

# Year-End Report 2015

## Fourth quarter 2015

- Sales revenue increased by 8 percent to SEK 1,980 m (1,836), of which Products & Solutions improved to SEK 1,698 m (1,587) and Building Systems improved to SEK 282 m (249). Adjusted for currency and structure, the increase was 3 percent for the Group.
- Operating profit (EBIT) improved to SEK 100 m (81), including one-off items of SEK –24 m (–21). Excluding one-off items, operating profit (EBIT) amounted to SEK 124 m (102) for the Group, of which Products & Solutions increased to SEK 113 m (106) and Building Systems increased to SEK 28 m (4).
- The operating margin (EBIT), excluding one-off items, increased to 6.3 percent (5.6). Products & Solutions amounted to 6.7 percent (6.7) and Building Systems to 9.9 percent (1.6).
- The after-tax result increased to SEK 63 m (42).
- Earnings per share increased to SEK 0.82 (0.55).
- Cash flow from operating activities amounted to SEK 266 m (263).

## January-December 2015

- Sales revenue increased by 8 percent to SEK 7,589 m (7,003), of which Products & Solutions improved to SEK 6,727 m (6,084) and Building Systems amounted to SEK 862 m (919). Adjusted for currency and structure, the increase in sales amounted to 2 percent for the Group.
- Operating profit (EBIT) amounted to SEK 469 m (467), including one-off items of SEK 6 m (–30). Excluding one-off items, operating profit (EBIT) amounted to SEK 463 m (497) for the Group, of which Products & Solutions increased to SEK 504 m (471) and Building Systems amounted to SEK 16 m (52).
- The operating margin (EBIT), excluding one-off items, amounted to 6.1 percent (7.1). Products & Solutions amounted to 7.5 percent (7.7) and Building Systems to 1.9 percent (5.7).
- The after-tax result increased to SEK 305 m (283).
- Earnings per share increased to SEK 3.99 (3.71).
- Cash flow from operating activities improved to SEK 460 m (278).
- Proposed dividends increased to SEK 1.25 (1.10).

## A good ending to a challenging year

2015 ended with a quarter where Lindab continued to develop positively, not least thanks to an increase in sales of 8 percent and an improved operating margin. With improved sales revenue, improved operating margins and a higher after-tax result, I am convinced that the company's development is on the right track.

Products & Solutions reported the highest operating profit for a fourth quarter since 2008. The development within those of our product areas which focus on ventilation is clearly positive with continued good organic growth which shows that our strategic initiatives within these areas are paying off. As regards more traditional building products and building systems, it is also positive that the rainwater system is now showing organic growth for the Group.

In the Nordic region, which is the segment's largest region, both Denmark and Finland showed particularly good growth, and Sweden also continued to develop well. For the rest of Europe, the picture was slightly more mixed as the French market continued to be challenged during the quarter, while the UK and Germany saw good growth.

Building Systems experienced a strong fourth quarter. The segment reported organic growth of 17 percent and an operating

margin of 9.9 percent in the quarter compared with 1.6 percent in the previous year. Building Systems' improved operating margin is a direct consequence of higher volumes and our active efforts to reduce costs. We are seeing a positive development within our Astron buildings in Western Europe and in other markets.

In November, we attended the Interclima trade fair in Paris. This is the first trade fair where we have presented the Group's entire strategy and offering. Our offering attracted great interest, and we received positive response from our customers and markets. A good level of activity in respect of our strategic activities with clearly defined responsibilities and dedicated local organisations has been and will continue to be an important success factor in Lindab.

Looking back on the year as a whole, we achieved an increase in sales of 8 percent, and despite great challenges in Building Systems during the first three quarters our earnings per share increased by 8 percent to SEK 3.99.

Anders Berg, Grevie, February 2016

## Comments on the report

### Significant events

- Orders of SEK 48 m and SEK 43 m for Building Systems in Italy and Russia.
- Order of SEK 22 m for Products & Solutions in Sweden.
- Kristian Aceby took over as new CFO on 1 December 2015.

### Sales and markets

Sales revenue during the fourth quarter improved to SEK 1,980 m (1,836), which is an increase of 8 percent compared with the fourth quarter of the previous year. Adjusted for currency and structure, the increase was 3 percent. Acquisitions and divestments have affected sales positively by 5 percent.

Sales revenue during the period January-December improved to SEK 7,589 m (7,003), which is an increase of 8 percent compared with the corresponding period of the previous year. Adjusted for currency and structure, the improvement was 2 percent. Acquisitions and divestments have affected sales positively by 4 percent.

### Profit

Operating profit (EBIT) for the fourth quarter amounted to SEK 124 m (102), excluding one-off items of SEK –24 m (–21), see Note 7. The operating margin (EBIT), excluding one-off items, amounted to 6.3 percent (5.6).

During the quarter, performance was particularly good in the Building Systems segment, primarily driven by volume growth, but the Product & Solutions segment also increased its operating profit.

Operating profit (EBIT), excluding one-off items for Products & Solutions, improved to SEK 113 m (106), while the operating profit (EBIT) for Building Systems increased to SEK 28 m (4).

The quarter includes one-off items of SEK –24 m (–21), of which the largest item is related to cost-reduction initiatives in the Building Systems segment, see Note 7.

The after-tax result improved to SEK 63 m (42), and earnings per share amounted to SEK 0.82 (0.55).

Operating profit (EBIT), excluding one-off items, for the period January-December, amounted to SEK 463 m (497), and the

operating margin for the same period amounted to 6.1 percent (7.1).

The after-tax result improved to SEK 305 m (283), and earnings per share increased to SEK 3.99 (3.71).

### Seasonal variations

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

There is normally a deliberate stock build-up of mainly finished goods during the first six months, which gradually becomes a stock reduction during the second half of the year as a result of increased activity within the construction market.

### Depreciation/amortisation and write-downs

The depreciation for the quarter is in line with the previous year and amounted to SEK 43 m (40), of which SEK 1 m (–) was amortisation of consolidated surplus value in intangible assets. The depreciation for the period January-December amounted to SEK 168 m (158), of which SEK 3 m (–) was amortisation of consolidated surplus value in intangible assets.

### Tax

Tax expenses for the quarter amounted to SEK 28 m (21). The pre-tax result amounted to SEK 91 m (63). The effective tax rate was 31 percent (33). The average tax rate was 22 percent (20).

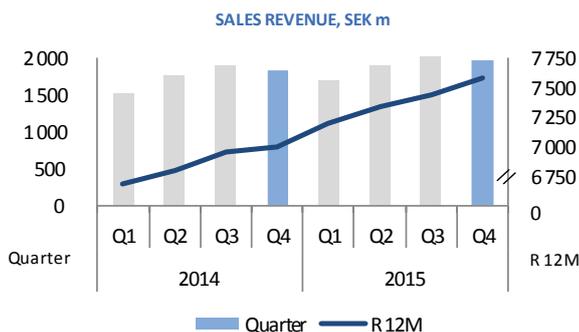
Tax expenses for the period January-December amounted to SEK 126 m (103). The pre-tax result amounted to SEK 431 m (386). The effective tax rate was 29 percent (27). The average tax rate was 20 percent (20). The outcome of the effective tax rate is mainly due to not being able to fully recognise tax loss carry-forwards.

### Cash flow

Cash flow from operating activities for the fourth quarter is in line with the previous year and amounted to SEK 266 m (263).

Cash flow from operating activities before the change in working capital amounted to SEK 121 m (92). The positive development is partially explained by the improved operating profit and is affected by reversed items not affecting cash flow which amounted to SEK 3 m (–15). The difference between the years is explained by the reversal of exchange rate differences not realised. Tax paid has negatively impacted the year-on-year comparison by SEK –18 m (–4).

The change in working capital amounted to SEK 145 m (171). The change in stock was in line with the previous year and amounted to SEK 79 m (97). The change in operating receivables



improved and amounted to SEK 297 m (242) which mainly relates to accounts receivable. The change in operating liabilities amounted to SEK –231 m (–168) and had a negative impact on cash flow which is due to a timing effect.

