



Lindab

Annual Report

2010





At Lindab, we aim to simplify construction for our customers.
We also think it is important to reduce our carbon footprint.



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www.lindabgroup.com

Comprehensive information about the Group can be found on the Lindab website. Contact information and addresses for all our companies throughout the world can also be found there.

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

This is Lindab

Lindab was founded in 1959 in Grevie outside Båstad, Sweden. The head office remains in the same location, and Lindab has today grown into an international ventilation and construction group with operations in 31 countries and approximately 4,400 employees.

The Group had sales of SEK 6,527 m in 2010 and operations are run within three business areas: Ventilation, Building Components and Building Systems.

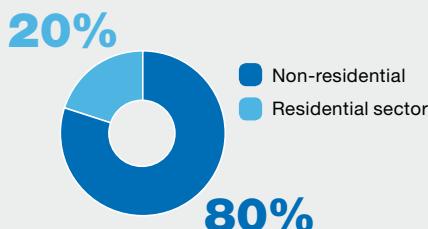
Lindab's business concept is to develop, manufacture, market and distribute products and system solutions in sheet metal and steel for simplified construction and improved indoor climate. Simplifying construction and energy efficiency are at the heart of Lindab's new product development, improved IT solutions, optimised distribution and enhanced services. The business concept can be summarised as: Lindab simplifies construction.

Since 2006, Lindab has been listed on the Nasdaq OMX Nordic Exchange in Stockholm. The principle shareholders are Ratos, Sjätte AP-fonden and Livförsäkringsaktiebolaget Skandia.

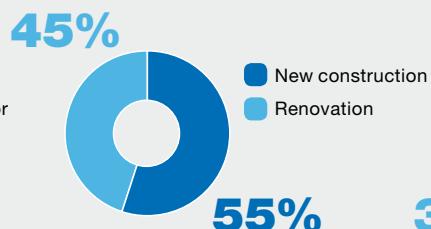
The Lindab brand is a leading and well-known brand throughout Europe and can be summarised by three strong core values: Customer success – Down-to-earth – Neatness and order.



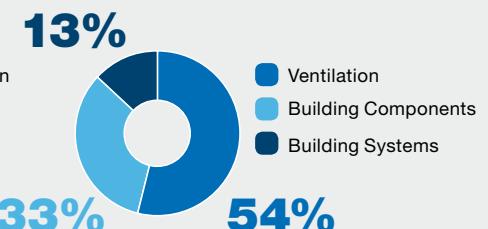
DISTRIBUTION SEGMENT



DISTRIBUTION OF RENOVATION AND NEW CONSTRUCTION



SHARE OF SALES REVENUE PER BUSINESS AREA



Markets and sales



4%
(5%)

Other markets

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

29%

Western Europe (32%)

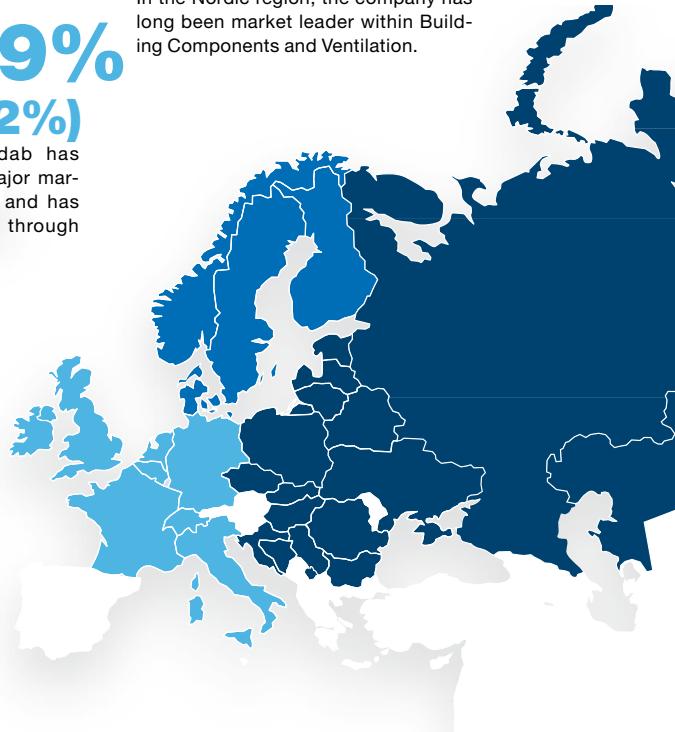
In Western Europe, Lindab has been established in the major markets since the mid 1970s and has strengthened its position through several acquisitions.

22%
CEE/CIS (21%)

Lindab became established in the CEE/CIS at the start of the 1990s and has experienced strong growth in these markets.

45%
Nordic region (42%)

In the Nordic region, the company has long been market leader within Building Components and Ventilation.



Ventilation business area

Sales revenue **3,535**
SEK m (3,878)

Building Components business area

Sales revenue **2,118**
SEK m (2,144)

Building Systems business area

Sales revenue **874**
SEK m (978)

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

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

The Building Systems business area offers complete pre-engineered steel building systems and proprietary IT software that simplifies the project planning and quotation process for designers and contractors.

KEY FIGURES

2010

Sales revenue, SEK m	3,535
Operating profit (EBIT), SEK m	189
Operating margin (EBIT), %	5.3
Gross investments in fixed assets	40
Number of employees	2,488

KEY FIGURES

2010

Sales revenue, SEK m	2,118
Operating profit (EBIT), SEK m	185
Operating margin (EBIT), %	8.7
Gross investments in fixed assets	31
Number of employees	998

KEY FIGURES

2010

Sales revenue, SEK m	874
Operating profit (EBIT), SEK m	18
Operating margin (EBIT), %	2.1
Gross investments in fixed assets	38
Number of employees	788

The year in brief

Sales revenue **6,527**
SEK m (7,019)

Sales revenue for 2010 amounted to SEK 6,527 m, which is a decrease of 7 percent compared with 2009. Organic growth amounted to -1 percent. Currency effects contributed -6 percentage points while structural effects were marginal.

Operating profit (EBIT) **347**
SEK m (301)

Operating profit, excluding one-off items, amounted to SEK 347 m, which is an increase of 15 percent compared with 2009. The profit including one-off items, which include the write-down of goodwill, capital gains and the cost reduction programmes, amounted to SEK 284 m.

Cash flow **391**
SEK m (719)

Cash flow from operating activities amounted to SEK 391 m, which is 46 percent lower than in the previous year. The decrease is mainly due to increased working capital tied up. This is offset to some extent by a higher operating profit.

Summary of the market in 2010

At the beginning of the year, demand in the construction sector and Lindab's sales were negatively affected by a severe and prolonged winter. There was subsequently a clear recovery in the residential market, mainly in Scandinavia, while the market for non-residential construction continued to show low activity. Lindab updated its strategy during the year, with an increased focus on core products, growth markets and efficient distribution.

Of the total sales revenue per geographical market, the Nordic region accounted for 45 percent (42), Western Europe for 29 percent (32), CEE/CIS for 22 percent (21) and other markets for 4 percent (5).



Q1 – Harsh winter

Harsh winter hampers demand

An unexpectedly severe winter in large parts of Europe negatively affected demand in the construction sector and Lindab's sales. The Building Systems plant in Luxembourg was sold generating cash flow of SEK 285 m, while a lease-back agreement was simultaneously agreed for the same property. The Finnish ventilation company IVK-Tuote Oy was acquired, strengthening the product portfolio for silencers in particular.

Q2 – Updated strategy

Updated strategy presented

Demand within residential construction showed clear signs of improvement, led by the Nordic region. The updated strategy and revised financial targets for the Group were presented at the Investor Day in Stockholm in June. Building Components entered into an agreement with builders' merchants in the Nordic countries, while two large orders were generated through Building Systems' focus on direct sales in Russia.



Q3 – Residential segment

Recovery for the residential segment

Building Systems returned to profit through increased sales in Eastern Europe. In September, Building Components reported its best sales ever in Sweden for a single month, driven primarily by increased demand within the residential segment. A lease agreement was signed for a new factory in Karlovarská, Czech Republic, which will be completed in the second quarter of 2011, providing opportunities for further streamlining and centralisation for indoor climate products.

FINANCIAL KEY FIGURES

SEK m unless otherwise indicated	2010	2009	Change, %
Sales revenue	6,527	7,019	-7
Distribution of growth, of which:			
Organic, %	-1	-33	
Acquired/divested, %	0	1	
Currency effect, %	-6	3	
Operating profit (EBITDA)	565	479	18
Operating profit (EBITA)	401	265	51
Operating profit (EBIT), excl. one-off items ¹⁾	347	301	15
Result before tax (EBT)	112	119	-6
Profit for the year	27	34	-21
Cash flow from operating activities	391	719	-46
Operating margin (EBITA), %	6.1	3.8	
Operating margin (EBIT), excl. one-off items, % ¹⁾	5.3	4.3	
Equity	2,755	3,003	-8
Net debt	1,856	2,422	-23
Return on equity, %	0.9	1.1	
Return on capital employed, %	5.5	4.3	
Net debt/equity ratio, times	0.7	0.8	
Average no. of employees	4,454	4,586	-3

1) One off items for

- 2010, totalling SEK -63 m net, comprise SEK 110 m for the write-down of goodwill for the Ventilation business area's operations in the USA, a SEK 73 m capital gain on the sale of property in Luxembourg, SEK 7 m in costs relating to the closure of the Ventilation unit in Texas, and restructuring costs of SEK 19 m.
- 2009, totalling SEK -47 m net, comprising SEK 45 m for the cost reduction programmes, a SEK 10 m gain from the sale of Folke Perforering, plus SEK 12 m in costs for the closure of Lindab Plåt in Edsvåra.

Q4 – Growth in the East

Growth in the East

The positive trend in demand in the Nordic countries and the initial recovery in the CEE/CIS continued, while growth in Western Europe remained weak but stable. Adjusted for currency effects, Lindab's sales in the CEE/CIS increased by 27 percent compared with 2009. In order to meet growing demand in Russia, a decision was taken to expand the capacity of the Russian production plant in Yaroslavl. A SEK 110 m write-down of goodwill was made relating to Ventilation business area's operations in the USA.

A word from the CEO

Interview with David Brodetsky, President and CEO.

How do you see Lindab's performance during the year?

—It has definitely been a step in the right direction. We have done many good things that have strengthened our position, which will enable us to take advantage of long-term developments. From a market perspective, however, the situation remains challenging, although there are some bright spots. The improvement in the residential segment, which is particularly strong in the Swedish market, is a positive and important indicator for the entire construction market – and consequently for us.

What makes Lindab better positioned today to take advantage of a stronger construction market?

—Several things. We have consolidated our production and now have a better manufacturing footprint, notably by increasing our presence in key emerging markets such as Russia. We will also benefit from our early decision in the recession to retain our sales resources and not to exit any markets. When demand picks up, we should quickly be able to take advantage and gain market share.

You updated the strategy this year. What are the most important parts?

—We intend to create value by focusing on the areas and the markets where we are strongest. Within the Building Components business area, this is the residential segment and roof drainage products; for the Ventilation business area it is duct systems and our indoor climate products – which will continue to benefit from increased demands for energy efficient solutions – and in the Building Systems business area, we will continue to strengthen our leading position within large industrial buildings. In general, we can say

that the focus is on core products, emerging markets and efficient distribution.

What are you doing to become a better distributor?

—A range of activities are being undertaken that are aimed at getting even closer to our customers. We are extending our range of products in our ventilation branches and shops. We are opening a large number of new Rainline Centres in Central and Eastern Europe, increasing our scope and service, and we are expanding and strengthening our network of builder-dealers.

You are increasing the focus on markets in the East, especially Russia? What potential do you see?

—Russia, with almost 150 million inhabitants, is projected to grow strongly in the years ahead with a high level of demand for modern industrial buildings and new homes. We are prioritising a long-term, increased presence in Russia for all of our business areas. Activity at our production unit for Building Systems in Russia in 2010 confirmed the potential in this market. We are now expanding capacity to meet greater demand, and are further intensifying our sales activities.

When you updated the strategy you also revised some of your financial goals. How do you justify increasing the organic growth target from 6 to 8 percent?

—During the last economic cycle our organic growth was at 5–6 percent per year and there are a number of reasons why Lindab should outperform this in the next cycle. First of all, the 8 percent target is based upon a forecasted underlying market growth of 3 to 4 percent,

which will be supported by pent-up demand following the downturn. In addition, the accelerating demand for energy efficient buildings will boost demand for our products, and finally we are increasing our presence in the fastest growing markets. However, this year, 2011, the demand in the non-residential segment will remain weak; the underlying market growth is only expected to be 1 percent and it is therefore unlikely that we'll reach the 8 percent target. Forecasts point to an accelerating demand trend in 2012 and 2013, which should support our organic growth target.

During the last economic cycle, Lindab only once managed to achieve the target operating margin of 14 percent. Why will you be able to achieve it more often in this cycle?

—Today we have better operating leverage. We have reduced our fixed costs by about 20 percent and half of these should be permanent savings. We are also focusing resources to grow our most profitable products areas which will improve our sales mix. Additionally, during the last cycle, some parts of the Ventilation business area underperformed. Actions are being taken to correct these and this will also support an improved operating margin in the future.

How will you address the increased demand for energy efficient buildings within the EU?

—European research has shown that airtight houses combined with mechanical ventilation using heat recovery are one of the most effective energy-saving measures. This, together with “build tight and ventilate right” is something that Lindab has been working with for



a long time and that summarises our product offering. We have solutions for airtight buildings that we are constantly refining, such as our lightweight construction technology. We also have many projects within software and system solutions for calculating and reducing heat loss for both large and small buildings. Within Ventilation, our energy efficient, circular ducts have the highest airtightness classification, which is even more important when working with heat recovery. We also have several exciting innovations under way within Comfort, our indoor climate solutions.

