45	17	–3	3	76
Disposals	–3	–13	–7	0	0	–23
Reclassifications	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 according to plan						
Opening balance	–235	–1,319	–347	0	0	–1,901
Depreciation for the year	–27	–83	–19	-	-	–129
Disposals	3	10	7	-	-	20
Reclassifications	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
Disposals	0	–1	0	0	-	–1
Reclassifications	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**
1 January–31 December 2014						
Accumulated acquisition values						
Opening balance	889	1,754	422	16	36	3,117
Assets provided through acquisitions	0	6	2	-	4	12
Acquisitions	158	46	25	9	10	248
Disposals	–12	–14	–13	-	-	–39
Reclassifications	11	–20	8	–11	–8	–20
Translation differences for the year	7	43	14	–2	1	63
Closing balance	**1,053**	**1,815**	**458**	**12**	**43**	**3,381**
Accumulated depreciation according to plan						
Opening balance	–267	–1,336	–341	0	0	–1,944
Depreciation for the year	–34	–79	–19	-	-	–132
Disposals	0	11	10	-	-	21
Reclassifications	0	20	0	-	-	20
Translation differences for the year	–17	–49	–12	-	-	–78
Closing balance	**–318**	**–1,433**	**–362**	**0**	**0**	**–2,113**
Accumulated impairment losses						
Opening balance	–5	–19	–2	–3	0	–29
Impairment losses for the year	-	–2	0	-	-	–2
Reversed losses	-	-	-	-	-	-
Disposals	1	2	0	-	-	3
Reclassifications	-	-	-	-	-	-
Translation differences for the year	0	–1	0	1	-	0
Closing balance	**–4**	**–20**	**–2**	**–2**	**0**	**–28**
Net carrying value at start of year	617	399	79	13	36	1,144
Net carrying value at end of year	**731**	**362**	**94**	**10**	**43**	**1,240**

Note 18 Other investments held as fixed assets

	Group	
	2014	2013
Opening balance	3	4
Divestments/Acquisitions	0	–1
Translation differences for the year	0	0
Book value	**3**	**3**

Long-term holdings of unlisted shares are reported here. Associated companies are included at book value SEK 0 m (0), see Note 29. Other holdings, SEK 3 m (3), mainly constitute smaller holdings owned by Group companies.

Note 19 Other long-term receivables

	Group	
	2014	2013
Opening balance	2	2
Increase	1	0
Book value	**3**	**2**

Other long-term receivables primarily consist of deposits for rented premises.

Note 20 Stock

	Group	
	2014	2013
Raw materials and supplies	485	410
Goods in progress	45	45
Finished goods and goods for resale	577	503
Total	**1,107**	**958**

Inter-company profit within the Lindab Group amounted to SEK 36 m (43), which has been eliminated at Group level. Direct material costs for the year amounted to SEK 3,216 m (3,032), including SEK 3 m (4) in impairment losses. In addition, the provision for obsolescence for finished goods has been adjusted by SEK 0 m (–2). The provision for obsolescence for stock amounts to SEK 36 m (52), equivalent to 3 percent (5) of the stock value before deduction for obsolescence. Currency effects have decreased the provision by SEK 2 m (0) during the year.

Note 21 Current receivables

	Group					
	Accounts receivable		Accrued income[1)]		Other receivables[2)]	
Number of days overdue	**2014**	2013	**2014**	2013	**2014**	2013
Not overdue	888	701	7	6	49	42
< 90 days	135	206	-	-	3	4
90–180 days	26	23	-	-	-	-
180–360 days	16	17	-	-	1	-
> 360 days	72	78	-	-	-	-
Total accounts receivable	**1,137**	**1,025**	**7**	**6**	**53**	**46**
Provision for bad debts	–73	–83	-	-	-	-
Total	**1,064**	**942**	**7**	**6**	**53**	**46**

1) Accrued income only relates to the exchange rate gain on forward exchange agreements amounting to SEK 1 m (1) and bonus income of SEK 6 m (5).

2) Other receivables relate only to VAT amounting to SEK 41 m (33) and other receivables of SEK 12 m (13). Other receivables are specified in full below.

Change in the provision for bad debts	Group	
	2014	2013
Opening balance	83	80
Increase in provision	24	44
Actual losses	–23	–38
Cancellation of provisions	–13	–4
Translation differences	2	1
Closing balance	**73**	**83**

During the year, SEK 12 m (40) was carried as expenses regarding the provision for bad debts.