Cash flow from operating activities for the period January-December improved and amounted to SEK 460 m (278). This was mainly due to the change in working capital for the full year improved compared to the previous year and amounted to SEK 5 m (–161), where a change in operating receivables but primarily the stock contributed positively to the development. The change in stock improved to SEK 88 m (–111), which is attributable to continued active efforts to increase the stock turnover rate.

Cash flow from investing activities is explained under the headings “Investments” and “Business combinations”.

Financing activities for the quarter resulted in a cash flow of SEK –241 m (–216).

Financing activities for the period January-December resulted in a cash flow of SEK –177 m (–24). The negative change is explained by dividends paid and repayment of borrowings.

## Investments

Investments in intangible and tangible fixed assets amounted to SEK 45 m (45) for the quarter. Disposals amounted to SEK 9 m (8). Net cash flow from investing activities amounted to SEK –36 m (–37), excluding acquisitions and divestments of subsidiaries.

For the period January-December, investments in fixed assets amounted to SEK 151 m (273), while disposals amounted to SEK 31 m (11). The change in investments is mainly due to the previous year's acquisition of a property in the Czech Republic, previously operationally leased, with a purchase price of SEK 139 m. Net cash flow from investing activities amounted to SEK –120 m (–262), excluding acquisitions and divestments of subsidiaries.

## Business combinations

On 7 August, the US subsidiary Lindab Inc. was divested whose business covers production and sale of ventilation ducts and components, mainly in the eastern regions of the USA. Lindab Inc., which is based in Portsmouth, Virginia, has operated as an independent unit on the US market and the company will continue to be a distributor of Lindab's products. In 2014, the company had a turnover of just under SEK 150 m and 98 employees.

On 1 July, the assets of the French company Froid Partn'Air were acquired whose business covers distribution of ventilation and indoor climate products in the region around Marseille in France. The company has annual turnover of around SEK 13 m and five employees. The acquisition strengthens Lindab's presence and distribution in this area which is the third most populous area in France.

On 1 July, the Slovenian ventilation company IMP Klima was

acquired. The business comprises products and solutions for ventilation and indoor climate with cutting-edge expertise within AHUs, cleanroom technology and floor convectors. IMP Klima has its registered office and main business in Godovic, Slovenia. The company has turnover of around SEK 230 m with an operating profit (EBIT) of approximately SEK 1 m for the past 12 months up to and including June 2015 and about 360 employees. The acquisition is a strategic step for Lindab towards developing its position as a complete supplier of ventilation and indoor climate solutions.

On 3 June, the French company Nather S.A. was acquired whose business mainly covers products and solutions for residential ventilation. The company has annual sales of approximately SEK 45 m and 17 employees. The company's sales are mainly in France, and the acquisition is expected to produce synergies primarily within sales and purchasing. The acquisition strengthens Lindab's market position in the form of complete residential ventilation solutions in the French and nearby markets.

The agreement on the acquisition of MP3, which was concluded in December 2014, was completed on 15 January 2015. MP3 is a leading manufacturer of indoor climate solutions, with specialist knowledge in fire protection. 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. MP3 is integrated into Lindab's business, which means synergy gains, mainly in sales, but also in terms of costs.

All the acquisitions are in line with Lindab's ambition to strengthen its position as a supplier of complete ventilation solutions and to increase its market coverage.

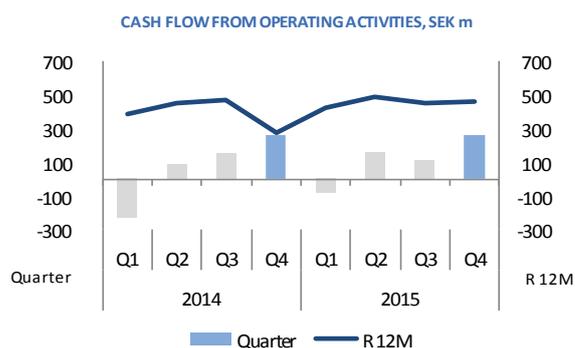
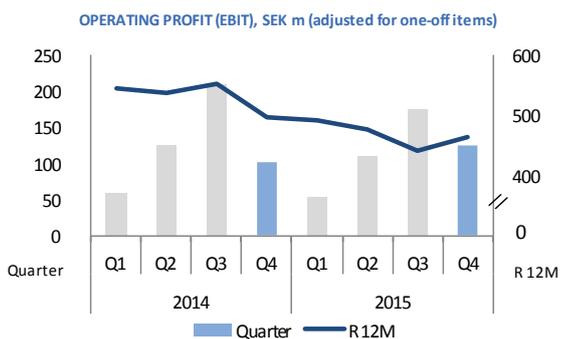
For more information, see Note 3.

## Financial position

Net debt amounted to SEK 1,657 m (1,746) on 31 December 2015. The strengthened Swedish krona has reduced net debt by approximately SEK 35 m. The equity/assets ratio amounted to 49 percent (48) and the net debt/equity ratio amounted to 0.5 (0.5). Financial items for the period improved to SEK –9 m (–18).

The current credit limit of SEK 1,600 m with Nordea/SEB was extended at the beginning of 2016 and now runs until the first quarter of 2019. The credit limit of SEK 500 m with Svensk Exportkredit remains unchanged and runs until the first quarter of 2019. The agreements contain covenants, which are monitored quarterly. Lindab fulfils the terms of these credit agreements.

For the period January-December, financial items amounted to SEK –38 m (–81). The positive development can mainly be explained by a lower interest level and the fact that the corresponding period of the previous year was affected by previously accrued charges attributable to the previous credit agreement.



## Pledged assets and contingent liabilities

Pledged assets fell to SEK 21 m compared with SEK 42 m in the previous year. The change is due to the fact that Lindab is no longer pledging assets in the form of floating charges. Otherwise, there have been no significant changes in pledged assets and contingent liabilities in 2015.

## Parent company

Sales revenue for the quarter amounted to SEK 3 m (1). The after-tax result amounted to SEK 8 m (31).

Sales revenue for the period January-December amounted to SEK 3 m (3). The after-tax result for the period amounted to SEK 1 m (1).

## Significant risks and uncertainties

There have been no significant changes to what was stated by Lindab in its Annual Report for 2014 under Risks and Risk Management (pages 57-60).

## Employees

The number of employees at the end of the quarter, converted to equivalent full-time employees, was 5,066 (4,536). Adjusted for acquisitions and divestments, the net increase in the number of employees was 183 compared with the corresponding quarter of last year, which is mainly explained by higher production volumes.

## The Lindab Share

The highest price paid for Lindab shares during the period January-December was SEK 78.35 on 17 April, and the lowest was SEK 55.95 on 24 August. The closing price on 31 December was SEK 62.90. The average daily trading volume of the Lindab share was 181,802 shares per day (261,264).

Lindab holds 2,375,838 (2,375,838) treasury shares, equivalent to 3.0 percent (3.0) of the total number of Lindab shares. The number of outstanding shares totals 76,331,982 (76,331,982), while the total number of shares is 78,707,820 (78,707,820).

The largest shareholders at the end of the quarter in relation to the number of outstanding shares were Creades AB with 10.3 percent (10.3), Lannebo Fonder with 8.1 percent (9.0), Fjärde AP-fonden with 8.0 percent (3.3), AFA Försäkring with 6.7 percent (4.3) and Handelsbanken Fonder with 6.1 percent (6.5). The ten largest holdings constitute 57.4 percent (58.1) of the shares, excluding Lindab's own holding.

## Incentive programme

From the incentive programme LTIP 2012-2015 resolved by the Annual General Meeting, only matching shares consisting of one share for each share held at the end of May 2015 were allocated and the allocation is predicated on continued employment at that point in time. In total, 46,057 shares were allocated.

No performance shares were allocated, as the set targets were not met.