How else are you working internally with sustainability?

— Everything we do has one key principle – supporting Lindab's operations and business. Current priorities are based on stakeholder dialogues. The work to create sustainable development is summarised in Lindab Life. Our business practices, Lindab's well known entrepreneurial spirit, consideration for our employees and especially our energy efficient,

durable, and steel-based solutions have been with us from the outset and are areas that we are continuously developing.

You have recently reformulated one of Lindab's core values – Simplifying Construction has become Customer Success. What is the reason for this and how important is simplifying construction for Lindab?

— Simplifying construction is Lindab's business concept and is always at the heart of everything we do for our customers. This will not change. But there are many more activities that are designed to help our customers become successful, hence the new formulation. We have also just launched a marketing campaign under the theme 'Think Less'. This is another way of looking at how we can simplify construction for our customers, by coming up with solutions that require fewer resources such as time, effort, materials and energy, in order to achieve the same outcome.

And how should we think about Lindab in 2011?

— As I mentioned before, 2011 is expected to be a year with growth, but this will be limited in the non-residential construction segment. As the demand levels improve, we expect our business to take another step in improved performance. Naturally, we are continuing to focus on cost control, but the most important thing is that we implement sales activities and other initiatives in line with our updated strategy, such as investments in rapidly growing markets, more efficient distribution and our energy-efficient solutions. We are in a very good position to accomplish this, for which I am grateful to Lindab's tremendous employees.

Grevie March 2011

David Brodetsky
President and CEO

Lindab's vision to be "The preferred partner for building professionals in Lindab's core products Europewide", provides the basis for the strategic direction of the group.

Lindab's strategy

At the Investor Day in June 2010, Lindab presented an updated version of its strategy for the next three to five years. This was the result of altered market conditions, such as greater demand for environmentally friendly and energy efficient solutions and the enhanced growth potential within the CIS.

In 2001, Lindab conducted a thorough review that covered its vision and strategy, resulting in the organisation being divided into business areas rather than geographically. During the years 2001–2008, sales more than doubled and the operating margin tripled. The strongest growth was recorded in the CEE/CIS, where the proportion of total sales increased from 13 percent to 30 percent over the same period. A new business area, Building Systems, was added. At the end of 2008 and in 2009, the global recession negatively affected operations in all markets and in all segments. This prompted an update to the existing strategy.

The aim of the new, revised strategy is to grow at a faster pace and to take advantage of the strong trends in the market.

The vision guides the way:

"To be the preferred partner for building professionals in Lindab's core products Europewide"

The business concept is the framework:

- Simplifying construction

The strategy focuses on:

- Distribution
- Core products
- Core and growth markets

Lindab's core values provide the basis:

- Customer Success
- Down-to-earth
- Neatness and order

Core values

The Lindab brand is characterised by three core values that form the basis for the entrepreneurial culture that permeates throughout the Group.

Customer Success

We believe that customers' success drives our success. By simplifying construction, we make our customers' business more efficient. This is realised by leading not following the development of solutions in our core segments.

Down-to-earth

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

Neatness and Order

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

Each business area will concentrate its efforts on the most profitable market segments and where the greatest growth potential is to be found. The approach will be adjusted market by market, based on the business area's strengths:

A common feature of the business area strategies is that organic growth will be complemented by selective acquisitions to further strengthen Lindab's competitiveness.

Ventilation business area

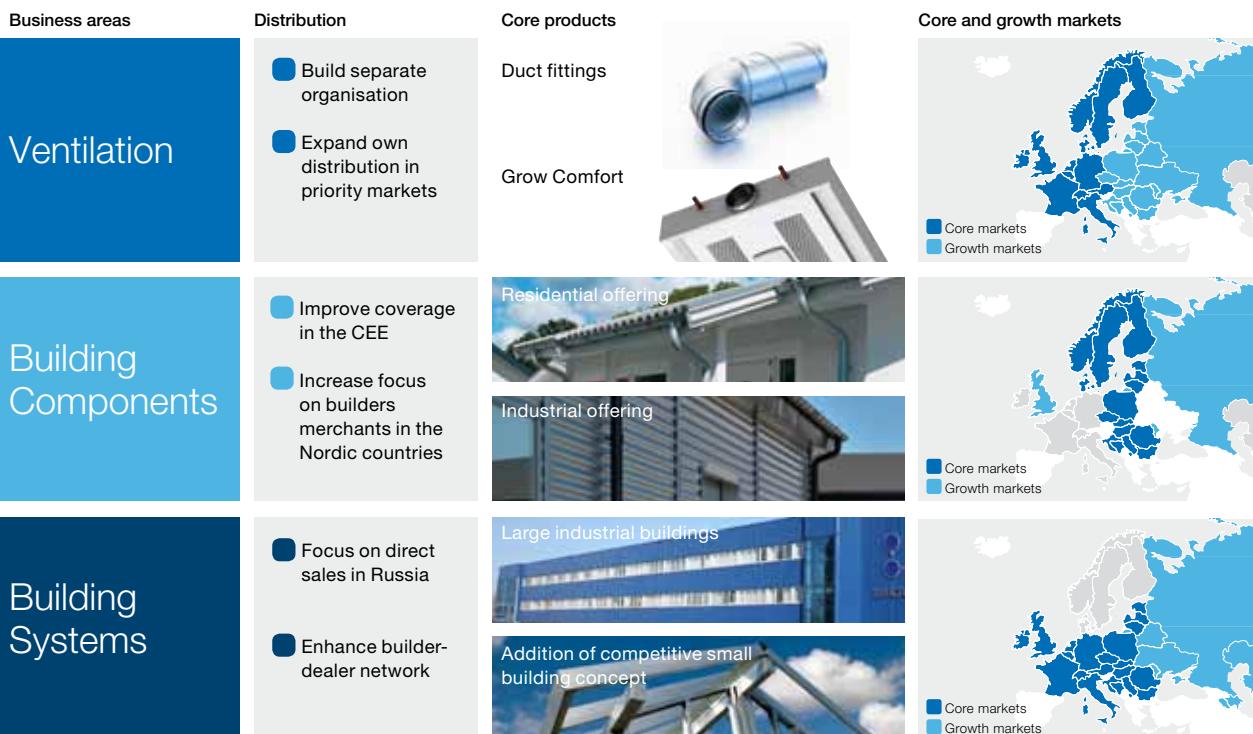
The Ventilation business area will have a clearer organisational distinction between manufacturing and distribution. The leading product group of duct fittings has top priority along with the streamlining and strengthening of distribution channels. A number of initiatives are being implemented within the Comfort product division in order to grow the business and increase profitability. Read more on page 20.

Building Components business area

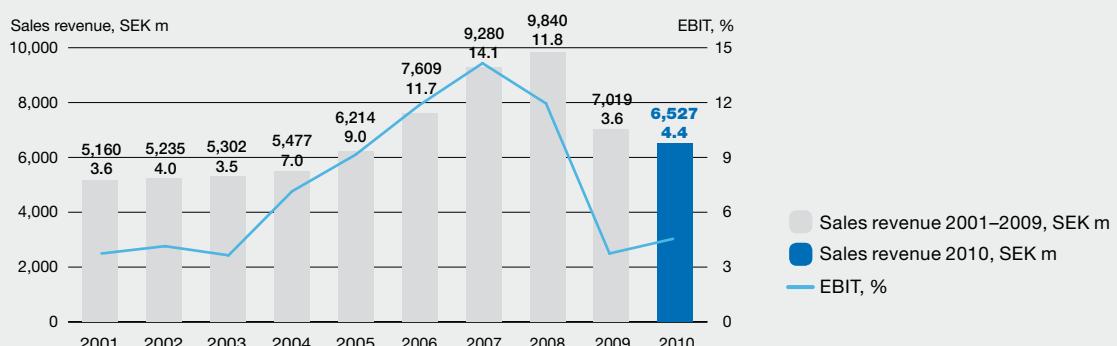
The Building Components business area's market initiatives are being directed at two distinct segments: residential and non-residential construction. Initiatives will mainly be carried out for roof drainage and the complementary product group of profiled roofing. Growth is expected to come mainly from the residential segment, while efforts within non-residential construction will primarily be made in existing core markets. Read more on page 26.

Building Systems business area

The focus of the Building Systems business area will be on large industrial buildings, with regard to both the streamlining of production and marketing. This will particularly apply to Eastern Europe and Russia, where demand for these types of buildings is considered to be stronger than in other regions in the coming years. In parallel with expansion of the network of builder-dealers there will be a focus on direct sales, mainly in the Russian market. Read more on page 32.



FINANCIAL PERFORMANCE 2001–2010



Financial targets

Lindab is managed on the basis of three financial targets:

Organic sales growth/year

8%

Operating margin (EBIT)

14%

0.8–1.2 times

Net debt/equity ratio

The financial targets were revised in June 2010. The annual organic growth target has been raised from 6 percent to 8 percent in light of the updated strategy and the assumptions regarding market growth. The operating margin target remains at 14 percent, which is judged to be realistic in good economic conditions. The target for the net debt/equity ratio has been lowered from an interval of 1.0–1.4 times to 0.8–1.2 times, which is in line with historical levels.

Dividend policy

The Board's established dividend policy states that a dividend of 40–50 percent of the net profit may be paid out, with consideration to Lindab's long-term financial needs. Since Lindab was introduced to the stock market in 2006, 42 percent of the net profit has been paid out each year on average.

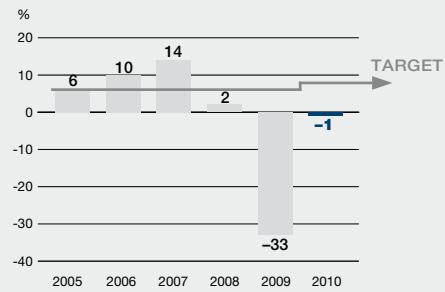
Organic sales growth, %

Target

Organic growth of at least 8 percent per year will be achieved through the updated strategy and by focusing on high growth regions. The target also takes into consideration the assumption of an average market growth of 3–4 percent.

Target fulfilment 2010

Sales decreased by 7 percent (–29). Lindab's organic growth was –1 percent (–33). According to Lindab's estimates, the market decreased by 5 percent during the same period.



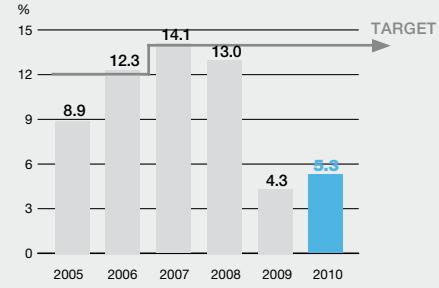
Operating margin (EBIT), %

Target

Through volume growth, a favourable geographic and product mix, productivity improvements and cost efficiencies, the target of achieving an operating margin (EBIT) of 14 percent should be possible under good economic conditions.

Target fulfilment 2010

The operating margin increased to 5.3 percent (4.3) in 2010. The improvement is mainly attributable to lower costs compensating for the lower volumes. Currency effects on the operating profit level were marginal.



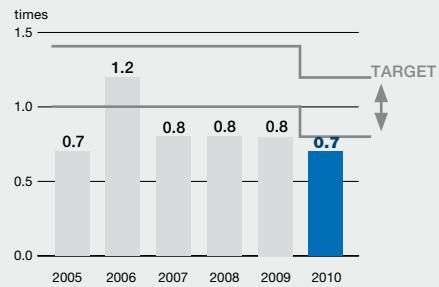
Net debt/equity ratio, times

Target

The capital borrowed by the company shall correspond to 0.8–1.2 times the recorded equity of the Group. The capital will be used to maintain a high degree of flexibility and to finance acquisitions. Any surplus capital will be transferred to Lindab's shareholders. Lying within this interval creates room for manoeuvre.

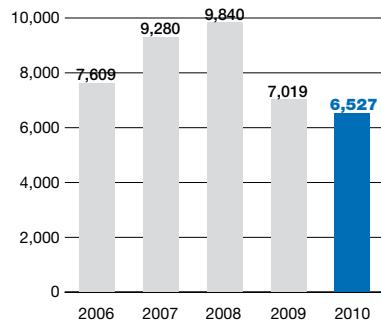
Target fulfilment 2010

At the end of 2010, the net debt/equity ratio was 0.7 times, which is lower than the financial target, creating opportunities to act regarding acquisitions or other investments. No dividend was paid in 2010, but for 2011 a dividend of SEK 75 m is proposed.



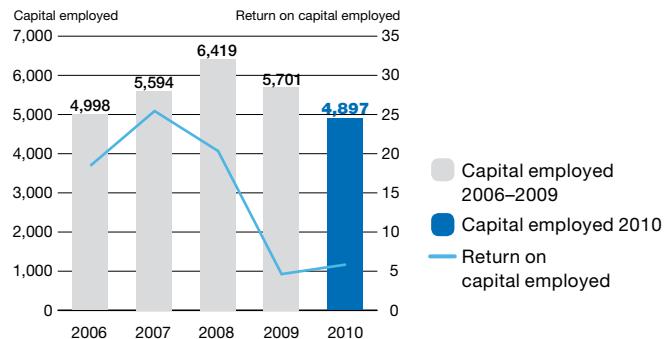
Five-year overview

SALES REVENUE, SEK m



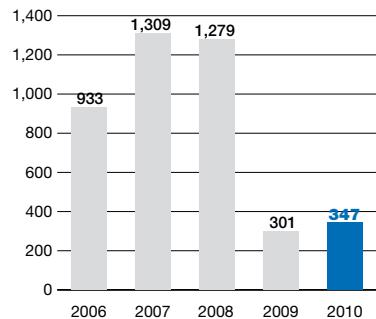
The average change in sales revenue over the period 2006–2010 was –2 percent. In 2010, sales revenue decreased by 7 percent as a result of the weakened market.