Provisions for bad debts are made in accordance with internal regulations and normally 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 up to 360 days. Thereafter, an impairment of 100 percent is made. Individual assessments are made simultaneously and the provision is adjusted as required.

As of 31 December 2014, the Group has outstanding accounts receivable of SEK 20 m that are overdue but where an impairment loss has not been deemed to exist. The judgement was made considering that in current cases Lindab has received some form of security for the claim.

Prepaid expenses and accrued income	Group	
	2014	2013
Prepaid expenses for rental and leasing	10	9
Accrued exchange gain forward exchange agreement	1	1
Insurance premiums	4	5
Accrued bonus income	6	5
Other prepaid expenses	61	60
Total	**82**	**80**

	Group	
Other receivables	**2014**	2013
VAT recoverable	41	33
Advance payments to employees	0	0
Travel advances	1	1
Other receivables	11	13
Total	**53**	**47**

Note 22 Shareholder's equity and 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.

Dividends to shareholders for the financial year 2013

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

Nature and purpose of reserves within equity

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.

Incentive programme

The Annual General Meeting in 2012 resolved to introduce long-term incentive programme in the form of performance-based share savings programme. Participation in the programme required participants to make an initial investment in Lindab shares. Participation entitled the holder to receive new shares, provided that certain requirements were met. Performance is measured in the 2014 financial year and compared to the outcome for the 2011 financial year.

There are 50 (52) participants remaining in the programme, who have invested in a total of 53,550 shares (56,350). In the case of maximum allocation, 231,000 Lindab shares (242,200) will be transferred to the participants. The total cost for the programme is estimated at approximately SEK 2 m (4). Settlement will take place during the second quarter of 2015.

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 ITP2 plan. According to a statement from the Swedish Financial Reporting Board, UFR 3, this is a defined benefit plan that includes several employers. For the financial years 2014 (2013), the company did not have access to the information required to report its proportionate share of the plan's obligations, plan assets and expenses which meant that it was not possible to report this as a defined benefit plan. The pension plan is in accordance with ITP, which is guaranteed through insurance with Alecta, and is therefore shown as a defined contribution plan. The premium for the defined benefit retirement and family pension plan is calculated individually and is dependent on the salary, previously earned pension and expected remaining working life of the person concerned. Anticipated contributions for pension insurance cover with Alecta amount to SEK 6 m (6) for the next reporting period. The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan amounts to 0.04 and 0.07 percent (0.03 and 0.06), respectively.

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 amounted to 143 percent (148). 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.

Note 23 Provisions for pensions and similar obligations, cont.

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 3 m (2) for the year.

The expenses for defined contribution plans amounted to SEK 84 m (75).

Reported in the statement of financial position

Specification of defined benefit obligations, etc.	**2014**	2013
Present value of funded pension obligations	64	62
Fair value of plan assets	–38	–39
Net value of funded plans	*26*	*23*
Present value of unfunded defined benefit obligations	127	104
Net liability in the statement of financial position for benefit-based obligations	**153**	**127**
Allocated to pensions, defined contribution obligations	48	42
Pension liability as per the statement of financial position	**201**	**169**
Fair value of plan assets for defined contribution obligations	–46	–42
Financial investments as per the statement of financial position	**–46**	**–42**

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 201 m (169), SEK 40 m (38) comprise pension obligations for current and former Presidents and Vice Presidents. The obligations are invested in endowment insurance funds. These are valued at SEK 40 m (38).

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.

	2014		2013	
Change in plan assets and defined benefit obligations during the year	**Assets**	**Obligations**	Assets	Obligations
Opening balance	–39	166	–42	181
Pension expenses are reported in the income statement				
- Expenses for service in the current year	-	4	-	6
- Interest expenses/income	–1	6	–2	6
Total	*–40*	*176*	*–44*	*193*
Revaluations recognised in other comprehensive income				
- Return on plan assets, excluding amounts included in interest expenses/income	0	-	1	-
- Gain/loss arising from changes in demographic assumptions	-	–6	2	5
- Gain/loss arising from changes in financial assumptions	4	29	-	–20
- Experience-based gains/losses	-	–1	-	–3
Total	*4*	*22*	*3*	*–18*
Exchange rate differences	–1	–1	2	–2
Contributions by employer	–3	0	–3	-
Benefits paid	2	–6	3	–7
Closing balance	**–38**	**191**	**–39**	**166**