## Annual General Meeting

The Board has decided that the Annual General Meeting will be held on 3 May 2016. Notice to attend the meeting will be sent out in due order.

## Proposed dividend to shareholders

Lindab's Board of Directors proposes that the Annual General Meeting on 3 May 2016 should approve dividends of SEK 1.25 per share, which is in line with the company's dividend policy and provides dividends totalling SEK 95 m. It is proposed that the record date for the right to a dividend payout should be 6 May 2016, with the dividends expected to be paid to shareholders on 11 May.

## Events after the reporting period

The current credit limits with SEB and Nordea, as described under "Financial position", were extended for a further year at the beginning of January 2016. These credit limits now extend to the first quarter of 2019.

## Accounting principles

See Note 1.

Unless otherwise specified in this Interim Report, all statements refer to the Group. Figures in parentheses indicate the outcome for the corresponding period of the previous year. A compilation of key performance indicators can be found on pages 13-14.

One-off items are specified in Note 7.

# Segments

## Products & Solutions

- Sales revenue during the fourth quarter improved to SEK 1,698 m (1,587), an increase of 7 percent. Adjusted for currency and structure, sales increased by 1 percent.
- The operating margin (EBIT) for the fourth quarter, excluding one-off items, amounted to 6.7 percent (6.7).

## Sales and markets

Sales revenue for Products & Solutions increased by 7 percent during the fourth quarter compared with the corresponding period of the previous year, and improved to SEK 1,698 m (1,587). Adjusted for currency and structure, sales revenue increased by 1 percent. Acquisitions and divestments have affected sales positively by 5 percent. For the ninth consecutive quarter, the segment reported positive organic sales growth compared with the corresponding quarter of the previous year.

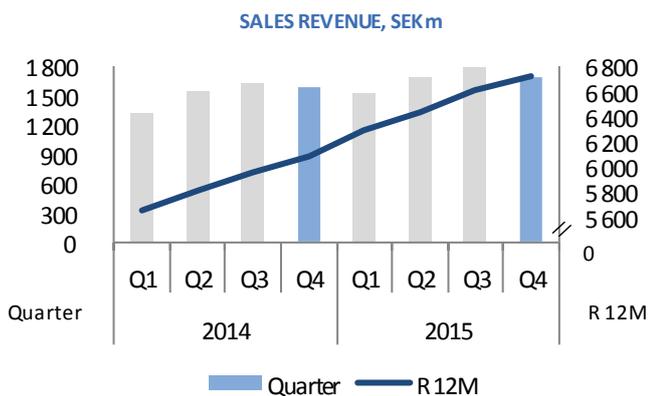
The organic sales growth is mainly related to the Nordic region which continues to develop well, but Western Europe is also contributing positively to growth. The development in sales in CEE/CIS remains challenging.

In the Nordic region, which is the segment's largest region, both Denmark and Finland showed particularly good growth, and Sweden also continued to develop well. Sales in Norway were slightly lower, primarily due to very strong sales during the comparable period. In Western Europe, the development in sales varies between the individual markets. The two largest markets in the region, the UK and Germany, reported good sales growth, and Ireland once again posted record sales for the current

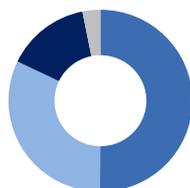
quarter. However, sales fell in France and Switzerland, the region's third and fifth largest markets. In CEE/CIS, the ventilation business continues to show strong organic growth, but with continued challenging market conditions in Building Products and Building Solutions.

For the segment as a whole, the good development in sales continued in the ventilation business, where all product areas showed positive organic growth. However, sales in the more project-based product area Building Solutions fell during the quarter.

Sales revenue for the period January-December increased by 11 percent to SEK 6,727 m (6,084), an increase of 3 percent when adjusted for currency and structure.



BREAKDOWN OF SALES REVENUE BY MARKET, LAST 12 MONTHS



■ Nordic region ■ Western Europe ■ CEE/CIS ■ Other market

**Profit**

The operating profit (EBIT) for Products & Solutions, excluding one-off items, improved to SEK 113 m (106) for the fourth quarter. This was the ninth consecutive quarter of increased operating profit compared with the previous year and the best fourth quarter since 2008. The operating margin (EBIT), excluding one-off items, amounted to 6.7 percent (6.7).

The improved operating profit is mainly due to higher volume. The integration of acquisitions made continues according to plan, and these acquisitions contributed positively to the operating profit for the quarter, but negatively to the margin development. However, adjusted for acquisitions and divestments, Products & Solutions' operating margin increased compared to the corresponding period of the previous year.

The quarter was affected by one-off items of SEK -8 m (-13) which is attributable to structure-related items, see Note 7.

Operating profit (EBIT) for the period January-December, excluding one-off items, improved to SEK 504 m (471).

**Activities – Products & Solutions**

In December 2015, an order of SEK 22 m was received for an energy-efficient building in Sweden. The building uses Lindab's energy-efficient panels and ventilation, ensuring efficient energy consumption for a sustainable future. Deliveries will begin during the first quarter of 2016.

During the quarter, Lindab launched a new range of fans for the entire Group. Fans are an important component in ventilation and indoor climate solutions. The acquisition of IMP-Klima and Nather has strengthened Lindab's offering, making it more competitive and complete.

The review of the fraudulent activities in the Hungarian business is ongoing.

**Building Systems**

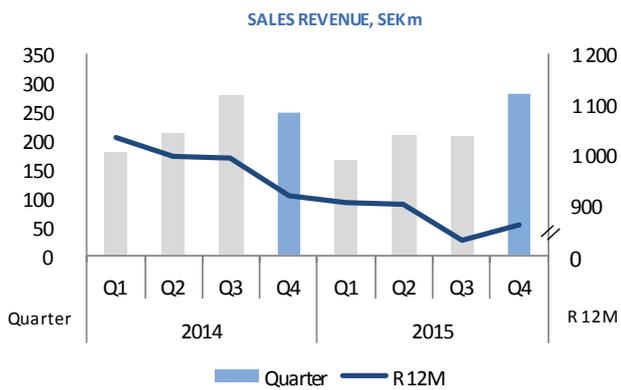
- Sales revenue during the fourth quarter amounted to SEK 282 m (249), an increase of 13 percent. Adjusted for currency and structure, sales increased by 17 percent.
- The operating margin (EBIT) for the fourth quarter, excluding one-off items, amounted to 9.9 percent (1.6).

**Sales and markets**

Sales revenue for Building Systems increased by 13 percent to SEK 282 m (249) during the fourth quarter. Adjusted for currency and structure, sales increased by 17 percent.

The sales increase is mainly due to large project deliveries to Africa which is the result of a strategic focus on market diversification. Sales to Western Europe also increased during the quarter. The development in sales in Eastern Europe remained weak with lower sales to Russia and Poland, the segment's second and third largest markets. Order volumes at the end of the quarter were comparable with the corresponding period of the previous year.

Sales revenue for the period January-December decreased by 6 percent to SEK 862 m (919), adjusted for currency and structure sales were unchanged.



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



**Profit**

The operating profit (EBIT) for Building Systems, excluding one-off items, amounted to SEK 28 m (4) for the quarter. The operating margin (EBIT), excluding one-off items, amounted to 9.9 percent (1.6) for the quarter.

The strong improvement in operating profit and operating margin is mainly due to good leverage from higher sales volume. The gross margin was lower than the previous year, but this was offset by lower costs. The result for the quarter has been negatively impacted by a continued weak rouble; however, the negative impact was lower than in the corresponding quarter of the previous year.

The quarter was affected by one-off items of SEK –9 m (–8) which are attributable to cost-reduction initiatives decided on in the quarter, see Note 7.

Operating profit (EBIT) for the period January-December, excluding one-off items, amounted to SEK 16 m (52).

**Activities – Building Systems**

The market diversification in Building Systems also continued during the fourth quarter with a positive development in both Western Europe and Africa. These efforts are important in order to compensate for the reduced demand in the Russian and Belarusian markets.