CAPITAL EMPLOYED, SEK m AND RETURN ON CAPITAL EMPLOYED, %



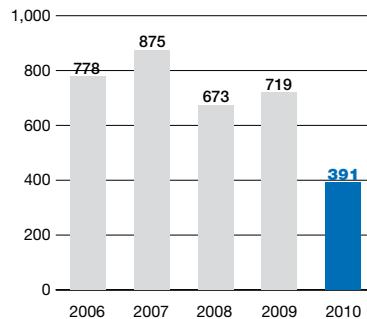
Return on capital employed improved in 2010. Capital employed declined sharply in 2010 due to lower working capital and continued low investment.

OPERATING PROFIT (EBIT), EXCL. ONE OFF ITEMS, SEK m



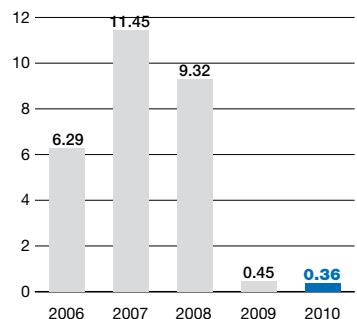
In 2010, the operating profit (EBIT) 2010 showed an increase compared with 2009, however this remains at a low level compared with 2006–2008. Cost reduction programmes dampened the negative impact in 2010 by SEK 100 m, compared with previous years.

CASH FLOW FROM OPERATING ACTIVITIES, SEK m



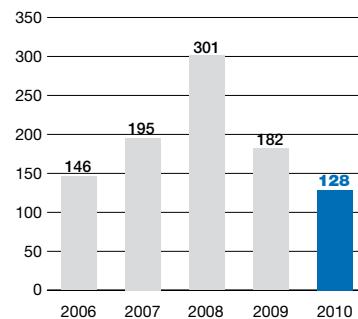
The average cash flow from operating activities over the last five years amounts to SEK 687 m per year. At the end of 2010, working capital was at historically low levels.

DILUTED EARNINGS PER SHARE, SEK



Diluted earnings per share have not been adjusted for one-off items. Dilutive effects have not been calculated for the outstanding incentive programmes since the average share price for the year has been lower than the issue price.

GROSS INVESTMENTS IN FIXED ASSETS, EXCL. ACQUISITIONS AND DIVESTMENTS, SEK m



Gross investment was at a low level in 2010. Lindab's largest investment, the new Russian production facility for Building Systems, has affected levels by SEK 30 m in 2007, SEK 110 m in 2008, SEK 60 m in 2009 and by SEK 12 m in 2010. Gross investment relative to sales during the last five years averaged 2.4 percent.

Risk management within Lindab is aimed at minimising risks and to ensure that opportunities are seized properly. The ability to manage risk is an important part of how Lindab's business is governed and controlled in order to achieve the Group's objectives.

Risks and risk management

Lindab's risks can largely be divided into risks relating to business activities and risks relating to financing activities. Business risks are normally managed by the Group's operating units, while financial risks are centralised within Group Accounting and Finance. A selection of the most significant operational and financial risks to which Lindab is exposed is outlined below. For more detailed information about risks and risk management see note 3 on page 94.

Operational risks

Market Risks

Demand for Lindab's products is affected by changes in customers' investment plans and production levels, which in turn may change following any changes to the economic situation in a country or industry. Lindab's customers are dependent on functioning financial systems for the financing of projects and are, for example, more seriously affected than companies manufacturing consumer products if bank financing is not available.

The Group's operations are currently distributed throughout 31 countries and approximately 45 percent of sales are to the renovation segment, which is usually less sensitive to the economic cycle. Lindab's products have historically gained market shares from traditional products and materials. The

sharp decline in demand in late 2008 and 2009 was met by Lindab with measures that were focused on balancing the cost structure and cash flow. Previously announced cost reduction programmes, now fully implemented, have reduced costs by a total of SEK 560 m annually compared with the situation in 2008. Approximately half of the cost reductions are considered to be sustainable in a stronger market.

Competition

Within the various markets, Lindab faces a large number of local players and a small number of regional, national and multinational companies. Lindab works with highly automated central production units for volume products, and to lower costs the company has also chosen to become established in countries with favourable production costs in order to increase the company's competitiveness. At the same time, the distribution has been adapted to suit each market situation, with proximity to the customer being the common denominator.

Bad debt losses

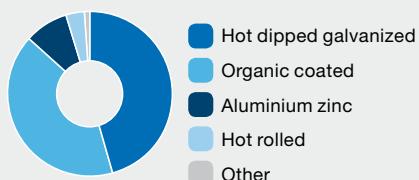
Lindab has just over 20,000 customers from approximately 60 countries. In 2010, the Group's largest customer accounted for 1.5 percent of sales, meaning that Lindab's dependence on individual customers is limit-

ed. To minimise bad debt losses, a number of companies within the Group have insured themselves against bad debt losses. Credit information is sought for new customers and existing customers are monitored continuously. The total reserve for bad debt losses amounted to SEK 80 m (99) at the end of 2010. During the year, SEK 24 m (57) was expensed relating to reserves for bad debt losses, amounting to 0.4 percent (0.8) of the Group's total sales.

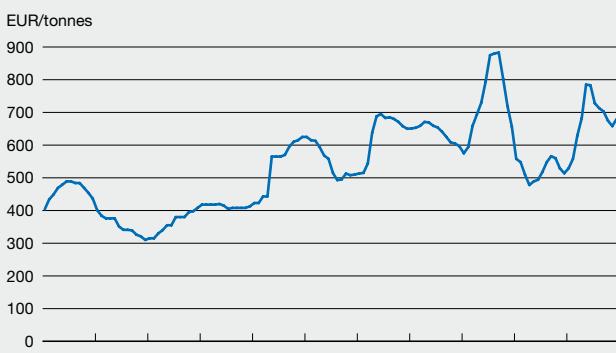
Raw Material Prices

Lindab purchases large quantities of steel, mainly sheet metal, and is affected by developments in the market for raw materials. In 2010, approximately 182,000 tonnes of steel products and other raw materials were consumed with a value of SEK 3,016 m (3,282), corresponding to 48.8 percent (48.5) of Lindab's total costs. Centralised steel purchasing strengthens Lindab's ability to negotiate competitive prices and terms. In addition, through long-standing relationships, the company has established a purchasing strategy which allows purchases to be made directly from the steel mills, without intermediaries. Lindab's close relationship with steel manufacturers has allowed it to develop special grades of steel and finishes adapted to the company's systems and products. Purchasing is carried out both in Asia and in Europe. In

RAW MATERIAL EXPOSURE



SPOT PRICES STEEL (HDG*) 2000–2010



2010 the bulk of steel purchases were made in Europe. The price variance with Asia was marginal and the shorter European lead-times

were given preference, driven by the strong focus on stock and cash. Lindab has worked to broaden its supply base and to prioritise

suppliers that are prepared to adopt a just-in-time approach under competitive terms.

Financial risks

	Exposure	Comments
Financing Risk	Lindab's total credit limit amounts to SEK 3,500 m, and the credit agreement expires in December 2012.	Lindab's credit agreement with Nordea and Handelsbanken includes two covenants in the form of net debt in relation to EBITDA and the interest coverage ratio, which are followed up quarterly. Lindab considers that credit conditions will be fulfilled.
Liquidity Risk	At the year end, the Group's unused credit facilities amounted to SEK 1,791 m (1,432).	All centrally managed loan maturities are planned in relation to the consolidated cash flow. The aforementioned credit agreement safeguards liquidity needs.
Interest Rate Risk	Lindab is a net borrower. The net debt at the year-end amounted to SEK 1,856 m (2,422), which means that rising interest rates have an adverse effect on the Group.	According to the finance policy, any surplus liquidity must be used to amortise existing loans. Fixed-interest terms are also governed by the financial policy. During 2009 two three-year interest swaps were entered into aimed at minimising the interest rate risk. The agreements mean that the effect of interest rate rises on loans in Swedish krona is limited.
Currency risk		
Transaction Risk	77 percent (81) of the Group's sales are made using foreign currency. Sales are made in 16 (17) different currencies, the most important of which are EUR, DKK and GBP. Lindab's net exposure translated to SEK is approximately SEK 350 m (500) annually. The reduced exposure is due to the favourable balance of inflows and outflows in foreign currency, and also through the transition to EUR by some countries as the national currency (EE & SK). SEK 26 m (29) of the transaction exposure entered in the balance sheet was hedged at the end of the year.	To reduce currency exposure, the Group attempts to match inflows and outflows of different currencies by, for example, using the same currency for invoicing as purchasing. Each individual Group company decides whether there should be any hedging of the transaction exposure, which is subsequently handled by Lindab AB.
Translation Exposure	At the end of 2010, the Group's net assets in foreign currency amounted to SEK 3,063 m (3,038).	In accordance with Lindab's finance policy, this exposure has not been hedged during 2010 or 2009.
Lindab AB has currency risks in its lending and deposits to Group companies, which take place mainly in the Group company's local currency.	At the end of 2010, Lindab AB's borrowing and deposits in foreign currency amounted to SEK 662 m (1,527) and SEK 73 m (117).	The currency risk in these transactions is hedged using forward exchange agreements. These are evaluated monthly.

Sensitivity Analysis

Variations in volume 5 percent variations in volume result in a change to the operating profit of SEK +/-92 m.	Variations in the steel price Lindab's sales prices are normally adjusted in line with steel price fluctuations. Theoretically a 10 percent change in the steel price affects Lindab's profit by approximately SEK 180 m if 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 11 m. This includes existing sale-and-lease-back contracts on properties and existing interest swap agreements.	Fluctuations in currency Currency fluctuations affect Lindab's operations both in terms of transactions and consolidation of activities. A 10 percent change in the value of the Swedish krona compared with a combination of the major currencies affects net sales by SEK 496 m and operating profit by SEK 9 m given the same volumes.
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The calculations are based on 2010 volumes.





A word from the CFO

Interview with Nils-Johan Andersson, CFO.

How do you view the performance in 2010?

—The year for Lindab was affected by the unusually long winter period both at the beginning and the end of the year, which primarily affected our Building Components business area. In spite of this it was in our Building Components business that we saw clear signs of the residential construction market recovery, which usually occurs about one year before the market for non-residential construction in the business cycle. We also gained confirmation that Lindab's sales had bottomed. In the third and fourth quarters we saw gradually stronger demand, which we regard as a clear change in trend.

What has happened in the work regarding costs?

—Lindab has moved from cost reduction to cost control. We lowered our costs by SEK 560 million during the downturn and we should be able to retain half of these when volumes recover. One sign of this was seen in the third and fourth quarters, when costs did not rise to the same extent as the growth in volumes.

How have you managed the rising steel prices?

—For the organisation as a whole, perhaps the greatest challenge in 2010 was managing the steel price increases we saw in the third quarter. These were of such magnitude and occurred so quickly that they could not be handled internally through streamlining measures. The only way to compensate for this was by raising prices, which we have implemented successfully despite a weak market. The business areas with the greatest steel content in their products, Building Components and Building Systems, have made the greatest increases. Strong commodity price movements are always difficult to manage in the short-term, but given the dramatic trends in recent years, we probably need to get used to them.

Has the cash flow continued to perform well?

—There has been much focus on strengthening the cash flow in recent years. In 2010, approximately SEK 565 million was released that was used for reducing our debt. Much of these funds came from the sale-and-lease-back of our factory in Luxembourg. Our net

debt/equity ratio is now down to 0.7, which is below our target, giving us good flexibility in the future. Meanwhile the working capital share of sales has fallen from more than 20 percent to 17.5 percent over a short period. This is a level we will work to maintain and perhaps even improve when sales recover.

What are the main priorities in 2011?

—Lindab will continue to focus on cost control as sales increase. At the same time, some projects that were previously postponed will be launched, such as investments in marketing communications and market development. The implementation of our shared business system is continuing. Some investments will also be initiated after being very low in recent years. For example, the capacity at our factory in Yaroslavl in Russia needs to be increased in order to meet strong demand. Besides that, there is plenty of capacity within the Group to take advantage of larger volumes.

Grevie March 2011
Nils-Johan Andersson
CFO

European construction activity continued to decrease in 2010, but a recovery began in some markets within the residential segment. The positive trend within residential is expected to continue in 2011. A wider recovery for non-residential construction is not expected until 2012–2013.

Market and environment

The construction market, comprising both new construction and renovation, is generally divided into three segments – non-residential, residential and facilities/infrastructure. Lindab is only active in the first two segments.

Euroconstruct, a European network for construction-oriented analysis companies, estimates that in Western Europe and the Nordic countries, residential accounts for 50 percent and non-residential for 32 percent of the market. By contrast in the CEE, 22 percent is residential and 36 percent is non-residential.

The construction market

The overall construction market generally follows overall economic development. The residential market reacts more quickly to the economic cycle since sales are made directly to consumers. The market for non-residential construction experiences a greater delay, normally at least one year behind residential construction, since it is dependent on the investment plans of other industries.

Signs of recovery within residential

New construction in the residential segment was affected first by the downturn in demand and is now showing the first signs of recovery. In 2010, residential construction increased in the Nordic countries, with Sweden and Finland leading the way. Small gains were recorded in Germany and Switzerland, while demand in Southern and Eastern Europe remained weak. For Europe as a whole, the residential segment decreased by about 3 percent this year, and Euroconstruct expects an increase of about 2 percent for 2011. The recovery is expected to strengthen further in 2012–2013 with annual growth of 3–4 percent. Lindab has a favourable market mix and growth is therefore expected to be slightly stronger.