	2014				2013
Most important actuarial assumptions	**Sweden**	**Luxembourg**	**Norway**	**Other**	All
Discount rate, %	2.8	1.9	2.3	1.5-2.0	3.0-4.3
Future salary increases, %	3.0	3.3	2.8	0.0-3.0	3.0-3.8
Future pension increases, %	1.5	2.0	1.5	0.0-1.8	0.0-2.0
Net debt breakdown for 2014, SEK m	117	15	12	9	-
Net debt breakdown for 2013, SEK m	97	13	9	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 2.8 percent (4.0).

Note 23 Provisions for pensions and similar obligations, cont.

The sensitivity of the defined benefit obligation for changes in the main assumptions are:		Effect on the defined benefit plans 2014 Increase in the assumption	2014 Decrease in the assumption	2013 Increase in the assumption	2013 Decrease in the assumption
Discount rate	+/– 0.5%	18	–16	14	–13
Changes in salary	+/– 0.5%	–12	13	–9	9
Changes in pensions	+/– 0.5%	–10	10	–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.

Plan assets are as follows:

	2014	Percent	2013	Percent
Shares	2	5	3	8
Bonds	16	42	17	44
Property	3	8	4	10
Qualifying insurance policies	16	42	14	36
Other	1	3	1	3
Total	**38**	**100**	**39**	**100**

Maturity analysis regarding expected contributions to the defined benefit plan obligations in the future:	2014	2013
Within 12 months	6	6
Between 2 and 5 years	31	27
Between 5 and 10 years	46	50
Total	**83**	**80**

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	41	28	37	106
Utilised (–)/increase during the year (+)	2	–6	–34	–38
Exchange rate differences	1	–2	0	–1
Closing balance	**44**	**20**	**3**	**67**
Breakdown in the statement of financial position				
Other long-term provisions	6	10	0	16
Other current provisions	38	10	3	51
Total	**44**	**20**	**3**	**67**

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

The warranty provisions of SEK 20 m (28), include estimated future expenses for defects in items or work carried out, and provisions for actual claims.

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 (6) in actual known claims, which usually occur in association with deliveries. The estimated future warranty provisions amount to SEK 11 m (14). In addition, there are individual provisions for specific products of SEK 0 m (1).

Other provisions relate mainly to severance costs.

Note 25 Consolidated borrowing and financial instruments

	Group		Parent company	
Long-term	**2014**	2013	**2014**	2013
Bank loans	1,765	1,645	-	-
Current				
Liabilities to credit institutions	8	6	-	-
Overdraft facilities	99	160	-	-
Total borrowing	**1,872**	**1,811**	**-**	**-**

Bank loans include leasing liabilities of SEK 40 m (44). The current share of the leasing liability amounted to SEK 5 m (4) and is included in liabilities to credit institutions. Total borrowing includes pledged liabilities, bank loans with security, of SEK 8 m (7). Security for these loans consists of mortgage deeds in properties.

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

Unappropriated cash and cash equivalents including unused credit facilities in the Group amounted to SEK 1,064 m (1,525). The parent company has no unused credit.

According to the Group's Treasury policy, the fixed interest rate must not exceed 12 months. On 31 December 2014 it was 3 months. In 2013, the fixed interest rate period was 2 months. The majority of consolidated borrowing currently has a variable interest rate.

Consolidated borrowing broken down in different currencies:

	Group		Parent company	
Amounts in SEK m	**2014**	2013	**2014**	2013
SEK	529	754	-	-
DKK	3	1	-	-
EUR	1,096	845	-	-
NOK	33	8	-	-
CHF	166	146	-	-
PLN	45	53	-	-
GBP	-	4	-	-
	1,872	**1,811**	**-**	**-**

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

	2014					2013				
Financial assets	**Available-for-sale financial assets**	**Held for trading**	**Loan receivables and accounts receivable**	**Total carrying amount**	**Fair value**	Available-for-sale financial assets	Held for trading	Loan receivables and accounts receivable	Total carrying amount	Fair value
Other investments held as fixed assets	1	-	-	1	-	3	-	-	3	-
Other long-term receivables	-	-	3	3	-*	-	-	2	2	-*
Derivative assets	-	1	-	1	1	-	-	-	-	-
Accounts receivable	-	-	1,064	1,064	-*	-	-	942	942	-*
Other receivables	-	-	8	8	-*	-	-	14	14	-*
Accrued income	-	-	6	6	-*	-	-	5	5	-*
Cash and cash equivalents	-	-	300	300	-*	-	-	331	331	-*
Total financial assets	**1**	**1**	**1,381**	**1,383**	**1**	**3**	**-**	**1,294**	**1,297**	**-**