During the quarter, Building Systems concluded agreements on four large orders each with an estimated value of more than SEK 10 m in Russia, Italy, Uzbekistan and Poland. In Italy, Building Systems is to deliver a new data centre with a value of SEK 48 m and in Russia a new sports arena with an approximate value of SEK 43 m, which is to be delivered during the second half of 2016.

## SALES REVENUE AND GROWTH

	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Sales revenue, SEK m	1,980	1,836	7,589	7,003
Change, SEK m	144	50	586	480
Change, %	8	3	8	7
Of which				
Volumes and prices, %	3	1	2	5
Acquisitions/divestments, %	5	0	4	0
Currency effects, %	0	2	2	2

## SALES REVENUE PER MARKET

SEK m	Oct-Dec 2015	%	Oct-Dec 2014	%	Jan-Dec 2015	%	Jan-Dec 2014	%
Nordic region	866	44	857	47	3,372	44	3,208	46
Western Europe	632	32	517	28	2,481	33	2,106	30
CEE/CIS	354	18	403	22	1,408	19	1,479	21
Other markets	128	6	59	3	328	4	210	3
<b>Total</b>	<b>1,980</b>	<b>100</b>	<b>1,836</b>	<b>100</b>	<b>7,589</b>	<b>100</b>	<b>7,003</b>	<b>100</b>

## SALES REVENUE PER SEGMENT

SEK m	Oct-Dec 2015	%	Oct-Dec 2014	%	Jan-Dec 2015	%	Jan-Dec 2014	%
Products & Solutions	1,698	86	1,587	86	6,727	89	6,084	87
Building Systems	282	14	249	14	862	11	919	13
Other operations	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,980</b>	<b>100</b>	<b>1,836</b>	<b>100</b>	<b>7,589</b>	<b>100</b>	<b>7,003</b>	<b>100</b>
<b>Gross internal sales all segments</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>1</b>	

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

SEK m	Oct-Dec 2015	%	Oct-Dec 2014	%	Jan-Dec 2015	%	Jan-Dec 2014	%
Products & Solutions	113	6.7	106	6.7	504	7.5	471	7.7
Building Systems	28	9.9	4	1.6	16	1.9	52	5.7
Other operations	-17	-	-8	-	-57	-	-26	-
<b>Total (EBIT), excluding one-off items</b>	<b>124</b>	<b>6.3</b>	<b>102</b>	<b>5.6</b>	<b>463</b>	<b>6.1</b>	<b>497</b>	<b>7.1</b>
One-off items*	-24	-	-21	-	6	-	-30	-
<b>Total (EBIT), including one-off items*</b>	<b>100</b>	<b>5.1</b>	<b>81</b>	<b>4.4</b>	<b>469</b>	<b>6.2</b>	<b>467</b>	<b>6.7</b>
Net financial income	-9	-	-18	-	-38	-	-81	-
<b>Result before tax (EBT)</b>	<b>91</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>431</b>	<b>-</b>	<b>386</b>	<b>-</b>

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

## NUMBER OF EMPLOYEES AT CLOSE OF PERIOD

	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Products & Solutions	4,308	3,779	4,308	3,779
Building Systems	704	709	704	709
Other operations	54	48	54	48
<b>Total</b>	<b>5,066</b>	<b>4,536</b>	<b>5,066</b>	<b>4,536</b>

# Statement of comprehensive income

(Income statement)

<i>Amounts in SEK m</i>	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Sales revenue	1,980	1,836	7,589	7,003
Cost of goods sold	-1,435	-1,337	-5,518	-5,030
<b>Gross profit</b>	<b>545</b>	<b>499</b>	<b>2,071</b>	<b>1,973</b>
Other operating income	9	18	114	63
Selling expenses	-271	-246	-1,030	-952
Administrative expenses	-131	-120	-521	-457
R & D expenses	-17	-15	-58	-51
Other operating expenses	-35	-55	-107	-109
<b>Total operating expenses</b>	<b>-445</b>	<b>-418</b>	<b>-1,602</b>	<b>-1,506</b>
<b>Operating profit (EBIT)*</b>	<b>100</b>	<b>81</b>	<b>469</b>	<b>467</b>
Interest income	4	2	17	7
Interest expenses	-11	-13	-49	-79
Other financial income and expenses	-2	-7	-6	-9
<b>Net financial items</b>	<b>-9</b>	<b>-18</b>	<b>-38</b>	<b>-81</b>
<b>Result before tax (EBT)</b>	<b>91</b>	<b>63</b>	<b>431</b>	<b>386</b>
Tax on profit for the period	-28	-21	-126	-103
<b>Profit for the period</b>	<b>63</b>	<b>42</b>	<b>305</b>	<b>283</b>
–attributable to the parent company's shareholders	<b>63</b>	<b>42</b>	<b>305</b>	<b>283</b>
–attributable to non-controlling interest	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to the income statement</b>				
Actuarial gains/losses, defined benefit plans	23	-22	23	-29
Deferred tax attributable to defined benefit plans	-6	5	-6	6
	<b>17</b>	<b>-17</b>	<b>17</b>	<b>-23</b>
<b>Items that can later be reclassified to the income statement</b>				
Translation differences, foreign operations	-135	41	-119	163
Hedging of net investments	34	-43	32	-73
Tax attributable to hedging of net investments	-7	10	-7	16
	<b>-108</b>	<b>8</b>	<b>-94</b>	<b>106</b>
<b>Other comprehensive income, net of tax</b>	<b>-91</b>	<b>-9</b>	<b>-77</b>	<b>83</b>
<b>Total comprehensive income</b>	<b>-28</b>	<b>33</b>	<b>228</b>	<b>366</b>
–attributable to the parent company's shareholders	<b>-28</b>	<b>33</b>	<b>228</b>	<b>366</b>
–attributable to non-controlling interest	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Earnings per share, SEK**</b>				
Undiluted	0.82	0.55	3.99	3.71
Diluted	0.82	0.55	3.99	3.71

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

\*\*) Based on the number of outstanding shares, i.e excluding treasury shares.

# Statement of cash flows

(Indirect method)

<i>Amounts in SEK m</i>	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
<b>Operating activities</b>				
Operating profit	100	81	469	467
Reversal of depreciation/amortisation	43	40	168	158
Reversal of capital gains (-) / losses (+) reported in operating profit	8	3	-5	3
Provisions, not affecting cash flow	-1	3	-18	-42
Adjustment for other items not affecting cash flow	-4	-21	-32	-20
<b>Total</b>	<b>146</b>	<b>106</b>	<b>582</b>	<b>566</b>
Interest received	3	2	16	7
Interest paid	-10	-12	-47	-62
Tax paid	-18	-4	-96	-72
<b>Cash flow from operating activities before change in working capital</b>	<b>121</b>	<b>92</b>	<b>455</b>	<b>439</b>
<b>Change in working capital</b>				
Stock (increase - /decrease +)	79	97	88	-111
Operating receivables (increase - /decrease +)	297	242	-51	-76
Operating liabilities (increase + /decrease -)	-231	-168	-32	26
<b>Total change in working capital</b>	<b>145</b>	<b>171</b>	<b>5</b>	<b>-161</b>
<b>Cash flow from operating activities</b>	<b>266</b>	<b>263</b>	<b>460</b>	<b>278</b>
<b>Investing activities</b>				
Acquisition of Group companies	5	-10	-256	-30
Divestment of Group companies	-	-	88	-
Investments in intangible fixed assets	-5	-6	-21	-25
Investments in tangible fixed assets	-40	-39	-130	-248
Change in financial fixed assets	0	0	0	0
Sale of intangible fixed assets	0	0	0	0
Sale of tangible fixed assets	9	8	31	11
<b>Cash flow from investing activities</b>	<b>-31</b>	<b>-47</b>	<b>-288</b>	<b>-292</b>
<b>Financing activities</b>				
Proceeds from borrowings	-	-	-	1,885
Repayment of borrowings	-241	-216	-91	-1,907
Sale of treasury shares	-	-	-2	-2
Dividends to shareholders	-	-	-84	-
<b>Cash flow from financing activities</b>	<b>-241</b>	<b>-216</b>	<b>-177</b>	<b>-24</b>
<b>Cash flow for the period</b>	<b>-6</b>	<b>0</b>	<b>-5</b>	<b>-38</b>
Cash and cash equivalents at start of the period	301	301	300	331
Effect of exchange rate changes on cash and cash equivalents	-10	-1	-10	7
<b>Cash and cash equivalents at end of the period</b>	<b>285</b>	<b>300</b>	<b>285</b>	<b>300</b>