Uncertain outlook for non-residential

Within the non-residential segment, the construction of industrial buildings, offices and business premises has displayed the weakest perfor-

mance during the recession. By contrast, publicly funded construction (health care, schools, sports buildings), has seen a relatively stable performance. However, there is a risk that the strict austerity measures now being undertaken in parts of Europe will negatively affect demand within public construction. According to Euroconstruct, the market for non-residential construction as a whole is expected to begin growing again in late 2011. Some markets such as Sweden and Germany noted increased activity at the end of 2010. The recovery is expected to be slow, however, with annual growth of 1–2 percent in 2012–2013. Adjusted for Lindab's business, growth is expected to be slightly higher due to the favourable market mix.

Stable renovation market

The renovation market is more stable than new construction, which has a dampening effect during both economic upturns and downturns. In recent years, the market for renovation has been positively affected by various government subsidies, for example initiatives to improve the energy efficiency of buildings. Buildings currently account for around 40 percent of Europe's energy consumption. By 2020, all new houses within the EU must be zero-energy buildings, i.e. energy self-sufficient.

Faster growth in the East

After being hit harder by the global recession than the economies in the West, growth in the CEE/CIS will take off again in the coming years. The strongest growth is expected in the countries with the strongest state finances such as Poland, Slovakia and Russia. There are signs of increased activity among foreign direct investors. Interest rates have returned to normal levels in these economies, while lending in Russia and the CEE remains limited.

Low proportion of construction investment

Construction investment in the CEE/CIS region today corresponds to only around 15–20 percent of the total construction investment throughout Europe. The emphasis lies in the new construction of non-residential properties and infrastructure, since enterprise is developing and there is a great need for new, functional properties. In many cases, substandard maintenance during the past 50 years means that many buildings cannot possibly be restored to a usable condition. Residential construction is expected to experience strong growth ahead as the result of increasing prosperity.

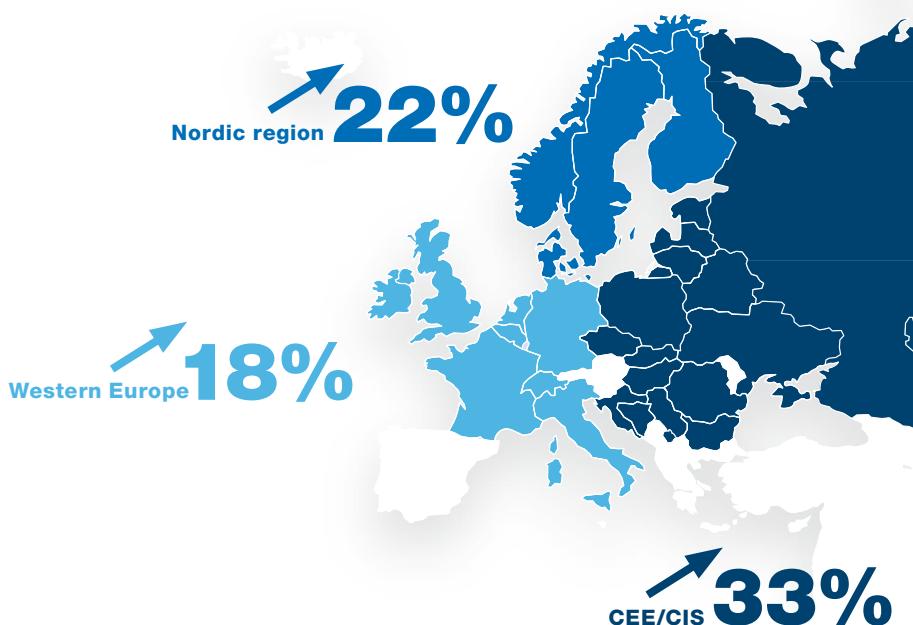
The Million Programme becomes energy efficient

The substantial post-war housing shortage resulted in more than one million new homes being built in Sweden between 1963–1975. Approximately 650,000 of these apartments are now in great need of renovation. They also need to become energy efficient in order to satisfy the Swedish government's environmental targets to reduce the country's overall energy use by 20 percent by 2020 and 50 percent by 2050.



The Brogården district, built 1971–73, was the final Million Programme investment in Alingsås. In a pioneering project, the entire neighbourhood is now being renovated using passive house technology. The first apartments to be renovated were reoccupied in early February 2009, and by 2013 all 264 apartments will be ready for occupancy. Energy consumption will be reduced by 80 percent. Lindab has delivered duct systems and roof drainage products to the project.

GDP growth forecast 2011–2015*



*Expected GDP growth 2011–2015,
GDP expressed as purchasing power parity.
Source: IMF, World Economic Outlook, October 2010.

MARKET DRIVERS

Market segment/ Group's share	Business area share	Common drivers	Specific drivers	Euroconstruct forecast for 19 countries (Dec 2010)
Non-residential/ 80%	Ventilation Building Components Building Systems	90% 55% 100%	GDP growth Energy saving trend Credit conditions Government incentives	Business owners' confidence Office vacancy rates Industrial capacity utilisation
Residential/ 20%	Ventilation Building Components Building Systems	10% 45% 0%		Recovery started 2010 2011 growth 1.9% Stronger growth expected in Nordic region Stronger recovery 2012 (+3.1%) and 2013 (+3.5%)

COMPETITORS

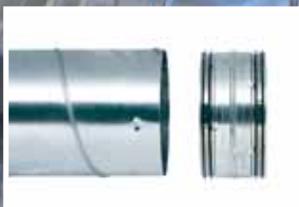
Lindab faces diverse competition. The various business areas compete with small, local operators and large multinational corporations. The multinational players include suppliers of ventilation systems, steel producers with construction divisions and producers of specialist construction materials.

	Ventilation business area		Building Components business area	Building Systems business area
Lindab's products	Duct systems	Indoor climate products	Roof drainage Roof and wall cladding Lightweight construction	Pre-engineered constructions in steel
Geographical main markets	Nordic region, Western Europe	Nordic region	Nordic region, CEE/CIS	Western Europe, CEE/CIS
Main competitors	Fläkt Woods Local suppliers	Swegon Fläkt Woods Trox Halton	Corus Ruukki Arcelor Mittal Hoesch Thyssen Marley Plannja Local suppliers	Goldbeck Llentab Ruukki Atlas Ward Zamil Local suppliers

Ventilation business area

Product mix

Air Duct Systems: Duct systems (mainly circular) and accessories.
Comfort: Ventilation, heating and cooling solutions for indoor climate.

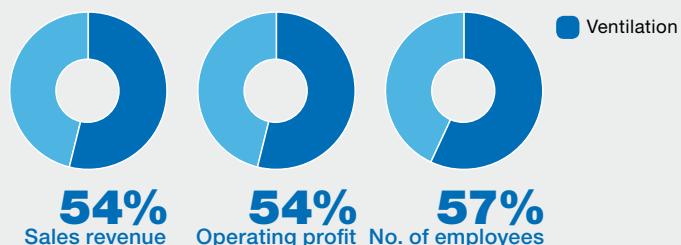


KEY FIGURES VENTILATION BUSINESS AREA

	2010	2009	Change, %
Sales revenue, SEK m	3,535	3,878	-9
Operating profit (EBIT), SEK m ¹⁾	189	190	-1
Operating margin (EBIT), % ¹⁾	5.3	4.9	
Gross investments in fixed assets	40	48	
Number of employees	2,488	2,555	

1) Excluding one-off items of SEK -128 m (-19).

SHARE OF THE GROUP





Anders Thulin
Business area manager Ventilation

SALES REVENUE BY GEOGRAPHICAL
MARKET/DEVELOPMENT 2010

MARKETS

- 20 countries.
- Five largest:
UK, Sweden, Denmark,
Germany, France.

PRESENCE IN THE MARKET

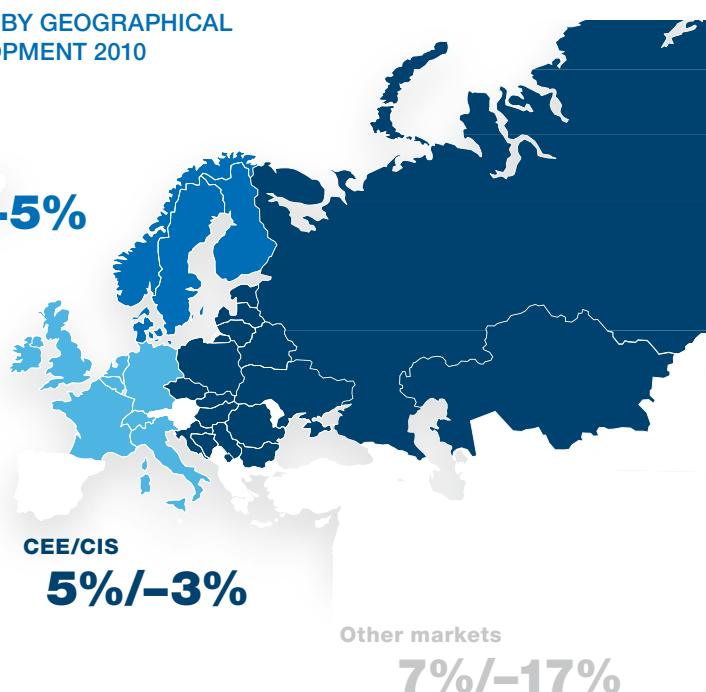
- 23 production units.
- 110 own stock-holding branches in Europe.

Western Europe
42%/-12%

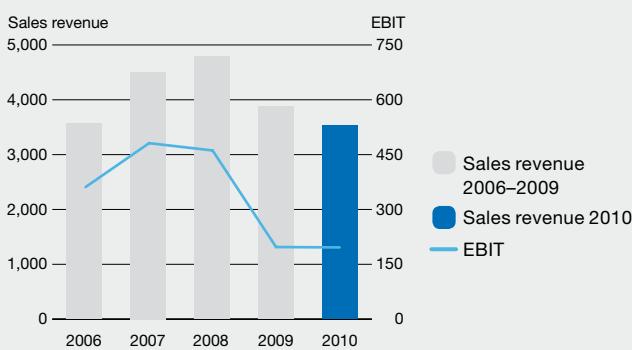
Nordic region
46%/-5%

CEE/CIS
5%/-3%

Other markets
7%/-17%



SALES REVENUE/EBIT, SEK m



Important events during the year

- New business area management.
- Reduced costs of SEK 75 m and increased productivity.
- Acquisition of Finnish IVK-Tuote Oy (indoor climate products).
- Separate organisation for production and sales.
- Decision about production expansion in Karlovarска.
- Successful launch of new indoor climate products.

The Ventilation business area offers a broad range and high levels of service for ventilation installers across Europe, with the Nordic region as the biggest market. 90 percent of sales are for non-residential construction and 10 percent are for residential construction.

Ventilation business area



Interview with Anders Thulin, business area manager for Ventilation.



How has demand developed in 2010?

— We saw continued weak demand in non-residential construction in most of our markets. Our main regions, Nordic and Western Europe, showed a stabilisation in demand, albeit with wide variations between individual countries. The Swedish and Finnish markets produced the best performance.

What does the Group's updated strategy mean for the business area?

— It means that we should have an even clearer focus on what customers want. In order to realise this, we must become better at exploiting our economies of scale and create a more market-oriented organisation. As we expand our already extensive network of branches, we will be able to sell all the products required by ventilation installers, which will also result in us selling more of our own products, such as our core products within duct systems. At the same time however, we need to be an efficient producer in order to increase profitability for our own products.

How will you become a better distributor?

— This will be accomplished through an enhanced and more complete range, consist-

ing of our own products and those from other suppliers, but also by expanding our distribution network. We will be a one-stop-shop for ventilation installers by providing them with everything they need for their daily work. This concept is already in place with us today. With our 22 branches in the UK, we cover the installer's every need, for example two-thirds of our offering consists of traded goods. In Hvidovre, Denmark, we have a partnership with other suppliers offering customers access to a complete, industry-leading solution within ventilation. By using so-called "best practice" between all our branches, we can quickly realise our plans.

Why do you need to expand this distribution network?

— In many places around Europe, we need additional branches and a greater number of distribution sites to get closer to customers.



They usually do not want to be further than 50–100 km from the nearest distributor since speed is a key competitive advantage for them. In Trollhättan, Sweden, we opened a new distribution centre in 2010 in order to meet the demand in the surrounding area. Now we are proceeding to review the network in Western Europe and the CEE to see how we can extend our network and broaden our offering.

What is happening within Comfort to increase profitability?

—It was pleasing that the profitability for Comfort in 2010 was better than in 2009. In order to improve it further in the future, we are working actively on both the sales and the cost side. With regard to sales, we are intensifying our work in the business area's core markets. The acquisition of the Finnish indoor climate company, IVK-Tuote, has led to an important expansion in the range of silencers. In order to expand in other markets, Lindab needs to increase the product portfolio to better meet specific local needs. On the cost side, we are improving efficiency by moving labour-intensive production to Karlovarská, Czech Republic.

What are you doing to streamline your own production?

—Apart from ongoing cost reductions and efficiency measures, we are also implementing some structural measures. We have closed a smaller operation in Texas, USA, and have decided to expand in Karlovarská, Czech Republic, where we are centralising the European production of labour-intensive products within both Comfort and ADS (air duct systems).

The new factory, which is adjacent to our existing site, is 10,000 m² in size and is expected to be operational in the second quarter of 2011.

What are your future

key markets?

—The Nordic region, UK, Germany and France are our main markets today. Germany, France, and the CEE together with Russia, are important future growth markets for Lindab.