	2014				2013			
Financial liabilities	**Held for trading**	**Other financial liabilities**	**Total carrying amount**	**Fair value**	Held for trading	Other financial liabilities	Total carrying amount	Fair value
Overdraft facilities	-	–99	–99	–99	-	–160	–160	–160
Liabilities to credit institutions	-	–1,728	–1,728	–1,725	-	–1,607	–1,607	–1,607
Derivative liabilities	–19	-	–19	–19	–2	-	–2	–2
Accounts payable	-	–650	–650	-*	-	–682	–682	-*
Other liabilities	-	–6	–6	-*	-	–102	–102	-*
Accrued expenses	-	–172	–172	-*	-	–329	–329	-*
Total financial liabilities	**–19**	**–2,655**	**–2,674**	**–1,843**	**–2**	**–2,880**	**–2,882**	**–1,769**

Note 25 Consolidated borrowing and financial instruments, cont.

Description of fair value

Other investments held as fixed assets

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

Other long-term receivables

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

Interest-bearing liabilities

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

Derivatives

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

*Other financial assets and liabilities

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

	2014				2013			
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								
Derivative assets	-	1	-	1	-	-	-	-
Total assets	**-**	**1**	**-**	**1**	**-**	**-**	**-**	**-**

	2014				2013			
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value through profit or loss								
Derivative liabilities	-	–19	-	–19	-	–2	-	–2
Measured at fair value for disclosure purposes								
Overdraft facilities	-	–99	-	–99	-	–1,607	-	–1,607
Liabilities to credit institutions	-	–1,725	-	–1,725	-	–160	-	–160
Total liabilities	**-**	**–1,843**	**-**	**–1,843**	**-**	**–1,769**	**-**	**–1,767**

There have been no transfers between the different levels during the year. The company has not offset any financial instruments in the balance sheet.

The fair value of Lindab's obligation to acquire treasury shares amounts to SEK 16 m (27).

The fair value has been determined by calculating the difference between the market price of the underlying shares at the balance sheet date and the price of the undertaking. The effect of discounting is not expected to be material. The valuation is defined as level 2 according to IFRS 13.

Note 26 Accrued expenses and deferred income

	Group		**Parent company**	
	2014	2013	**2014**	2013
Salaries and holiday pay	150	148	-	-
Share of profits	9	9	-	-
Payroll overheads	89	75	2	2
Bonuses to customers	108	103	-	-
Interest expenses	21	6	-	-
Other costs	71	65	0	0
Total	**448**	**406**	**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 (41), of which property rental charges amount to SEK 32 m (35).

Future payments for non-cancellable operating lease contracts amount to SEK 164 m (131) and are broken down as follows:

	2014	2013
Year 1	29	38
Years 2–5	82	65
Year 6 and later	53	28
	164	**131**

Variable charges consist of variable interest rates, with the exception of the lease contract with Credit Suisse which has a fixed interest rate. An increase in interest rates of one percentage point increases total leasing costs by SEK 4 m (5).

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 October 2014, Lindab entered into a 15 year operating lease contract with Credit Suisse for a newly built production property in Switzerland. The rent for 2014 amounted to SEK 1 m. There is an option to acquire the property when the lease contract expires.

In 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 7year operating lease contracts. The rent for 2014 amounted to SEK 11 m (3).

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 2014 amounted to SEK 16 m (15). The lease contract is associated with commitments 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 58 m (57) are included in the balance sheet under Buildings and Land and totalling SEK 11 m (13) under Machinery and Software. In 2014, costs for these contracts excluding deferred taxes amounted to SEK 7 m (7). Future obligations for financial lease agreements amount to SEK 60 m (66) and are broken down as follows:

	Nominal value (present)	
	2014	2013
Year 1	7 (7)	7 (7)
Years 2–5	22 (19)	24 (21)
Year 6 and later	31 (24)	35 (26)
	60 (50)	**66 (54)**

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	**2014**	2013	**2014**	2013
Property mortgages	20	18	-	-
Floating charges	22	345	-	-
Total	**42**	**363**	**-**	**-**

All pledged assets refer to security for liabilities to credit institutions.