# Statement of financial position

(Condensed Balance sheet)

<i>Amounts SEK m</i>	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
<b>Assets</b>		
Fixed assets		
Goodwill	2,897	2,859
Other intangible fixed assets	123	64
Tangible fixed assets	1,301	1,240
Financial fixed assets, interest bearing	47	46
Other financial fixed assets	108	132
<b>Total fixed assets</b>	<b>4,476</b>	<b>4,341</b>
Current assets		
Stock	1,045	1,107
Accounts receivable	1,177	1,064
Other current assets	160	147
Other receivables, interest bearing	6	2
Cash and bank	285	300
<b>Total current assets</b>	<b>2,673</b>	<b>2,620</b>
<b>TOTAL ASSETS</b>	<b>7,149</b>	<b>6,961</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>	<b>3,511</b>	<b>3,344</b>
Long-term liabilities		
Provisions, interest-bearing	189	201
Liabilities, interest-bearing	1,713	1,765
Provisions	136	111
Other long-term liabilities	5	5
<b>Total long-term liabilities</b>	<b>2,043</b>	<b>2,082</b>
Current liabilities		
Other Liabilities, interest-bearing	93	128
Provisions	30	52
Accounts payable	790	650
Other short-term liabilities	682	705
<b>Total current liabilities</b>	<b>1,595</b>	<b>1,535</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>7,149</b>	<b>6,961</b>

# Statement of changes in equity

## Equity relating to the parent company's shareholders

<i>Amounts in SEK m</i>	Share Capital	Other contribut ed capital	Foreign currency transl. adj.	Profit brought forward	Total	Non- controlling interest	Total Equity
<b>Opening balance, 1 January 2014</b>	<b>79</b>	<b>2,228</b>	<b>-55</b>	<b>715</b>	<b>2,967</b>	-	<b>2,967</b>
Profit for the period				283	283	-	283
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				-23	-23	-	-23
Translation differences, foreign operations			163		163	-	163
Hedging of net investments			-57		-57	-	-57
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>106</b>	<b>260</b>	<b>366</b>	-	<b>366</b>
Incentive programme <sup>1)</sup>		0			0	-	0
Maturity of futures contracts to acquire treasury shares, incentive programme		11			11	-	11
Effect unused shares, incentive programme		2			2	-	2
Shares to be allocated, incentive programme		-2			-2	-	-2
<b>Closing balance, 31 December 2014</b>	<b>79</b>	<b>2,239</b>	<b>51</b>	<b>975</b>	<b>3,344</b>	-	<b>3,344</b>
<b>Opening balance, 1 January 2015</b>	<b>79</b>	<b>2,239</b>	<b>51</b>	<b>975</b>	<b>3,344</b>	-	<b>3,344</b>
Profit for the period				305	305	-	305
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				17	17	-	17
Translation differences, foreign operations			-119		-119	-	-119
Hedging of net investments			25		25	-	25
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-94</b>	<b>322</b>	<b>228</b>	-	<b>228</b>
Incentive programme <sup>1)</sup>		0			0	-	0
Maturity of futures contracts to acquire treasury shares, incentive programme		17			17	-	17
Effect unused shares, incentive programme		6			6	-	6
Shares to be allocated, incentive programme		-2			-2	-	-2
Dividends to shareholders				-84	-84	-	-84
Acquisition of non-controlling interest						2	2
<b>Closing balance, 30 June 2015</b>	<b>79</b>	<b>2,260</b>	<b>-43</b>	<b>1,213</b>	<b>3,509</b>	<b>2</b>	<b>3,511</b>

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

## Share capital

The share capital of SEK 78,707,820 is divided among 78,707,820 shares with a face value of SEK 1.00. Lindab International AB (publ) holds 2,375,838 (2,375,838) treasury shares, corresponding to 3.0 percent (3.0) of the total number of Lindab shares.

## Parent company

### Income statement

<i>Amounts SEK m</i>	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Sales revenue	3	1	3	3
Administrative expenses	-4	-1	-4	-4
Other operating income/costs	0	0	0	0
<b>Operating profit</b>	<b>-1</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
Profit from subsidiaries	34	49	34	49
Interest expenses, internal	-24	-9	-32	-48
<b>Result before tax</b>	<b>9</b>	<b>40</b>	<b>1</b>	<b>0</b>
Tax on profit for the period	-1	-9	0	1
<b>Profit for the period**</b>	<b>8</b>	<b>31</b>	<b>1</b>	<b>1</b>

\*) Comprehensive income corresponds to profit for all periods.

### Condensed balance sheet

<i>Amounts SEK m</i>	31 Dec 2015	31 Dec 2014
<b>Assets</b>		
Fixed assets		
Shares in Group companies	3,467	3,467
Financial fixed assets, interest bearing	7	7
Other long-term receivables	2	2
<b>Total fixed assets</b>	<b>3,476</b>	<b>3,476</b>
Current assets		
Other receivables	34	52
Cash and bank	0	0
<b>Total current assets</b>	<b>34</b>	<b>52</b>
<b>TOTAL ASSETS</b>	<b>3,510</b>	<b>3,528</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>	<b>1,301</b>	<b>1,384</b>
Provisions		
Provisions, interest-bearing	7	8
Long-term liabilities		
Liabilities to Group companies, interest-bearing	2,166	2,134
<b>Total provisions and long-term liabilities</b>	<b>2,173</b>	<b>2,142</b>
Current liabilities		
Other liabilities	36	2
<b>Total current liabilities</b>	<b>36</b>	<b>2</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,510</b>	<b>3,528</b>