What is happening with product development within the business area?

—We are working continuously within product and production development. This offers our customers benefits such as shorter delivery times, improved product characteristics, not to mention "greener" solutions. This is from a production perspective as well as through the continuous launch of products offering significant energy and environmental benefits. Comfort possesses the system knowledge, products and IT solutions that make it simpler for design engineers and installers to create a pleasant, healthy, and productive indoor climate. One of the exciting innovations we will be launching in 2011 is a chilled beam solution that requires extremely low energy input and can therefore be favourably combined with renewable energy sources.

Can you give any further tangible product examples?

—MBB is Comfort's newest and the market's best plenum box for adjusting and distributing the air flow in a ventilation system. "The Box" provides a large working

area and low sound levels, simple adjustment and accurate measurements. We are pleased to see that MBB is already selling well via our own distributors.

—Comfort's new eHybrid system has been achieved by combining the systems for ventilation, cooling, heating and lighting into a single unit and by adding an integrated demand-control. The system is particularly important for premises such as offices, since they often stand empty for much of the day and waste energy. With eHybrid, you get the best of both worlds – a perfect indoor climate and energy savings regularly exceeding 30 percent. We launched the system in the spring 2010 at various exhibitions where it was very well received.

What will be your main focus in 2011?

—The main focus will be on improving profitability. Some measures for implementing this have been made in 2010, the outcome of which we will be able to see in future. We must also continue to streamline both the organisation and production. In addition, we are rolling out many sales and market activities to improve distribution and grow market share.

—In the longer term, we will be able to take advantage of the increasing environmental requirements and legislation relating to energy efficiency. Our core product, circular duct systems, contributes to lower energy consumption and is becoming increasingly important in new construction and renovation as the EU's new energy standards for buildings are introduced.



Finnish acquisition strengthens market position

As part of Lindab's updated strategy, selective acquisitions shall be made that further enhance competitiveness. In March 2010, the Finnish company IVK-Tuote OY was acquired. The company produces and markets ventilation and indoor climate products for the Finnish market and for export. The product range includes circular and rectangular lamellar silencers, as well as various duct products that facilitate the cleaning and maintenance of ducts. IVK is situated in Jyväskylä, about 300 km north of Helsinki and has established itself as one of the country's leading producers within its field. Becoming part of Lindab means the company can take another step in its development.

"IVK is a well run company that has created a strong market position from where the business can continue to be optimised and developed. The acquisition of IVK not only strengthens Lindab's position in Finland. From the product portfolio, we can also distribute interesting products to other markets thereby creating synergies beyond Finland," says Anders Thulin, business area manager for Ventilation.

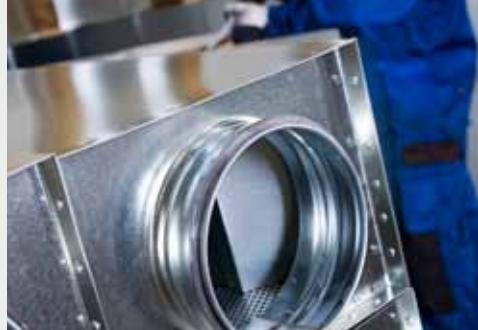
The company's products are now being prepared for launch in the Nordic and Russian markets.



Production Manager Matti Hiekavirta and silencer manufacturer Simo-Pekka Puranen discuss how to produce IVK silencers with Lindab Safe couplings.

The acquisition of IVK not only strengthens Lindab's position in Finland. From their product portfolio, we can also distribute interesting products to other markets.

(Anders Thulin)





Building Components business area

Product mix

Rainline (roof drainage),
Coverline (roof and wall cladding),
Construline (lightweight steel construction products for walls, roofs and beams),
Doorline (garage and industrial doors).

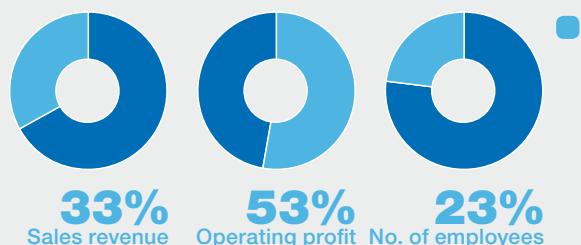


KEY FIGURES BUILDING COMPONENTS BUSINESS AREA

	2010	2009	Change, %
Sales revenue, SEK m	2,118	2,144	-1
Operating profit (EBIT), SEK m ¹⁾	185	135	37
Operating margin (EBIT), % ¹⁾	8.7	6.3	
Gross investments in fixed assets	31	49	
Number of employees	998	1,003	

1) Excluding one-off items of SEK 0 m (-24).

SHARE OF THE GROUP





Peter Andsberg
Business area manager Building Components

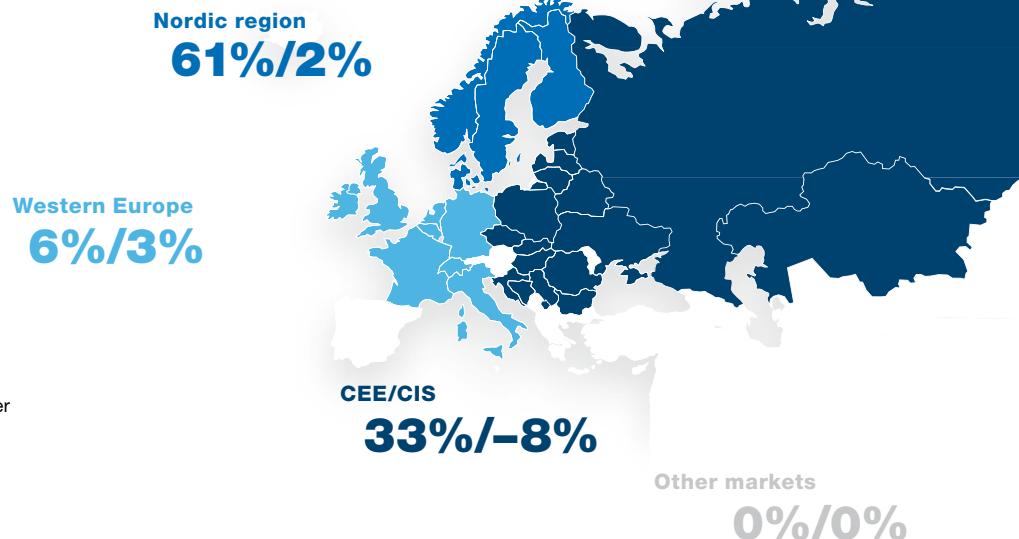
SALES REVENUE BY GEOGRAPHICAL
MARKET/DEVELOPMENT 2010

MARKETS

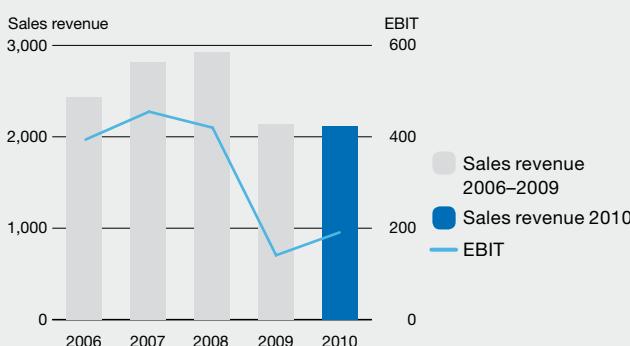
- 21 countries.
- Five largest: Sweden, Denmark, Romania, Norway, Czech Republic.

PRESENCE IN THE MARKET

- 9 production units.
- 1,300 retailers in the CEE.
- 38 branches in Sweden and Norway (together with the Ventilation business area).
- 700 stock-holding builders' merchants in the Nordic region.



SALES REVENUE/EBIT, SEK m



Important events during the year

- Increased focus on the residential segment.
- New distribution concept – around 50 Rainline-Centres opened in the CEE/CIS.
- Enhanced distribution through new agreements with retail chains.

The Building Components business area has an even balance between renovation and new construction, and 45 percent of customers are within residential construction with the remainder in non-residential construction. Products for roof and wall cladding, including roof drainage, account for 62 percent of sales. The largest markets are the Nordic region and the CEE.

Building Components business area



Interview with Peter Andsberg, business area manager for Building Components.



How has demand developed in 2010?

— We experienced a very weak start to the year, with activity affected by the severe winter. This was followed by a slight improvement in demand, particularly in the residential segment. Within residential, recovery began in the Nordic countries with Sweden leading the way. The Swedish market also showed

the strongest growth within non-residential construction. The markets in the CEE were more greatly affected by the financial crisis and it will take slightly longer before a clearer recovery can be observed.

What does the Group's updated strategy mean for the business area?

— We have a strong brand, competitive production, good products and efficient distribution. We must now translate this into increased sales by focusing more resources on marketing and sales. For this undertaking, we benefit greatly from having managed to retain all key resources, our entire sales force and by not exiting any markets during the crisis. However, the strategy work in general is about our two segments, residential and non-residential construction, requiring different types of initiatives for success.

How does the strategy look for the residential segment?

— We are continuing to forge strong relationships with tinsmiths and roofers, while we are also increasing our efforts concerning builders' merchants in the Nordic region and also with regard to our retailers in the CEE. There is also the initiative regarding the Rainline Centre concept, which is now being made throughout the CEE region in particular. Around 50 new Centres were opened in 2010. We see a great opportunity to grow in the residential segment with products such as Rainline and Coverline leading the way, but also with new delivery systems such as Lindab Express and skills development through our new team of Lindab experts. We are doing all of this with the aim of simplifying the daily lives of our customers.



...and for the non-residential segment?

— When it comes to non-residential construction, we are also strengthening our relationships with customers, i.e. building contractors and larger construction companies. This effort is being implemented in our core markets in the Nordic region and the CEE. We will provide customers with a better delivery service, stronger support, and new products and systems in order to simplify construction.

What are your future key markets?

— The Nordic countries currently account for just over half of sales within Building Components. The business area is also the market leader in several countries in the CEE such as the Czech Republic, Hungary and Romania. By contrast, sales in Western Europe are small. To enhance our growth further, and to become the largest within the various product segments in Europe, requires us to advance our market positions in the Western European markets. In 2010, we strengthened our efforts within roof drainage in the UK market, which is a very large market currently dominated by plastic solutions. Another important market where we plan to grow is clearly Russia, where we can take advantage of the successful presence of the other business areas within the Group.

Why have you developed different concepts for different markets?

— Our products within the residential segment are sold in much the same way in Sweden, the UK and the CEE – only the market concepts

are different. In Sweden for example, we own the branches and our roof drainage products have been on the market ever since Lindab began operating in 1959. In the CEE, the co-operation with our independent distributors must be strengthened. Our Rainline Centre concept and Rainline Loyalty Programme are examples of solutions that allow customers to choose Lindab by creating added value and by focusing on speed, availability and service.

How do customers in the Nordic region differ from those in the CEE?

— Our primary markets, Nordic and CEE, are quite different. The Nordic markets are more mature, and there is still a higher average standard of living than in the CEE, although the CEE countries are steadily catching up. This means that our products in the CEE countries are relatively more expensive for the average person compared to the Nordic countries. However, one should bear in mind two things: one is that the customer base is larger, while the other is that the economies of the CEE grow faster in the long-term. It is easy to understand where the greatest potential exists. In the Nordic countries for example, we spend about EUR 5 per capita on roof drainage each year, compared with EUR 1.5 per capita in the CEE. Given the rapidly growing affluence in many Eastern countries and the untapped residential market, there is huge potential. But competition is also fierce.

What is happening with product development?

— The goal is for our product development to be one hundred percent customer-driv-

en, and we must make sure we lead the development, not follow it. Innovations such as the RdBX partition wall stud, the Premium facade cassette system and the new Roca roof system for housing will continue to be promoted. But it is also increasingly important to develop new design software that simplifies and streamlines the installer's work. Building Components is presently the leader in this field, notably through Lindab ADT Tools, a software programme for 3D planning and for calculating the quantity of steel studs in roofs, walls and floors. In addition, there is a range of technical calculation software, including a programme for calculating profiled sheet steel and lightweight beams in accordance with Eurocode 3, and advanced calculation tools for calculating U values (heat loss and energy consumption) in advanced exterior wall structures using steel profiles. We have more of this in the pipeline that we plan to introduce during the second half of 2011.

What will be your main focus in 2011?

— We will continue to simplify construction by extending the market area for our Rainline and roofing solutions, and by offering a broader product range containing all the steel components that customers need for their work. Besides the markets in the CEE, we will concentrate efforts in selected Western European markets, as well as in Russia. In addition, there are new business opportunities associated with major renovation projects, such as the planned renovation of the 'Million Programme' in Sweden.



Dream Protection – protecting the dream

As part of the focus on the residential segment by Building Components, an extensive pan-European marketing campaign is being carried out in 2011 aimed at the end customer, the home owner. The goal is to raise awareness about Lindab and the Group's products for home protection.

Lindab Building Components has consistently developed its marketing concept over the past six to seven years. The next step is now under way with the new "Dream Protection" campaign. An emotional dimension is now being added to the understanding that products such as roof drainage and various roofing materials should reflect the lifestyle and good taste of the homeowner. Many people dream of a house in a beautiful setting. A strong bond can be forged with end consumers by associating with this dream and by showing that it can be protected through the use of Lindab's products. When a homeowner chooses a new roof or guttering for their new or existing home, the likelihood increases that he or she will choose a Lindab product.

The campaign is being launched in the spring with advertisements and brochures, to be followed later with a brand new website.



Building Systems business area

Product mix

Building Systems: Pre-engineered steel systems for industrial buildings, commercial properties, leisure facilities and office buildings.