	Group		Parent company	
Contingent liabilities	**2014**	2013	**2014**	2013
Guarantee commitment for entered credit agreements	-	-	1,705	1,707*
Other guarantees and sureties	16	15	-	-
Pension obligations	11	11	-	-
Total	**27**	**26**	**1,705**	**1,707**

**Guarantee commitment referring to credit agreements for the corresponding period previous year has been adjusted to SEK 1,707 m.*

The current credit agreement with Nordea and SEB expire in February 2018. At the year end, the total credit limit was SEK 1,600 m (2,800). The agreement contain covenants, which are monitored quarterly. Lindab fulfils the terms of this 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 68 m (59), which is based on data from 31 December 2013 and is not based on normal actuarial principles but represents a commitment in the event of withdrawal from the collective agreement. Underlying amount in local currency amounted to USD 8.7 m (9.1). There was no current information as of 31 December 2014.

To ensure that Lindab AB 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. Simultaneously, Lindab has entered into agreements with third party to resell the property and enter into a long-term lease. In the existing lease agreement with DAL, a Group company has signed a guarantee for the payment obligations under the current lease. 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.

The cumulative effect of the agreements has been a decrease in Lindab's rental costs since 2012, thereby safeguarding the use of the facility at a reasonable cost.

As of 29 January 2015, when the current lease expired, Lindab acquired all shares in the company that owns the property for a purchase price of SEK 4 m corresponding to equity. At the same time, the property was disposed to a third party and a lease agreement signed. A Group company has signed a guarantee commitment for Building Systems in Luxembourg in case the company should fail to meet its obligations under the terms of the lease. Important obligations under the terms of the signed lease include the payment of all rental charges until 2030, maintenance of the property, and responsibility for its operation and environmental impact.

In the lease agreements for the properties in Båstad and Switzerland, described in Note 27 Leases, a Group company has signed a guarantee for the payment of all rental charges until the end of the contract. In the lease agreement for the property in Switzerland, the guarantee is limited to CHF 1.5 m.

As part of the Group's normal business activities and according to standard professional practice, the Group has signed guarantees for the fulfilment of various contractual obligations in relation to large suppliers. There was no indication at year-end that these contractual guarantees will result in any payment being required.

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

Up until 3 March 2014, transactions with Systemair AB (publ) were considered to be transactions with related parties. Transactions with Systemair AB (publ) for the period up until 3 March 2014 comprised sales revenue of SEK 4 m and purchases of SEK 5 m. Transactions with Systemair AB (publ) in 2013 comprised sales revenue of SEK 30 m and purchases of SEK 24 m. The transactions were conducted on market terms, on an arm's length basis. Other than Systemair AB (publ), there are no external parties that are considered related parties.

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 B.V. in the Netherlands is also to be considered to be a related party. Since the extent of these transactions is negligible they have not been included below.

Other transactions with related parties are specified below	Group companies		Parent company	
Parent company	**2014**	2013	**2014**	2013
Sales revenue	3	3	ET	ET
Dividends and Group contributions to the parent company	49	94	ET	ET
Interest income from the parent company	48	93	ET	ET
Long-term receivables in the parent company	2,134	2,086	ET	ET

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 90.

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

The Group operates in several markets, which means that the Group has subsidiaries in many parts of the world. The parent company has a controlling influence over a subsidiary when it is exposed or is entitled to variable returns from its commitment to the subsidiary and can affect returns by using its controlling influence over the subsidiary. In principle, all subsidiaries are owned directly or indirectly, 100 percent, by the parent company, Lindab International AB. The subsidiaries that are not 100 percent owned are considered to have non-controlling interests that are not essential for the Group.