## Key performance indicators

	Quarterly periods											
	2015 Oct- Dec	2015 Jul- Sep	2015 Apr- Jun	2015 Jan- Mar	2014 Oct- Dec	2014 Jul- Sep	2014 Apr- Jun	2014 Jan- Mar	2013 Oct- Dec	2013 Jul- Sep	2013 Apr- Jun	2013 Jan- Mar
<i>SEK m unless otherwise specified</i>												
Sales revenue	1,980	2,008	1,907	1,694	1,836	1,904	1,757	1,506	1,786	1,753	1,643	1,341
EBITDA <sup>1)</sup>	143	248	151	95	121	244	164	97	194	206	164	45
EBITA <sup>2)</sup>	101	206	110	55	81	205	124	57	154	165	126	7
Depreciation/amortisation and write-downs	43	43	42	41	40	39	40	39	40	41	38	38
Operating profit, (EBIT) <sup>3)</sup>	100	205	110	54	81	205	124	57	154	165	126	7
Operating profit, (EBIT), excluding one-off items	124	175	110	54	102	210	125	60	158	195	132	13
After tax result	63	146	68	27	42	145	82	14	99	101	61	-28
Total comprehensive income	-28	140	17	98	33	142	204	-12	191	73	204	-185
EBITA-margin, % <sup>4)</sup>	5.1	10.3	5.8	3.2	4.4	10.8	7.1	3.8	8.6	9.4	7.7	0.5
Operating margin, (EBIT), % <sup>5)</sup>	5.1	10.2	5.8	3.2	4.4	10.8	7.1	3.8	8.6	9.4	7.7	0.5
Operating margin (EBIT), excluding one-off items, %	6.3	8.7	5.8	3.2	5.6	11.0	7.1	4.0	8.8	11.1	8.0	1.0
Undiluted average number of shares, (000's)	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Diluted average number of shares, (000's) <sup>6)</sup>	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Undiluted number of shares, (000's)	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Diluted number of shares, (000's) <sup>6)</sup>	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Undiluted earnings per share, SEK <sup>7)</sup>	0.82	1.91	0.89	0.35	0.55	1.90	1.07	0.18	1.30	1.32	0.80	-0.37
Diluted earnings per share, SEK <sup>8)</sup>	0.82	1.91	0.89	0.35	0.55	1.90	1.07	0.18	1.30	1.32	0.80	-0.37
Cash flow from operating activities	266	117	160	-83	263	153	88	-226	455	136	26	3
Cash flow from operating activities per share, SEK <sup>9)</sup>	3.48	1.53	2.10	-1.09	3.45	2.00	1.15	-2.96	5.96	1.78	0.34	0.04
Total assets	7,149	7,741	7,490	7,472	6,961	7,301	7,208	6,770	6,517	6,726	6,815	6,589
Net debt <sup>10)</sup>	1,657	1,922	1,957	1,999	1,746	1,883	1,998	2,038	1,612	2,020	2,139	2,140
Net debt/equity ratio, times <sup>11)</sup>	0.5	0.5	0.6	0.6	0.5	0.6	0.6	0.7	0.5	0.7	0.8	0.9
Equity	3,511	3,539	3,397	3,442	3,344	3,311	3,169	2,955	2,967	2,776	2,703	2,498
Undiluted equity per share, SEK <sup>12)</sup>	46.00	46.36	44.50	45.09	43.81	43.38	41.52	38.71	38.87	36.37	35.41	32.73
Diluted equity per share, SEK <sup>13)</sup>	46.00	46.36	44.50	45.09	43.81	43.38	41.52	38.71	38.87	36.37	35.41	32.73
Equity/asset ratio, % <sup>14)</sup>	49.1	45.7	45.4	46.1	48.0	45.3	44.0	43.6	45.5	41.3	39.7	37.9
Return on equity, % <sup>15)</sup>	8.8	8.3	8.5	9.1	9.0	11.2	10.2	9.9	8.5	5.1	5.5	5.4
Return on capital employed, % <sup>16)</sup>	8.6	8.2	8.2	8.6	8.9	10.4	9.8	10.0	9.1	6.7	7.0	7.0
Return on operating capital, % <sup>17)</sup>	8.9	8.5	8.6	9.0	9.3	10.9	10.3	10.5	9.6	7.1	7.4	7.3
Return on operating capital, excluding one-off items, %	8.7	8.3	9.1	9.5	9.9	11.2	11.0	11.4	10.5	9.3	9.2	9.3
Return on total assets, % <sup>18)</sup>	6.6	6.3	6.3	6.6	6.8	8.0	7.5	7.6	6.9	5.1	5.2	5.2
Interest coverage ratio, times <sup>19)</sup>	7.1	15.0	11.3	3.3	4.2	14.8	8.3	1.5	4.9	5.5	3.7	0.3
Net debt to EBITDA, excluding one-off items <sup>20)</sup>	3.1	3.2	3.1	3.0	2.9	2.7	2.8	2.8	3.1	3.6	3.7	3.7
No. of employees at close of period <sup>21)</sup>	5,066	5,109	4,866	4,769	4,536	4,468	4,542	4,558	4,371	4,387	4,368	4,350

For Definitions, see page 20.

## Key performance indicators

	Quarterly periods, cont.			Full-year periods					
	2012	2011	2010	2015	2014	2013	2012	*2011	*2010
	Oct- Dec	*Oct- Dec	*Oct- Dec						
<i>SEK m unless otherwise specified</i>									
Sales revenue	1,667	1,855	1,697	7,589	7,003	6,523	6,656	6,878	6,527
EBITDA <sup>1)</sup>	84	110	112	637	625	609	490	511	565
EBITA <sup>2)</sup>	40	65	76	472	467	452	334	348	401
Depreciation/amortisation and write-downs	44	45	146	168	158	157	156	163	280
Operating profit, (EBIT) <sup>3)</sup>	40	65	-35	472	467	452	334	348	284
Operating profit, (EBIT), excluding one-off items	105	107	75	466	497	498	460	407	347
After tax result	2	-5	-86	305	283	233	122	91	27
Total comprehensive income	62	-128	-128	228	366	283	36	36	-298
EBITA-margin, % <sup>4)</sup>	2.4	3.5	4.5	6.2	6.7	6.9	5.0	5.1	6.1
Operating margin, (EBIT), % <sup>5)</sup>	2.4	3.5	-2.1	6.2	6.7	6.9	5.0	5.1	4.4
Operating margin (EBIT), excluding one-off items, %	6.3	5.8	4.4	6.1	7.1	7.6	6.9	5.9	5.3
Undiluted average number of shares, (000's)	76,332	75,332	75,332	76,332	76,332	76,332	75,998	75,332	75,203
Diluted average number of shares, (000's) <sup>6)</sup>	76,332	75,332	75,398	76,332	76,332	76,332	75,998	75,332	75,203
Undiluted number of shares, (000's)	76,332	75,332	75,332	76,332	76,332	76,332	76,332	75,332	75,332
Diluted number of shares, (000's) <sup>6)</sup>	76,332	75,332	75,398	76,332	76,332	76,332	76,332	75,332	75,332
Undiluted earnings per share, SEK <sup>7)</sup>	0.03	-0.07	-1.14	3.99	3.71	3.05	1.61	1.21	0.36
Diluted earnings per share, SEK <sup>8)</sup>	0.03	-0.07	-1.14	3.99	3.71	3.05	1.61	1.21	0.36
Cash flow from operating activities	192	252	324	460	278	620	222	345	391
Cash flow from operating activities per share, SEK <sup>9)</sup>	2.52	3.35	4.30	6.03	3.64	8.12	2.92	4.58	5.20
Total assets	6,623	6,479	6,570	7,149	6,961	6,517	6,623	6,479	6,570
Net debt <sup>10)</sup>	2,106	1,747	1,856	1,657	1,746	1,612	2,106	1,747	1,856
Net debt/equity ratio, times <sup>11)</sup>	0.8	0.6	0.7	0.5	0.5	0.5	0.8	0.6	0.7
Equity	2,683	2,699	2,755	3,511	3,344	2,967	2,683	2,699	2,755
Undiluted equity per share, SEK <sup>12)</sup>	35.15	35.83	36.57	46.00	43.81	38.87	35.15	35.83	36.57
Diluted equity per share, SEK <sup>13)</sup>	35.15	35.83	36.54	46.00	43.81	38.87	35.15	35.83	36.57
Equity/asset ratio, % <sup>14)</sup>	40.5	41.7	41.9	49.1	48.0	45.5	40.5	41.7	41.9
Return on equity, % <sup>15)</sup>	4.6	3.3	0.9	8.8	9.0	8.5	4.6	3.3	0.9
Return on capital employed, % <sup>16)</sup>	6.8	7.1	5.5	8.6	8.9	9.1	6.8	7.1	5.5
Return on operating capital, % <sup>17)</sup>	7.1	7.4	5.6	8.9	9.3	9.6	7.1	7.4	5.6
Return on operating capital, excluding one-off items, %	9.8	8.7	6.9	8.7	9.9	10.5	9.8	8.7	6.9
Return on total assets, % <sup>18)</sup>	5.0	5.2	4.1	6.6	6.8	6.9	5.0	5.2	4.1
Interest coverage ratio, times <sup>19)</sup>	1.2	1.5	-0.7	8.6	5.4	3.5	2.1	2.1	1.6
Net debt to EBITDA, excluding one-off items <sup>20)</sup>	3.5	4.0	3.3	3.1	2.9	3.1	3.5	3.6	4.3
No. of employees at close of period <sup>21)</sup>	4,363	4,347	4,381	5,066	4,536	4,371	4,363	4,347	4,381

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

For Definitions, see page 20.