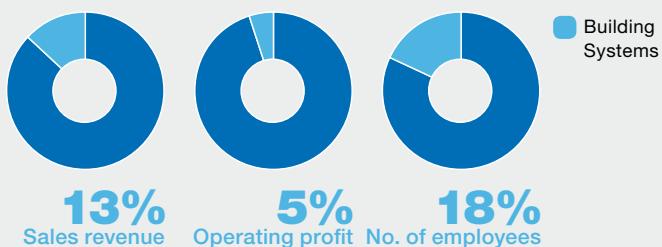


KEY FIGURES BUILDING SYSTEMS BUSINESS AREA

	2010	2009	Change, %
Sales revenue, SEK m	874	978	-11
Operating profit (EBIT), SEK m ¹⁾	18	7	157
Operating margin (EBIT), % ¹⁾	2.1	0.7	
Gross investments in fixed assets	38	79	
Number of employees	788	756	

1) Excluding one-off items of SEK 65 m (-14).

SHARE OF THE GROUP



Venant Krier

Business area manager Building Systems

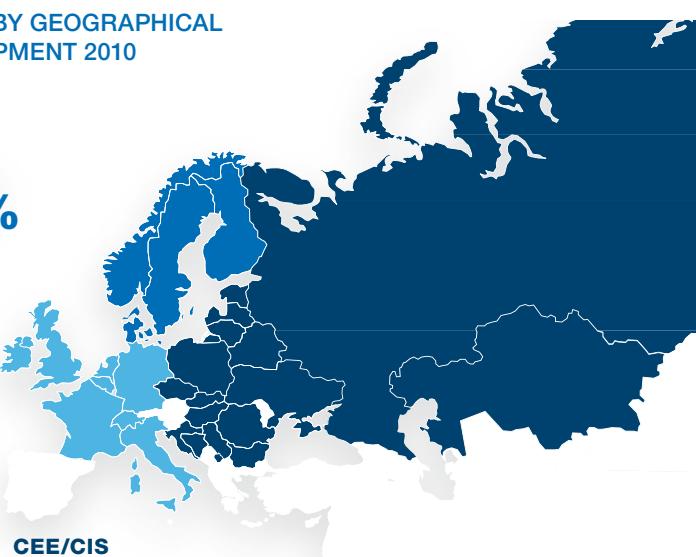
SALES REVENUE BY GEOGRAPHICAL MARKET/DEVELOPMENT 2010

MARKETS

- 12 countries.
- Five largest: Germany, Russia, Poland, Belarus and France.

Nordic region
0%/0%

Western Europe
37%/-23%



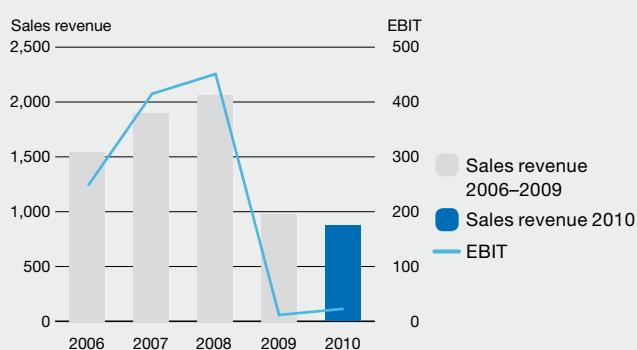
PRESENCE IN THE MARKET

- 3 production units.
- 346 builder-dealers in 38 countries.

CEE/CIS
61%/-1%

Other markets
2%/0%

SALES REVENUE/EBIT, SEK m



Important events during the year

- Recovery in the latter half of the year with continued rigorous cost control.
- Improved production structure with labour-intensive production moved to the Czech Republic.
- Focus on direct sales in Russia generated two major orders and many leads.
- Decision to increase capacity at the Russian plant.

Building Systems' customers are relatively evenly distributed between the markets of Western Europe and the CEE/CIS within the segment concerning the new construction of non-residential buildings. The primary offering is an effective total concept for building large single-storey or multi-storey steel buildings for industrial, commercial and leisure purposes.

Building Systems business area

Interview with Venant Krier, business area manager for Building Systems.



How has demand developed in 2010?

—Generally speaking, growth within our main market, the construction of large industrial buildings, continued to be weak throughout the year. In contrast, individual markets such as Russia and Poland showed a clear improvement in demand. This development was driven by both foreign direct investment and local

investment. During the second quarter, we received two major orders for new projects in Russia, which meant that our new plant in Yaroslavl was operating at close to full capacity during the second half of 2010.

What does the Group's updated strategy mean for the business area?

—The greatest advantage for Building Systems is the strength of its builder-dealer network combined with a competitive position, particularly for larger buildings. The updated strategy continues to focus on our strengths, which means the first priority is to support sales growth in the segment for larger buildings. There are a number of different aspects to this: firstly, we intend to add new builder-dealers in the regions that are less well represented today; secondly, to support builder-dealer growth in the fast growing markets

such as Russia and other CIS markets we are also reinforcing the direct sales force as well as increasing capacity at our Russian plant; and thirdly, we will continue to invest in design and manufacturing productivity as well as the continued development of energy efficiency and sustainable construction to support our growth. Additionally, we are working on a new small buildings concept for buildings of less than 1,000 m².

How can distribution be increased?

—When it comes to distribution, sales are made through our network of builder-dealers, and through direct sales to a number of multi-national customers. We are currently working to expand into new markets and regions, such as Russia and other CIS countries. In those areas where we do not have a builder-dealer network, sales will initially be made directly



to end customers. This type of activity sometimes attracts local construction companies to begin working with us and to become part of our builder-dealer network. Direct sales are often greater in emerging markets than in the more mature western markets. In Russia, western sales representatives have helped to build up sales in the first phase. In parallel, we will also work to expand and support our existing builder-dealer network.

Do you see any clear trends among your major customer groups?

— The continued weak non-residential market means that customers remain more focused on price than on speed. On the other hand, interest in design is growing. "Green" requirements are also becoming increasingly common. Among other things, we are building new systems that must conform to various environmental certifications e.g. LEED, signifying that a building project has utilised environmentally friendly construction techniques.

What is being done to increase efficiency?

— We currently have three major production units – in Luxembourg, the Czech Republic and Russia – which cover our key markets and offer sufficient capacity to ensure sustainable growth.

— In line with the updated strategy, some labour intensive production has been moved from Luxembourg to the Czech Republic. Capacity increases and efficiency measures have also been implemented at the Russian production plant in Yaroslavl in order to handle increased volumes.

— Since 2009, we have reduced our fixed costs, particularly by closing a production unit in Hungary, and have thereby created substantial operating leverage for when business picks up again.

What are your future key markets?

— Poland is becoming a more mature market and offers good and probably more stable potential in the coming years. But Russia is clearly the most significant growth market, together with some CIS countries with sound economies. With our local production in place in Yaroslavl, this clearly provides entirely new possibilities for us to expand in the region. With the new factory, we can offer high-quality building systems without the problem of transport over long-distances and costly import tariffs. Since Yaroslavl was opened, a number of interesting deliveries to various parts of Russia have been completed, including a sports centre, a warehouse, a customs facility and a large factory.

What is happening with product development within the business area?

— We simplify construction by offering competitive and comprehensive building solutions that require less time from order to on-site assembly than most competing alternatives. Customers also have access to our continuously updated proprietary software, Cyprian, an important support and planning tool, especially in the early project phases.

— At the beginning of 2011, we are launching a new insulated interior roof drainage system, which is easier to assemble and improves

quality. Better insulation solutions will help to create buildings that provide energy surpluses more easily – thereby enabling them to adapt to and surpass the EU's new environmental requirements.

Can you tell us more about your small building project?

— While our design and product technology gives us strong advantages for larger buildings, we do not have quite the same advantages for smaller buildings. Nevertheless, there is a market for these buildings and our builder-dealers are in many cases looking for a more competitive small building concept. We have therefore started a development project under the working title of the Small Building Concept for buildings up to around 1,000 m². This requires a slightly different design philosophy, but with the skills that the Group possesses within lightweight construction technology for instance, and our broad expertise, the goal is for this development work to result in a new smaller steel building system within two to three years.

What will be your main focus in 2011?

— The second half of 2010 showed much better profitability for the business area and our main focus is to continue the improvement. Once all the activities that support our strategy have been rolled out, both sales and underlying profitability will benefit. In particular, I'd like to emphasise our commitment to grow in Russia, our work to improve internal productivity and our product development.



50,000 m² in 20 weeks

Steel building systems are a safe and quick method for constructing large buildings, particularly suited to industrial customers that require large and individually tailored surfaces. Lindab's first Russian production unit for steel building systems is located in Yaroslavl 300 km from Moscow. Since opening in the summer of 2009, Lindab has delivered several major projects for customers in the rapidly growing markets in Russia and the CIS. One of the largest deliveries was for a project in Yaroslavl. A 50,000 m² production facility was rapidly constructed for Komatsu, a leading Japanese manufacturer of machinery and equipment for the construction and mining industries in the CIS and Asia. Despite having been present in Russia for almost 50 years, the factory in Yaroslavl is Komatsu's first in the country. Komatsu's choice of a Lindab steel building system for the project was linked to clear standards regarding quality, speed and safety.

"Komatsu had determined a construction time of 22 weeks for the 563 metre-long and 72 metre-wide main building. Therefore, they needed a reliable and well-known supplier who could meet these expectations. This short deadline was obviously a challenge for us. But through meticulous planning and by closely monitoring the deliveries, we managed to complete it two weeks faster, and the production of excavators has been in full swing at the factory since 2 June 2010," says Pavel Korenkov, business unit manager for Lindab Building Systems in Russia.

Komatsu had determined a construction time of 22 weeks for the 563 metre-long and 72 metre-wide factory. Therefore, they needed a reliable and well-known supplier who could meet these expectations.

(Pavel Korenkov)





Since 1 December 2006, the Lindab share has been listed on the Nasdaq OMX Nordic Exchange, and is included in the Building Products sector. A better general economic outlook and stronger performance within the Group contributed to a 20 percent increase in the share price during 2010.

The Lindab Share

At the end of 2010, the Lindab share was quoted at SEK 88.25. The market capitalisation corresponded to SEK 6,648 m (5,496), making Lindab the 76th (69th) largest company by value on the Nordic Exchange in Stockholm. Shares with a total value of SEK 4,082 m (2,164) were traded during the year. The turnover rate was 61 percent (44), compared with the average for the entire Stockholm Stock Exchange of 98 percent (119).

Share capital and voting rights

The share capital amounted to SEK 78,707,820 split between 78,707,820 class A shares only, including those repurchased by the company. At the end of 2010, Lindab owned 3,375,838 treasury shares (3,935,391). The decrease in 2010 is due to the acquisition of IVK-Tuote Oy, paid using Lindab treasury shares, in which 559,553 shares were transferred to the seller of the company. The number of outstanding shares has therefore increased to 75,331,982 (74,772,429). All shares have a face value of SEK 1.00 and thereby an equal share in the company's assets and profits. Each share also entitles the holder to one vote at Lindab's Annual General Meeting. A trading lot is made up of 100 shares.

Shareholders

In November 2010, Lindab's largest shareholder, Ratos AB, reduced its holding from

23.7 percent to 11.7 percent of the share capital. The three largest shareholders, Ratos AB, Sjätte AP-fonden and Livförsäkringsaktiebolaget Skandia, have been the principal owners of Lindab since 2001. The total number of shareholders decreased in 2010 to 6,934 (7,908) at the year-end. No new major shareholders have been added.

Incentive programme

The Annual General Meeting decided to continue the Incentive Programme, with stage three implemented in May 2010. Altogether, the programme contains 784,000 warrants, of which 732,000 have been offered and subscribed to by existing employees, while 52,000 have been reserved for incoming managers. The price per warrant was established at SEK 8.40, entitling the holder to one share for SEK 93.00 between 1 June 2012 and 31 May 2013. During the final quarter of 2010, newly recruited employees subscribed to 39,000 warrants at the price of SEK 12.20 determined using the Black-Scholes option pricing model. Each warrant entitles the holder to subscribe for one new share, resulting in a maximum dilution of 1 percent per programme. It is unlikely that the warrants in the first programme will be redeemed as the conversion price is significantly greater than the current share price. The dilutive effect is therefore expected to be no greater than two

percent of the share capital. Upon redemption, Lindab may choose to transfer parts of its treasury shares.

Dividends and dividend policy

The Board proposes that SEK 1 per share, equivalent to SEK 75 m, be paid to shareholders for the financial year 2010. The dividend represents 55 percent of net profit based on profit for the year adjusted for the reversal of the write-down of goodwill. No dividend was paid for the financial year 2009.

Lindab's dividend policy is that the dividend should correspond to 40–50 percent of the net profit, but with Lindab's long-term financial needs always taken into consideration. Since being introduced to the stock market in 2006, 42 percent of the net profit has been paid out on average.

Reliable information disclosure

Lindab has a clear strategy for communicating with various stakeholders in the financial market. Contacts are made through presentations in connection with the four quarterly reports and meetings with analysts, investors and journalists at investor days, conferences, shareholders' association meetings and seminars. At Lindab's Investor Day in Stockholm on 14 June 2010, the Group presented its new vision, updated strategy and financial targets.

Lindab's Annual General Meeting took place on 11 May at Ladan in Boarp, Båstad, and was attended by 217 people.