	Currency code	Corporate identity number	Domicile	Share in %	Recorded value
Lindab AB [1]	SEK	556068-2022	Båstad, Sweden	100	3,467*
Lindab Sverige AB [2]	SEK	556247-2273	Båstad, Sweden	100	
Lindab Steel AB [4]	SEK	556237-8660	Båstad, Sweden	100	
Lindab Ventilation AB [3]	SEK	556026-1587	Båstad, Sweden	100	
Lindab Götene AB [3]	SEK	556961-9918	Båstad, Sweden	100	
Lindab Ryssland AB [7]	SEK	556960-0322	Båstad, Sweden	0	
Lindab Profil AB [3]	SEK	556071-4320	Båstad, Sweden	100	
Bjarnes System AB [3]	SEK	556203-8322	Södertälje, Sverige	100	
Lindab S.A. [2,3]	EUR	RC B91774	Diekirch, Luxembourg	0	
Lindab s.r.o. [2]	CZK	49613332	Prague, Czech Republic	15	
U-nite Fasteners Technology AB [2]	SEK	556286-9858	Uddevalla, Sweden	100	
Lindab Fastigheter AB [5]	SEK	5566629-2271	Båstad, Sweden	100	
Lindab Innovation AB [6]	SEK	556897-8505	Båstad, Sweden	100	
Lindab Ryssland AB [7]	SEK	556960-0322	Båstad, Sweden	100	
Lindab Ltd Co. [2]	RUB	105781261234	St Petersburg, Russia	100	
Lindab Buildings LLC [9]	RUB	USRN 1067611020840	Yaroslavl, Russia	99	
Lindab S.A. [2,3]	EUR	RC B91774	Diekirch, Luxembourg	100	
LA Services S.à r.l [7]	EUR	B146465	Diekirch, Luxembourg	100	
Lindab Treasury AB [8]	SEK	556044-4704	Båstad, Sweden	100	
Lindab Buildings S.A.S. [2]	EUR	RCS 327 258 943	Marne-la-Vallée, France	100	
Lindab Buildings s.r.o. [5]	CZK	633 19 675	Prerov, Czech Republic	100	
OOO Astron Buildings LLC [2,3]	RUB	OGRN 1047796961464	Moscow, Russia	100	
Lindab Buildings Sp. z o.o. [2,3]	PLN	KRS 0000039952	Lomianki, Poland	1	
Lindab Buildings LLC [9]	RUB	USRN 1067611020840	Yaroslavl, Russia	1	
Lindab SIA [2]	EUR	40003602009	Riga, Latvia	100	
UAB Lindab [2]	LTL	11788414	Vilnius, Lithuania	100	
Lindab d.o.o. [2]	HRK	80182671	Gornji Stupnik, Croatia	100	
Lindab AS [2,3]	EEK	10424824	Harju mk, Estonia	100	
Oy Lindab Ab [2,3]	EUR	557.222	Esbo, Finland	100	
Lindab s.r.o. [2,3]	CZK	49613332	Prague, Czech Republic	85	
LLC Spiro [2,3]	RUB	1117604013108	Yaroslavl, Russia	1	
Spiro International S.A. [2,3]	CHF	CH-217-0135550-1	Bösingen, Switzerland	100	
LLC Spiro [2,3]	RUB	117604013108	Yaroslavl, Russia	99	
Spiro S.A. [2,3]	CHF	CH-217-0130536-2	Bösingen, Switzerland	100	
Spiro Havalandirma LTD STI [2]	TRY	877776	Istanbul, Turkey	100	
Lindab Holding Inc. [7]	USD	54-179 29 84	Portsmouth VA, USA	100	
Spiral Helix Inc. [2,3]	USD	36-4381930	Chicago IL, USA	100	
Lindab Inc. [2,3]	USD	06-135 32 48	Portsmouth VA, USA	100	
Lindab Profile Inc. [2]	USD	90-091 66 93	Portsmouth VA, USA	100	
Lindab SRL [2,3]	RON	J23/1168/2002	Ilfov, Romania	100	
Lindab EOOD [9]	BGN	175097637	Sofia, Bulgaria	100	
Lindab Ukraine LLC [9]	UAH	34300449	Kiev, Ukraine	100	
Lindab Kft. [2,3]	HUF	13-09-065422	Biatorbagy, Hungary	100	
Lindab Profil Kft. [9]	EUR	13-09-155264	Biatorbagy, Hungary	100	
Lindab AS [2,3]	NOK	929805925 MVA	Oslo, Norway	100	
KlimaSystem AS [2]	NOK	990056636 MVA	Grimstad, Norway	100	
Lindab Sp. z o.o. [2,3]	PLN	KRS 0000043661	Lomianki, Poland	100	
Lindab S.r.l [2,3]	EUR	12002580152	Volpiano, Italy	100	
Lindab N.V. [2,3]	EUR	BE 464.910.211	Gent, Belgium	100	
Lindab A/S [2,3]	DKK	CVR no. 33 12 42 28	Haderslev, Denmark	100	
Lindab Door B.V. [2]	EUR	33291638	Groeneken, The Netherlands	100	
Meak B.V. [2]	EUR	18042479	Utrecht, The Netherlands	40	
Lindab GmbH [2,3]	EUR	HRB 2276	Bargteheide, Germany	100	
Lindab Buildings GmbH [2]	EUR	HRB 8007	Mainz, Germany	100	
Lindab Buildings Sp. z o.o. [2]	PLN	KRS 0000039952	Lomianki, Poland	99	
Lindab AG [2,3]	CHF	CH-170.3.023.237-3	Wetzikon, Switzerland	100	
Lindab Ltd [2,3]	GBP	1641399	Northampton, United Kingdom	100	
CCL Lindab Ltd [7]	GBP	1909033	Northampton, United Kingdom	100	
Lindab France S.A.S. [2,3]	EUR	31 228 513 300 061	Montluel, France	100	
Lindab (IRL) Ltd [2]	EUR	44222	Dublin, Ireland	100	
Lindab a.s. [2,3]	SKK	36,214,604	Jamník, Slovakia	100	
IVK Kiinteistöt Oy [5]	EUR	2324254-7	Jyväskylä, Finland	100	
Lindab Steel AG [3,4]	CHF	CH-020.3.036.274-9	Wetzikon, Switzerland	100	
Kalnesa Holdings Limited [9]	EUR	303110	Nicosia, Cyprus	100	
Spircus Enterprises Limited [9]	EUR	303031	Nicosia, Cyprus	100	