## Notes

### NOTE 1 ACCOUNTING POLICIES

The consolidated accounts for the fourth quarter of 2015, as for the annual accounts for 2014, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act, and the Swedish Financial Reporting Board RFR 1, Supplementary Accounting Rules for Groups.

This quarterly report has been prepared in accordance with IAS 34. The Group has applied the same accounting policies as described in the Annual Report for 2014.

From 1 January 2015, Lindab will be applying the following new and amended accounting standards and interpretations:

- IFRIC 21 Levies

None of the new or amended standards, interpretations and improvements adopted by the EU have had any significant effect on the Group.

The parent company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for legal entities, and according to the same accounting principles that were applied to the Annual Report for 2014.

### NOTE 2 EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES

Significant estimates and assumptions are described in Note 4 in the Annual Report for 2014.

There have not been any changes made to anything that could have a material impact on the interim report.

### NOTE 3 BUSINESS COMBINATIONS

	Total Acquisitions	
	31 Dec 2015	31 Dec 2014
<b>Purchase price</b>	<b>300</b>	<b>33</b>
<b>Assets and liabilities included in acquisition</b>		
Intangible fixed assets	75	-
Tangible fixed assets	175	13
Financial fixed assets	10	1
Stock	57	19
Current assets	133	5
Cash and cash equivalents	44	3
Long-term liabilities	-76	-1
Short-term liabilities	-185	-9
<b>Fair value acquired net assets</b>	<b>233</b>	<b>31</b>
<b>Goodwill</b>	<b>101</b>	<b>2</b>
<b>Negative goodwill</b>	<b>-34</b>	<b>-</b>

	Total divestments	
	31 Dec 2015	31 Dec 2014
<b>Sales price</b>	<b>97</b>	<b>-</b>
<b>Assets and liabilities included in divestment</b>		
Intangible fixed assets	2	-
Tangible fixed assets	40	-
Financial fixed assets	13	-
Stock	9	-
Current assets	26	-
Cash and cash equivalents	9	-
Long-term liabilities	-2	-
Short-term liabilities	-12	-
<b>Fair value divested net assets</b>	<b>85</b>	<b>-</b>
<b>Capital gain</b>	<b>12</b>	<b>-</b>

On 7 August, the US subsidiary Lindab Inc. was divested whose business covers production and sale of ventilation ducts and components, mainly in the eastern regions of the USA. Lindab Inc., which is based in Portsmouth, Virginia, has operated as an independent unit on the US market and the company will continue to be a distributor of Lindab's products. In 2014, the company had a turnover of just under SEK 150 m and 98 employees. The divestment allows Lindab to further focus its resources on its core business and accelerate the strategic move towards profitable growth. The sales price amounted to SEK 97 m and included a capital gain of SEK 12 m. The capital gain after transaction costs amounted to SEK 2 m.

On 1 July, the assets of the French company Froid Partn'Air were acquired whose business covers distribution of ventilation and indoor climate products in the region around Marseille in France. The company has annual turnover of around SEK 13 m and five employees. The acquisition strengthens Lindab's presence and distribution in this area which is the third most populous area in France. The purchase price amounted to SEK 2 m, and the acquisition did not result in any consolidated goodwill. The direct costs related to the acquisition amounted to SEK 0 m.

On 1 July, the Slovenian ventilation company IMP Klima was acquired. The business comprises products and solutions for ventilation and indoor climate with cutting-edge expertise within AHUs, cleanroom technology and floor convectors. IMP Klima has its registered office and main business in Godovic, Slovenia. The company has turnover of around SEK 230 m with an operating profit (EBIT) of approximately SEK 1 m for the past 12 months up to and including June 2015 and about 360 employees. The acquisition is a strategic step for Lindab towards developing its position as a complete supplier of ventilation and indoor climate solutions. The purchase price amounted to EUR 1. The purchase agreement also included the repayment of loans of around SEK 146 m. Negative goodwill is recognised in other operating income and amounts to SEK 34 m. The direct costs related to the acquisition amount to SEK 3 m.

On 3 June, the French company Nather S.A. was acquired whose business mainly covers products and solutions for residential ventilation. The company has annual sales of approximately SEK 45 m and 17 employees. The company's sales are mainly in France, and the acquisition is expected to produce synergies

primarily within sales and purchasing. The acquisition strengthens Lindab's market position in the form of complete residential ventilation solutions in the French market and nearby markets. The purchase price amounted to SEK 11 m, and the acquisition resulted in consolidated goodwill of SEK 10 m. The direct costs related to the acquisition amounted to SEK 0 m.

The agreement on the acquisition of MP3, which was concluded in December 2014, was completed on 15 January 2015. MP3 is a leading manufacturer of indoor climate solutions, with specialist knowledge in fire protection. 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. MP3 is integrated into Lindab's business, which means synergy gains, mainly in sales, but also in terms of costs.

The purchase price amounted to SEK 141 m. The direct costs related to the acquisition amount to SEK 2 m. The total cash flow effect of the acquisition amounted to SEK 143 m. Fair value of acquired identifiable intangible fixed assets of SEK 51 m, including brands, distribution networks and licences. The acquisition includes consolidated goodwill of SEK 91 m.

All acquired/divested net assets recognised, except for those related to MP3, were based on a provisional assessment of their fair value.

During the period January-December last year, Klimasystem AS, a former agent for the Lindab indoor climate systems, was acquired in Norway. The company had four employees and annual turnover of approximately SEK 15 m. The acquisition contributed additional expertise to the product range for indoor climate solutions. The purchase price amounted to SEK 4 m and affected Lindab's cash flow negatively by the corresponding amount. The direct costs related to the acquisition amounted to SEK 0 m.

During the period January-December last year, in addition to Klimasystem AS, the business activities of NovoClima were acquired through an acquisition of assets, which were placed in a newly formed company, Lindab Götene AB. The purchase price amounted to SEK 16 m and affected Lindab's cash flow negatively by the corresponding amount. The direct costs related to the acquisition amounted to SEK 0 m.

## NOTE 4 OPERATING SEGMENTS

Lindab's business is based on a geographically distributed sales organisation supported by six product and system areas with central production and purchasing functions. The basis for the division into segments is the different products that each segment supplies. The Group's segments comprise Products & Solutions and Building Systems. The Other segment comprises parent company functions.

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

Revenues from other segments contribute only small amounts and a breakdown of this sum by segment is therefore deemed irrelevant.

Inter-segment transfer pricing is determined on an arms-length basis, i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported wherever the asset is located.

Assets and liabilities per segment that have changed by more than 10 percent compared with the end of 2014 are shown below:

- Products & Solutions: No significant changes.
- Building Systems: Other assets have increased by 77 percent, and other liabilities have decreased by 13 percent.

## NOTE 5 TRANSACTIONS WITH RELATED PARTIES

Lindab's related parties and the extent of transactions with its related parties are described in Note 29 of the Annual Report for 2014.

Other transactions described in the Annual Report for 2014 have continued to the same extent during 2015. These have not had any significant impact on the company's position and profit.

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

	31 Dec 2015		31 Dec 2014	
	Total carrying amount	Fair value	Total carrying amount	Fair value
<b>Financial assets</b>				
Other investments held as fixed assets	1	-	1	-
Other long-term receivables	4	-*	3	-*
Derivative receivables	4	4	1	1
Accounts receivable	1,177	-*	1,064	-*
Other receivables	17	-*	8	-*
Accrued income	7	-*	6	-*
Cash and cash equivalents	285	-*	300	-*
<b>Total financial assets</b>	<b>1,495</b>	<b>4</b>	<b>1,383</b>	<b>1</b>
	Total carrying amount	Fair value	Total carrying amount	Fair value
<b>Financial liabilities</b>				
Overdraft facilities	70	70	99	99
Liabilities to credit institutions	1,722	1,676	1,728	1,725
Derivative liabilities	12	12	19	19
Accounts payable	790	-*	650	-*
Other liabilities	18	-*	6	-*
Accrued expenses	185	-*	172	-*
<b>Total financial liabilities</b>	<b>2,797</b>	<b>1,758</b>	<b>2,674</b>	<b>1,843</b>

**Description of fair value***Other investments held as fixed assets*

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

*Other long-term receivables*

Other long-term receivables consist 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 derivative assets, derivative liabilities and interest-bearing liabilities that exist can all be found at Level 2 in the valuation hierarchy.