SHARE PRICE MOVEMENT 1 DECEMBER 2006–31 DECEMBER 2010, SEK



LINDAB'S LARGEST SHAREHOLDERS

	2010	2009	
	Shares	Capital & votes, %	Capital & votes, %
Ratos AB	8,849,157	11.7	23.7
Livförsäkringsaktiebolaget Skandia	8,449,015	11.2	12.1
Sjätte AP-fonden	8,023,810	10.7	11.1
Swedbank Robur fonder	7,486,298	9.9	7.2
Lannebo fonder	4,393,433	5.8	4.8
CBLDB-IF Skadeförsäkring AB	3,322,316	4.4	4.1
SEB Investment Management	2,084,912	2.8	3.9
Other shareholders	32,723,041	43.5	33.1
Total number	75,331,982	100.0	100.0

SHAREHOLDER STRUCTURE

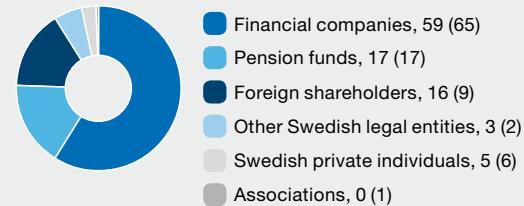
Holding	Number of shareholders	Number of shares	Holding, %
1–500	5,189	56,348,323	74.8
501–1,000	886	9,642,494	12.8
1,001–5,000	543	5,875,895	7.8
5,001–10,000	95	1,054,648	1.4
10,001–15,000	27	301,328	0.4
15,001–20,000	20	225,996	0.3
20,001–	174	1,883,298	2.5
Total number	6,934	75,331,982	100.0

GEOGRAPHICAL BREAKDOWN OF OWNERSHIP, %



- Sweden, 85 (91)
- Rest of the world, 15 (9)

SHAREHOLDER CATEGORIES, %



SHARE CAPITAL

Year	Action	Number of shares Class A	Change in share capital (SEK 000's)		Total share capital (SEK 000's)
			Class B ¹⁾	(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		-3,375,838	-	-	-
Total number of shares outstanding at year end		75,331,982	-	-	-

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.

DATA PER SHARE

SEK/share unless otherwise stated	2010	2009	2008	2007	2006	2005	2004	2003 ¹⁾
Diluted earnings per share (EPS)	0.36	0.45	9.32	11.45	6.29	2.86	1.65	0.21
Earnings per share ²⁾	0.36	0.45	9.67	11.45	7.43	-	-	-
Dividend	1.00, ³⁾	-	2.75	5.25	3.25	-	-	-
Dividend yield, % ⁴⁾	1.13	ET	5.7	3.6	2.5	-	-	-
Dividend in % ²⁾	277.8	ET	28.4	45.9	43.7	-	-	-
Quoted price at end of period	88.25	73.50	48.50	147.25	130.25	-	-	-
Highest quoted price	105.00	91.00	163.00	205.00	132.00	-	-	-
Lowest quoted price	61.25	40.00	36.50	125.00	111.00	-	-	-
Shareholders' equity, after dilution	36.57	40.16	44.75	37.72	27.82	23.21	19.30	18.00
Diluted number of outstanding shares	75,331,982	74,772,429	74,772,429	78,707,820	78,707,820	122,940,000	122,736,000	122,736,000

1) Not restated on an IFRS basis. 2) Based on the current number of outstanding shares at the end of the year. 3) Proposed dividend. 4) Dividend as a percentage of the quoted price at the end of the period.

The value chain





Just-in-time deliveries to construction site.



Installation work is made simpler and more efficient through product innovation and smart tools.



Energy-efficient workplaces with low lifecycle costs.



Working environments with a comfortable indoor climate favour productivity.



Delivery of pre-cut and marked products for the construction of residential buildings.



Products are continuously improved in order to simplify assembly and to minimise the transmission of sound and heat.



Sustainable residential properties with low lifecycle costs.



Comfortable living environment for residents.



The supply of complete tailored systems with frames, walls, ceilings, insulation and accessories.



The parts are delivered ready for assembly, minimising the need for welding and cutting on site.



Rapid completion of building according to customer specifications. In this case a sports hall.



A place where many people can pursue their leisure activities.

Think Less.

– About simplifying construction and about why less is more

We believe it is entirely possible to simplify construction for our customers while also working towards a better environment. In 2011, we are launching a new communication concept to inform about steel from a sustainability perspective.

The theme of the campaign is Think Less – because less is more. The arguments for using steel products from Lindab:

The environmental benefits of steel are:

- Less material used
- Less waste
- Less energy consumed
- Less CO₂ emitted

Our smart solutions give customers the following advantages:

- Less effort when planning and optimising
- Less time on the building site
- Less energy to run the building
- Less maintenance work

In other words, Think Less is a concept that goes hand-in-hand with our business concept to simplify construction. With our smart, well-conceived and recyclable systems and solutions, we offer a range of valuable benefits to customers, employees, shareholders and other stakeholders.

Lindab – We simplify construction



Social responsibility (SR) is fundamental to Lindab's entire business. The current priorities for this work are based on a dialogue with the company's stakeholders. Guidelines regarding Lindab's responsibility for daily conduct within the field are combined under the concept Lindab Life.



Lindab Life

The work to create sustainable development has always been a part of Lindab's values. The basis for Lindab's work with social responsibility is to achieve positive outcomes for the business and its employees as well as for the environment and society. Lindab sees its sustainability efforts as a value-creating cycle, in which the initiatives that favour the external environment and stakeholders also benefit the company.

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

Lindab's Code of Ethics is implemented in several languages throughout the Group and is monitored continuously. The Code is based on the UN Convention on Human Rights and describes the principles regarding how every employee should behave in their relations with other employees, shareholders, business partners and other stakeholders. The Code is also used to ensure that the company's suppliers operate in a way that is consistent with the Code.

The Lindab Life concept summarises how Lindab should act on a daily basis, and how the company should behave towards its customers, suppliers and other partners. Lindab Life also governs its behaviour towards employees and the communities in which the company is present. Furthermore, it covers every significant environmental issue, both from a process and a product perspective.

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

The CEO and senior management are responsible for Lindab's work regarding SR, which is implemented by Group Staff Legal. The work is executed by a group of employees representing the Legal, Finance, Purchasing and HR functions.

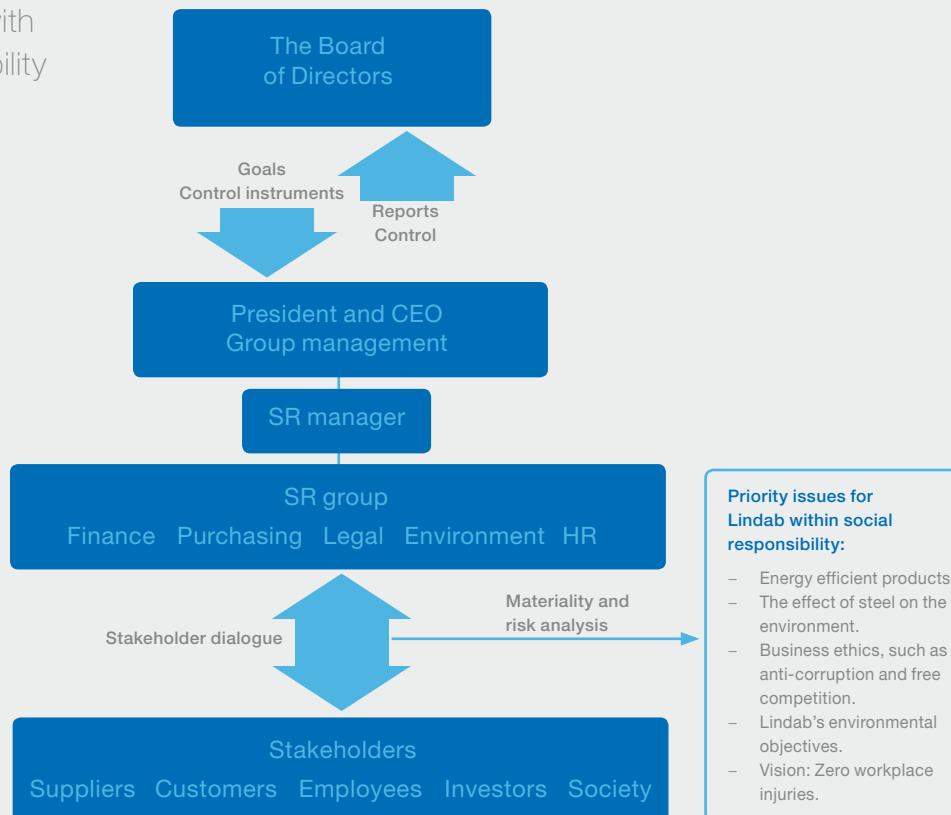
The data presented refers to the calendar year for 2010 and, unless otherwise specified, includes all Lindab Group operating subsidiaries that were included from the start of the year. Those companies that were divested or ceased operations report the data for the time that they were active. The previous sustainability report was published in April 2010.



LINDAB'S SOCIAL RESPONSIBILITY AND LINDAB LIFE ARE BASED ON THE FOLLOWING GUIDELINES AND CONTROL INSTRUMENTS:

- ISO 26000 – guidelines for social responsibility.
- **Global Compact** – Guidelines on human rights, environment etc.
- **Global Reporting Initiative, GRI** – Sustainability reporting guidelines. Lindab reports under GRI level C.
- **Greenhouse Gas Protocol** – guidelines for calculating greenhouse gas emissions.
- **Lindab Code of Ethics** – comprehensive internal policy document dictating approaches towards the outside world in matters relating to social responsibility within each relevant area, based upon for example the UN's Declaration on Human Rights.

Lindab's work with social responsibility (SR)

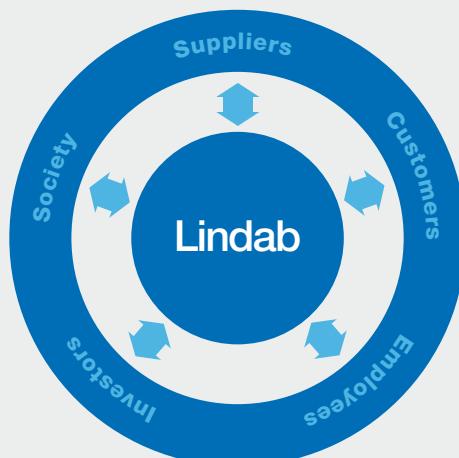


WHISTLEBLOWER

It is vitally important that all employees respond and act when deviations occur from the principles of Lindab Life. A key point in Lindab's Code of Ethics therefore describes the "whistleblower" function, i.e. the opportunity for all employees to anonymously to report abuses that are contrary to Lindab Life. Notifications have been received in 2010 resulting in investigations and disciplinary action in some cases.

STAKEHOLDER DIALOGUE

Lindab's stakeholders primarily consist of customers, suppliers, investors, employees and society. During the year, dialogues have been held with representatives for these groups aimed at discussing the issues deemed most important for the company. Based upon the exchanges in these stakeholder dialogues, a materiality analysis has been completed in which Lindab's priorities have been decided. Issues that emerged as most important relate to, for example, ethical matters such as anti-corruption and free competition and environmental aspects such as the effect of steel on the environment, energy-efficient products, as well as the Group's energy consumption and climate impact.



Lindab's business is based on energy-efficient products and services that simplify construction. Together with sound business ethics, this contributes to healthy and long-term relationships with the company's customers and to social responsibility.

Business

Simplifying construction for the company's customers is fundamental to the development of new products and services. This is being reinforced in 2011 with the launch of the new "Think Less" concept, which puts an even greater focus on developing solutions that require fewer resources to achieve the same outcome.

Energy efficient products

Steel – the benefits and environmental issues

Steel and sheet metal are the common denominator for the majority of Lindab's products. The global steel industry is investing billions to improve treatment and other measures to reduce the environmental impact.

Apart from emissions during the production process, steel has a relatively small environmental impact. Steel's most important properties that help to conserve natural resources are its light weight, high strength and good recyclability.

The high strength of steel and constant development allow for lighter buildings that use

less material. Since steel is a very strong material, a smaller amount of steel is required to perform the same function as concrete or wood. This also contributes to fewer shipments when steel is used for construction.

The properties of steel do not change during the building's life span. Steel possesses a long service life, reducing the need for maintenance and repair, and the energy consumption during the building's life cycle.

Steel does not require pesticides or other chemicals to protect against pests, mould or rot since steel is an inorganic material that does not absorb liquids. For that reason, buildings incorporating a steel frame do not provide a breeding ground for mould or other allergens. Steel gives off no emissions that can give rise to hypersensitivity or allergies.

Virtually all steel can be recycled and steel is today one of the most recycled materials in the world.

Product development and quality

Lindab's strives to contribute to simplifying

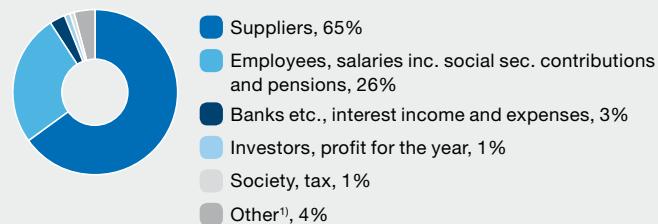
construction in all phases of the construction process: in the design phase, of the product itself, its installation and delivery. This forms the basis for the company's product development. The goal is to continue to develop sustainable and energy-efficient products.

Since people spend a large proportion of their time indoors, it is important that the indoor environment is healthy and that the components used in the building present no health risks. Lindab works actively to identify and replace anything that can be considered to be a hazard to the environment or to health. Material research and development projects are also conducted together with suppliers, notably into surface treatment, corrosion problems, strength as well as health and environmental aspects.

Resources are also being dedicated to the development of products in order to optimise the manufacturing process, and to reduce costs and the environmental impact. Lindab tests and documents the products that are developed to ensure quality and functionality. Quality management systems are ap-

DISTRIBUTION OF REVENUE BY STAKEHOLDER

Lindab's revenue in 2010 amounted to SEK 6,527 m, comprising the sale of the company's products and services. Most of this is distributed among the company's stakeholders.