** The number of shares owned amounts to 23,582,857.*

1) Group functions, 2) Sales company, 3) Production company, 4) Purchasing company, 5) Property company, 6) Patent business, 7) Holding company, 8) Treasury business, 9) Dormant company

The Board of Directors and the CEO hereby affirm that the consolidated financial statements and annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU and generally accepted accounting standards, and give a true and fair view of the Group's and the parent company's financial position and results of operations, and that the Directors' Report gives a true and fair view of the Group's and parent company's business, financial position and results of operations, and describes material risks and uncertainties that the parent company and the companies included in the Group are facing.

Båstad, 11 March 2015

Kjell Nilsson
Chairman

Anders Berg
President and CEO

Erik Eberhardson
Board member

Birgit Nørgaard
Board member

Sonat Burman-Olsson
Board member

Stefan Charette
Board member

Hans Porat
Board member

Pontus Andersson
Employee representative

Markku Rantala
Employee representative

Our audit report was submitted on 12 March 2015.

Deloitte AB

Hans Warén
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 financial year 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 56-108.

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 these 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 the Annual Accounts Act 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 opinions.

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 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. 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 31 December 2014 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.

Other matters

The audit of the annual accounts for the financial year 2013 were performed by another auditor who submitted an auditor's report dated 10 March 2014 with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited 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 financial year 2014.

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 opinions.

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..

Gothenburg 12 March 2015
Deloitte AB

Hans Warén
Authorised 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 (EBITA), 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.

Glossary

CEE – Central and Eastern Europe.

CIS – Commonwealth of Independent States (former Soviet Republics).

CE – Product labelling within the European Economic Area (EEA). The CE mark indicates that the manufacturer or importer has met the basic requirements of the EU Directive governing this area.

Sustainable development – usually defined as "a society that meets today's needs without compromising the ability of future generations to meet their own needs". This definition comes from the Brundtland Commission, formally known as the World Commission on Environment and Development (WCED).

ISO 26000 – non-certifiable international standard with guidelines on social responsibility. See www.iso.org.

Lean – a philosophy concerned with the way in which resources are managed. Its purpose is to identify and eliminate all factors in a production process that do not create value for the end customer.

Lindab Life – sustainability framework that covers the areas of Business, Environment, Employees and Society.

Life Cycle Analysis – analysis of a product's total environmental impact during its life cycle, i.e., from raw material extraction, through manufacturing processes and use to waste disposal, including all transport and all energy consumption in the intermediate stages.

LTIF – an international measure that indicates the number of accidents per million hours worked.

Key Accounts – strategic work with the company's key customers aimed at creating long-term relationships.

Quality Management System – a system to ensure the quality of the company's products and services including its organisational structure, responsibilities and activities. Certified under ISO 9001.