## NOTE 7 SPECIFICATION OF ONE-OFF ITEMS

Quarter	Products & Solutions	Building Systems	Other Operations	Total	Reporting period outcome	
					Operating profit (EBIT) incl. one-off items	Operating profit (EBIT) excl. one-off items
<b>Current year</b>						
1/2015	-	-	-	-	54	54
2/2015	-	-	-	-	110	110
3/2015	43	-	-13	30	205	175
4/2015	-8	-9	-7	-24	100	124
<b>Total</b>	<b>35</b>	<b>-9</b>	<b>-20</b>	<b>6</b>	<b>469</b>	<b>463</b>
Operating profit (EBIT) incl. one-off items, acc. 2015	539	7	-77	469		
<b>Operating profit (EBIT) excl. one-off items</b>	<b>504</b>	<b>16</b>	<b>-57</b>	<b>463</b>		
<b>The previous year, acc. reporting period</b>						
1/2014	-3	-	-	-3	57	60
2/2014	-	-1	-	-1	124	125
3/2014	-5	-2	2	-5	205	210
4/2014	-13	-8	-	-21	81	102
<b>Total</b>	<b>-21</b>	<b>-11</b>	<b>2</b>	<b>-30</b>	<b>467</b>	<b>497</b>
Operating profit (EBIT) incl. one-off items, acc. 2014	450	41	-24	467		
<b>Operating profit (EBIT) excl. one-off items</b>	<b>471</b>	<b>52</b>	<b>-26</b>	<b>497</b>		
<b>Operating profit (EBIT) has been adjusted by the following one-off items per quarter:</b>						
1/2015	The quarter has not been affected by one-off items.					
2/2015	The quarter has not been affected by one-off items.					
3/2015	SEK 30 m relating to structure-related income and costs, among other Negative goodwill SEK 34 m and governance projects.					
4/2015	SEK -24 m relating to structure-related income and costs, cost-reduction initiatives and governance projects.					
1/2014	SEK -3 m relating to restructuring costs resulting from the reorganisation.					
2/2014	SEK -1 m relating to restructuring costs resulting from the reorganisation.					
3/2014	SEK -5 m relating to restructuring costs resulting from the reorganisation.					
4/2014	SEK -21 m relating to restructuring costs resulting from the reorganisation.					

This Year-End Report for Lindab International AB (publ) has been submitted following approval by the Board of Directors.

Båstad, 10 February 2016

Anders Berg  
President and CEO

## Auditor's review report

### Introduction

We have conducted a review of the interim report for Lindab International AB (publ), CIN 556606-5446, for the period 1 January 2015 to 31 December 2015. The Board of directors and the CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial report based on our review.

### Scope of review

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Gothenburg, 10 February 2016

Deloitte AB

Hans Warén

Authorised Public Accountant

## Definitions

- 1) **EBITDA** comprises the results before planned depreciation and before consolidated amortisation of the surplus value in intangible assets.
- 2) **EBITA** comprises the results after planned depreciation, but before consolidated amortisation of the surplus value in intangible assets.
- 3) **Operating profit (EBIT)** comprises the results before financial items and tax.
- 4) **EBITA margin %** has been calculated as operating profit (EBITA) as a percentage of sales revenue during the period.
- 5) **Operating margin (EBIT)** has been calculated as operating profit (EBIT) expressed as a percentage of sales revenue during the period.
- 6) **Average number of shares, after dilution** Weighted average number of outstanding shares at the end of the period, as well as potential additional shares in accordance with IAS 33.
- 7) **Undiluted earnings per share, SEK** Profit for the period in relation to the undiluted average number of outstanding shares.
- 8) **Diluted earnings per share, SEK** Profit for the period in relation to the diluted average number of outstanding shares.
- 9) **Cash flow from operating activities per share, SEK** Cash flow from operating activities in relation to the undiluted average number of outstanding shares during the period.
- 10) **Net debt** The net debt consists of interest-bearing liabilities and assets, as well as cash and bank.
- 11) **Net debt/equity ratio** The net debt/equity ratio is expressed as the net debt in relation to shareholders' equity.
- 12) **Undiluted equity per share, SEK** Shareholders' equity in relation to the undiluted number of outstanding shares at the end of the period.
- 13) **Diluted equity per share, SEK** Shareholders' equity in relation to the diluted number of outstanding shares at the end of the period.
- 14) **Equity/asset ratio, %** The equity ratio has been calculated as shareholders' equity as a percentage of total assets according to the balance sheet.
- 15) **Return on shareholder's equity, %** Return on shareholder's equity comprises the after-tax result for the period, rolling twelve-month value, as a percentage of the average shareholder's equity\* excluding shares without controlling interests.
- 16) **Return on capital employed, %** Return on capital employed comprises the pre-tax result (EBT) plus financial expenses, rolling twelve-month value, as a percentage of average capital employed\*. Capital employed refers to total assets less non-interest-bearing provisions and liabilities.
- 17) **Return on operating capital, %** Return on operating capital comprises the operating profit (EBIT), rolling twelve-month value, as a percentage of average operating capital\*. Operating capital refers to the total of net debt and shareholders' equity.
- 18) **Return on total assets, %** The return on total assets comprises the pre-tax result (EBT) plus financial expenses, rolling twelve-month value, as a percentage of average total assets\*.
- 19) **Interest coverage ratio** The interest coverage ratio has been calculated as the profit after financial items plus financial expenses in relation to financial expenses.
- 20) **Net debt in relation to EBITDA** consists of average\*\* net debt in relation to EBITDA, excluding one-off items, rolling twelve-month value.
- 21) **Number of employees at the end of the period** The number of employees at the end of the period consists of the number of employees converted to full-time positions.

\*) Average capital is based on the quarterly value.

\*\*) Average net debt in the past twelve-month period.

## Financial reporting dates

Annual Report	April 2016
Interim Report January-March	3 May 2016
Annual General Meeting	3 May 2016
Interim Report April-June	19 July 2016

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

## Lindab in brief

The Group had sales of SEK 7,589 m in 2015 and is established in 32 countries with approximately 5,100 employees.

The main market is non-residential construction, which accounts for 80 percent of sales, while residential accounts for 20 percent of sales. During 2015, the Nordic market accounted for 44 percent, Western Europe for 33 percent, the CEE/CIS (Central and Eastern Europe plus other former Soviet states) for 19 percent and other markets for 4 percent of total sales.

The share is listed on the Nasdaq OMX Nordic Exchange, Stockholm List, Mid Cap, under the ticker symbol LIAB.

### Business concept

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

### Business model

Lindab's product and solution offering includes products and entire systems for ventilation, cooling and heating, as well as construction products and building solutions such as roof drainage in steel, roof and wall cladding, steel profiles for wall,



roof and beam constructions and large span buildings. Lindab also offers complete, prefabricated steel construction systems under the Astron brand. These are complete building solutions comprising the outer shell with the main structure, wall, roof and accessories.

The products are characterised by their high quality, ease of assembly, energy efficiency and environmental design and are delivered with high levels of service.

Lindab's value chain is characterised by a good balance between centralised and decentralised functions. The distribution has been developed in order to be close to the customer. Sales are made through around 140 Lindab branches and approximately 3,000 retailers, with the exception of Building Systems, which conducts sales through a network of nearly 300 building contractors.

The information is such that Lindab International AB (publ) is obligated to publish under the Swedish Securities Market Act and/or the Swedish law on Trading with Financial Instruments The information was submitted for publication on 11 February 2016 at 07.40 (CET).

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