

## **Lindab confirms its long-term growth strategy and presents a trading update for the first part of the fourth quarter**

**At their Capital Markets Day today, Lindab will confirm its long-term growth strategy supporting the new vision "The leader in industrialised ventilation and building solutions - Europewide". During the Capital Markets Day a trading update for the first part of Q4, 2008 will also be presented. The previously reported trend of slower residential sales has continued and non-residential sales have now also showed signs of somewhat weakened demand. Sales have decreased by 5 to 10 percent compared with the previous year for comparable units. Lindab's financial goals remain unchanged.**

"Our long-term strategic direction remains unchanged. Whilst the 2009 demand levels are very difficult to predict in today's environment, Lindab's strategic focus on the CEE/CIS markets will ensure stronger growth levels in the long-term. It is not the first time in our 50-year history that we've faced macro-economic challenges. Each time however, Lindab has come out stronger at the end of a downturn, primarily thanks to our strong customer base, our products and entrepreneurial spirit. In particular, Lindab's steel based products combined with the growing consideration for the environment and energy efficiency should ensure that Lindab will continue to gain market share over the coming years. We also see good opportunities for making acquisitions. We will focus our efforts on taking actions to optimize our short-term performance, whilst positioning Lindab to be ideally placed to benefit from the next period of strong economic growth," says David Brodetsky, CEO of Lindab.

The Lindab management team has just completed a review of its strategy for the next 3 to 5 years supporting the vision "The leader in industrialised ventilation and building solutions - Europewide" which is summarised below:

- Lindab will continue to focus on the businesses where Lindab is strongest; to advance and industrialise Ventilation and Building. This means providing efficiently produced solutions to improve the customers' processes and make them more efficient while enhancing customer value by providing solutions and not just components.
- Our geographical focus will be on Europe and neighbouring countries. Lindab will continue to strengthen its business in the Nordic region, Western Europe and the CEE/CIS but with special attention on the emerging CIS markets. In 2009, a dedicated Russia management team will be put in place to drive the growth in close collaboration with existing Business Areas.
- Lindab will continue to grow organically as well as through acquisitions. The Group has secured financial resources for this.
- Lindab will continue to focus on cost management in order to meet any continued slowdown in demand.

### **Cost and efficiency programme**

- **SEK 300 m Programme:** As communicated earlier, Lindab has decided to implement a fixed cost reduction programme to increase flexibility and strengthen Lindab's competitive edge. The programme will reduce fixed costs by more than SEK 300 m on an annual basis, comprising SEK 120 m within Ventilation, SEK 145 m within Profile and SEK 15 m from other areas. The one-time cost for the programme is estimated to amount to SEK 140 m; comprising SEK 60 m for Ventilation, SEK 70 m for Profile and SEK 10 m for other areas. Savings will start in the beginning of 2009 and the full effect will be substantially achieved during the second quarter of 2009.

- Additional measures: Earlier this year we announced a long term lease commitment for a 10,000 square metre plant in the Czech Republic. Due to the current economic climate Lindab has cancelled the rental agreement in consultation with the landlord. However, Lindab's focus remains on transferring production to low cost countries

#### **Trading update 1st part of Fourth Quarter 2008**

The previously reported trend of slower residential sales has continued and non-residential sales have now also showed signs of somewhat weakened demand. Sales are down by 5 to 10 percent compared with the previous year for comparable units. Building Systems orders have been affected by the uncertainty of the market outlook resulting in a reduction of the current order backlog by one month compared with the situation at the end of the third quarter.

#### **Update on capital expenditure**

For full year 2008 capital expenditure will amount to SEK 250 m instead of SEK 325 m as previously announced. The total Russian investment amounts to SEK 230 m, of which SEK 130 m will affect the cash flow during 2008. For 2009 capital expenditure will not exceed SEK 220 m (including SEK 70 m for Russia) to ensure the cash flow and to facilitate acquisitions. The previously announced investment in Ukraine has been temporarily placed on hold until the market stabilizes; however Lindab's long-term commitment to Ukraine remains.

#### **Currency Effects**

Applying a SEK/EUR exchange rate of 10.28, Lindab would have a positive effect on net sales of approximately SEK 500m and an improved profit (EBIT) of approximately SEK 45 m for a 12-month period.

#### **Capital Markets Day**

At a Capital Markets Day at the Lindab Arena in Ängelholm today, Lindab will present the new strategic focus in greater detail.

For further information, see [www.lindabgroup.com](http://www.lindabgroup.com)

#### **End**

The information here is that which Lindab International AB has willingly chosen to make public or that which it is obliged to make public according to the Swedish Securities Market Act and/or the Financial Instruments Trading Act.

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#### **About Lindab:**

Lindab is an international group that develops, manufactures and markets sheet metal products and system solutions for the construction sector.

The two business areas, [Profile](#) and [Ventilation](#) offer complete solutions for construction systems and indoor climate, as well as individual construction and ventilation components for all types of buildings.

Lindab is listed on the OMX Nordic Exchange, Stockholm, Large Cap under the ticker "LIAB".

The Lindab group has approximately 5,600 employees in 31 countries and generated sales of SEK 9,280 million in 2007. Its head office is located in Grevie near Bastad in southwestern Sweden. For more information visit [www.lindabgroup.com](http://www.lindabgroup.com)