Environmental Management System – a system that streamlines and organises environmental work with the aim of making continuous improvements. Certified under ISO 14001.

Ozone-depleting substances – substances containing chlorine (Cl) or bromine (Br) that deplete the ozone layer. These substances are stable and evaporate easily. This means that they can reach the stratosphere where the ozone layer is located.

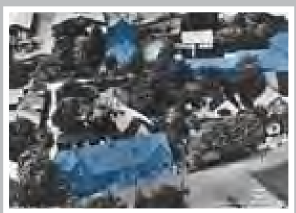
REACH – European chemicals legislation that replaces large areas of the chemicals regulations in force before 1 June 2007 in the EU and Sweden. The rules are contained in an EU regulation and should therefore be applied directly by companies, without being translated into Swedish regulations. REACH stands for Registration, Evaluation, Authorisation and Restriction of Chemicals. In Swedish: Registrering, utvärdering, godkännande och begränsning av kemikalier.

Social Responsibility (SR) – the company's responsibility for its impact on society and the environment. Transparent and ethical behaviour that meets the requirements imposed on the company by society and its various stakeholders.

Greenhouse gas emissions – gases such as carbon dioxide, methane and nitrous oxide that contribute to climate change.

Lindab's journey

What began, in the late 1950s, as a modest sheet metal factory in the small village of Grevie in Southern Sweden has developed into an international Group with 4,600 employees in 32 countries and a turnover of SEK 7 billion. The head office is still in Grevie and the Lindab spirit – steeped in entrepreneurship, neatness, order and a passion for making things simpler for the customers – is as strong within the organisation today as it was when Lindab was founded.




Lindab's founders
Partners Lage Lindh and Valter Persson are the founders of AB Lidhults Plåtindustri, which later becomes Lindab AB.

More product areas
Ventilation is added as a business area and Spiro is launched. Production of roof drainage is moved to the new factory in Förslöv.

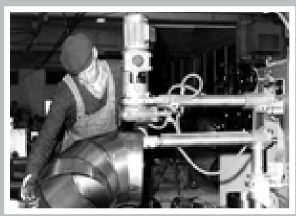
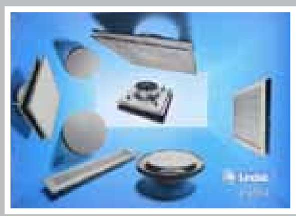
Company is listed on the stock exchange
Lindab is listed on the Stockholm Stock Exchange's OTC list the circular duct system becomes the Group's most important product.

1959 1960 1970 1980 1990 2000

Simplifying construction
Based on the desire to simplify construction, the initial product range consists of mass-produced facade trim and windowsills.

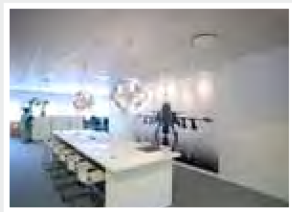
Lindab Safe is launched
The new circular duct system provides customers with simpler installation, more tightly-sealed systems and, thus, lower energy consumption.

Geographic expansion
Lindab is established in CEE and begins to expand into new markets in both Western and Eastern Europe. A series of innovations and IT programmes are launched.







Sustainable solutions
The development of sustainable solutions becomes increasingly important, with innovations such as eHybrid and MBB for a better demand-controlled indoor climate.

Cost efficiency
Despite weak markets and lower sales, Lindab has managed to generate a positive result by successfully keeping costs down.

New organisation
A new, flat organisational structure is introduced to make Lindab faster and more customer-focused, and to increase the pace of innovation.

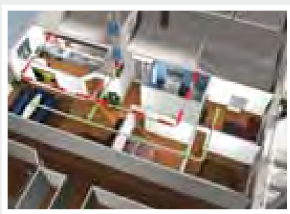
2010 2011 2012 2013 2014 2015

Investment in Russia
Lindab's largest ever investment, the production unit for Building Systems in Russian Yaroslavl, opens its doors.

Residential ventilation
Focus on indoor climate solutions, including a new concept for residential ventilation. Anders Berg takes over as President and CEO.

New strategy launched
New strategy and new financial targets launched Lindab is to become a supplier of complete ventilation solutions.



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www.lindab.com
The Lindab website provides extensive information about the Group. You will also find contact details and addresses there for all our companies worldwide.

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