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



plied throughout the business. Almost all of Lindab's larger production units have quality systems certified to ISO 9001. The products are supplied with the documentation requested by the various markets such as user manuals, certificates and environmental product declarations.

The high quality and functionality of Lindab's products help to lower the risk of adverse effects on health and safety. No breaches have been identified during the year in the Group's provision of products or in the health and safety impacts of the products.

Carbon Footprint studies for Lindab's products

The construction industry is increasingly demanding access to information about products' carbon emissions during their lifetime, referred to as the Carbon Footprint. Buildings account for 36 percent of the EU's total greenhouse gas emissions. Building materials constitute a part of this. To reduce a building's impact on the climate, it is important to be able to manage and to know the material's carbon footprint.

Lindab is working to develop Carbon Footprint studies for a large proportion of the Group's products. The studies, which include the products' impact on the environment, are presented notably in environmental product declarations and other product information. The calculations are performed by an external party, WSP, and are made from "cradle to grave", i.e. from the extraction of raw materials until the product leaves Lindab's factories. In 2011, all of Lindab's product groups will be covered by Carbon Footprint studies.

So far, outcomes from the studies have shown positive results for Lindab's products and the materials used. The material accounts for much of the Carbon Footprint, i.e. the production of steel. Manufacturing, transportation and packaging materials comprise less than 10 percent of the products' total Carbon Footprint.

Business ethics

Anti-corruption and free competition

Good business ethics are pursued throughout Lindab's business. Unfortunately, in the

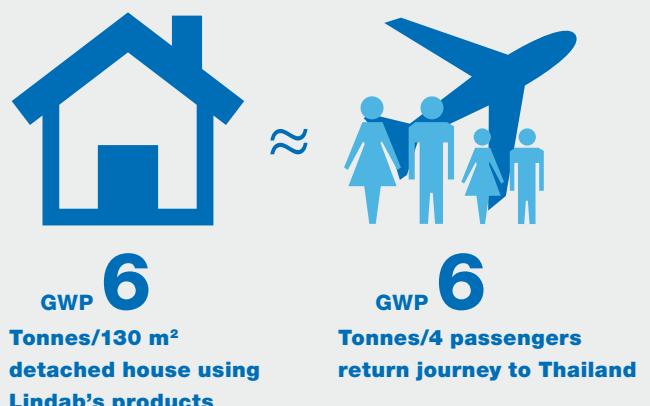
construction industry and in the various geographical markets where Lindab operates, certain operators behave in a manner that is not acceptable. Lindab has long had a competition policy that is continuously reviewed and updated. Conduct that breaches competition rules is unacceptable. Company employees 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 the anti-corruption policy is designed to ensure that conduct that might be considered as corruption does not take place in the company.

During the year, disciplinary action has been taken against employees for acting in breach of ethical principles.

CARBON FOOTPRINT STUDIES

Based on calculations according to Carbon Footprint studies, the GWP (Global Warming Potential) for a standard home is 6.36 tonnes. This value is based on the approximate consumption of materials for steel components in a detached house measuring 130 m² with a ventilation system, frame, roof and roof drainage from Lindab. This can be compared with a return flight between Sweden and Thailand, resulting in emissions of 1.5 tonnes per person. A house built using Lindab's products therefore roughly corresponds to a vacation for a family of four.



Source: SAS Carbon Dioxide calculator, WSP's Carbon Footprint studies for Lindab's products.

The construction industry is seeing an increased interest in environmentally friendly products and production processes, particularly with regard to energy consumption and the chemical content of products.

Environment

Lindab's continuous environmental work is governed by the environmental policy and agreed environmental objectives.

The direct responsibility for environmental issues within Lindab lies with the local companies, each of which has one person responsible for local environmental work. The Group has a central environmental function with responsibility for the development, coordination and monitoring of the environmental work. A Group-wide environmental council has been appointed with a representative from each business area. Each business unit is continuously monitored and compared with other units within the Group.

Lindab's energy and climate objectives

Lindab has set three long-term objectives aimed at reducing the Group's impact on the environment and climate. The objectives are based on the EU's objectives for 2020 and mean that taking 2008 values as a starting point:

- energy consumption will decrease by 20 percent

- 20 percent of energy will come from renewable sources
- greenhouse gas emissions will decrease by 20 percent.

The long-term objectives are complemented by shorter, more locally based objectives and activities. In particular, this means better processes and reduced energy consumption. These have not been fully achieved in 2010, primarily because of production cutbacks.

Environmental management system

Most of Lindab's major production units are certified according to ISO 140001, with more to be certified in future. Non-certified companies are primarily sales companies.

Localisation

Lindab's production units are generally situated within areas designated for industrial activities, where operations have no direct impact on biodiversity.

Permits

The permits that are required for Lindab's

operations normally relate to ordinary business permits for the industry, and in certain places permits regarding the size of the factory site and the handling of oils. Reports are submitted to regulatory bodies in each country. No violations of permit conditions or local environmental laws have occurred in 2010 or previously.

Climate change

Climate change affects Lindab's operations to an ever greater extent. These changes are treated as risks, and assessments are continuously being made to identify and prevent further risks. Identified risks include extreme weather with increased precipitation and flooding, as well as longer and colder winters with the increase in energy costs this entails.

Lindab's impact on the environment arises from energy consumption as well as from the consumption of raw materials. Several projects focusing on energy efficiency and reduced volumes of scrap are being conducted within the Group. The Group reports to the Carbon Disclosure Project, which measures

CONSUMPTION OF RAW MATERIALS		
	2010	2009
Steel, tonnes	182,000	180,000
Other metals, tonnes	20,200	-
Oils, m ³	210	100
Paint, tonnes	640	750
Solvents, m ³	20	30
Rubber, tonnes	1,280	1,400

WASTE & SCRAP METAL		
	2010	2009
Steel scrap, tonnes	11,000	36,000*
Other scrap metals, tonnes	2,590	-
Hazardous waste, tonnes	490	700
Total other waste, tonnes	6,340	8,600
Recycling rate, %	90	93

*) A large amount of material was scrapped in connection with the closure of a production unit.

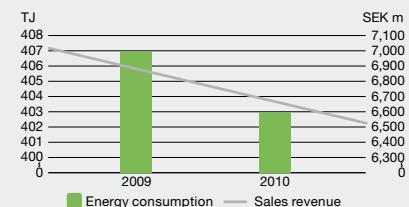
CONSUMPTION OF PACKAGING MATERIALS		
	2010	2009
Cardboard, tonnes	2,130	2,000
Plastic, tonnes	730	1,700
Wood, tonnes	11,580	6,900

ENERGY		
	2010	2009
Total, TJ	403	407
Direct energy, TJ	170	166
Indirect energy, TJ	232	241

GREENHOUSE GAS EMISSIONS		
	2010	2009
Total, tonnes	52,366	83,629
Direct emissions, tonnes	10,392	10,400
Indirect emissions, tonnes	19,798	18,800
Other sources*, tonnes	22,176	51,215

*) Climate calculations now also include travel and scrap, 2009 has been adjusted to include these.

ENERGY CONSUMPTION



greenhouse gases and awards points based on emissions. Lindab's measured results have improved every year.

Resource use

Lindab's main raw material is steel, of which 20 percent is estimated to come from recycled sources. Additive materials are also used such as paint, rubber seals, plus lubricants and oils for metal processing. Furthermore, the production requires certain chemicals and fuels for the operation of furnaces, vehicles, trucks and heating.

Water is used in production primarily for cooling and cleaning. In 2010, 193,000 m³ (187,000) of water was used, mainly from the company's own wells. Measures to reduce water consumption include the installation of water saving taps, as well as recycling process water.

Energy conservation is an important area for Lindab. In 2010, the Group consumed approximately 403 TJ (407 TJ) of energy, of which 15 (15) percent came from renewable sources. Several projects are under way to reduce overall energy consumption.

Emissions

Transport

Environmental demands are made in the central procurement of transportation. Consolidation and logistical planning also reduce the environmental impact of transport. The majority of packaging consists of renewable materials, which are recycled.

Lindab's Carbon Footprint studies show

that transport accounts for a small part of the product's overall climate impact.

Production

Lindab's operations, with the manufacture of steel products, have a relatively small environmental impact. This can be small emissions of dust, solvents from paint and metals into waste water. The processes that can result in emissions into water use closed systems, and air containing dust is filtered continually prior to being emitted. No unintended emissions have occurred during the year.

In connection with a major environmental review conducted in 2006, traces of the degreaser trichloroethylene were discovered in groundwater at the factories in Grevie and Förslöv. The product was used during the period 1969–76 for degreasing metal. In order to monitor the pollution, Lindab has taken regular samples over a three year period. The samples have shown that the levels fall well below the limit for drinking water and discussions are being held with the country administrative board regarding how inspections should continue.

Most of the Group's production facilities are connected to municipal drainage. Water that is discharged over land surfaces is runoff and coolant water. This is usually clean but small traces of metal deposits may be present. To protect against accidental discharges there are degreasers and sediment traps.

Leakage checks on cooling/heating pump equipment are carried out to avoid ozone-de-

pleting substances from leaking out. No emissions have been recorded to date.

Independent inspections of the business have been made showing that no pollution has occurred that may require the decontamination of soil or water.

Waste

Lindab's products are recyclable since they are easy to separate in the event of reconstruction or demolition.

The waste products generated during production comprise mainly scrap metal, but other types of waste are also generated. The recovery rate is high. Scrap metal is recycled completely along with about 92 percent of other waste. Some incoming and surplus packaging materials are reused on site. Anything not used is sorted and dealt with according to existing laws.

Hazardous waste that is produced includes paint and solvent waste, absorbent materials and other oily waste. The waste is collected by local waste management companies, and there is no information as to whether any has been exported.

Chemicals

Lindab uses chemicals in production and is therefore affected by the EU's chemical legislation, REACH. The business is classed as a downstream user, since Lindab neither produces nor imports chemical products to the European market. Lindab's work in this area is mainly focused on communication with suppliers and customers about REACH related issues.

REDUCED CLIMATE IMPACT THROUGH LESS SCRAP

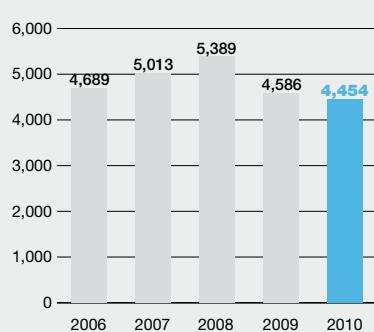
More efficient use of raw materials in production has economic as well as environmental benefits. Within Lindab, a Group-wide project is taking place to reduce the proportion of scrap and waste during production of the company's products. The goal is to use material more effectively, thereby achieving a saving in raw materials of at least SEK 6 m.

Reduced waste in the manufacturing process also decreases the Lindab's total CO₂ emissions. According to Lindab's Carbon Footprint studies, 1 kg of galvanized scrap equates to about 1.32 kg in CO₂ emissions. The project is cutting approximately 615 tonnes of scrap, equivalent to around 810 tonnes of greenhouse gas (CO₂).

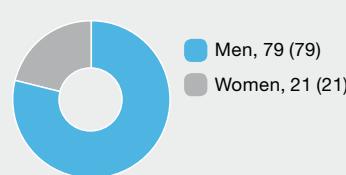




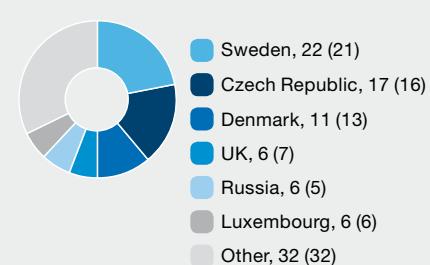
AVERAGE NO. OF EMPLOYEES



GENDER DISTRIBUTION, %



GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES, %



The HR department strives to support Lindab's vision, strategy, core values and organisation by attracting, developing and retaining competent employees. The goal is that Lindab will continue to develop as an attractive employer.

Employees

The cornerstones of this work are the efforts already being made regarding the corporate culture, employee and organisational development, and preventive health care.

Central initiatives

At Group level, a couple of joint initiatives have been developed in 2010 that will gradually be launched in 2011. The first relates to the Performance and Development Talk, which is an important tool for the meaningful development of employees and the organisation. To some extent, these are based on the harmonisation of previously central and local initiatives. The aim is to coordinate individual targets, to develop and monitor the organisation's overall goals, and to increase employee motivation. The work is being introduced with a focus on senior executives and will then be applied to further employees.

Related to this initiative is the Talent Review and Succession Planning process, which supports the identification and development of potential employees and the remuneration of key employees in both the short and long-term.

Local initiatives

There are a large number of local initiatives concerning everything from training to team activities at Lindab's various units. Many units have a Lindab Academy with training resources and premises, where sales and production staff, as well as customers, are given training about Lindab's products, technologies and systems. Longer-term initiatives to further strengthen leadership skills can be found at several units. Strong team-building activities are available at most of the company's plants, including joint activities outside the workplace, family days, employee awards plus the official recognition of achievement and celebrations.

Preventative health care

Lindab is actively working with preventive health care in most of its markets. The goal of improving health and safety rather than curing illness can be seen to good effect in Sweden and Denmark, for example. A number of proactive initiatives are being undertaken at individual and team level, as well as at corporate level. To support a healthy and safe working environment, employees are for example offered health profiles, ergonomic aids and health checks. Great emphasis is placed on encouraging employees to lead an active and healthy lifestyle. This is supported with coaching and small financial contributions and includes physical activity, balanced diet and balance between work and leisure.

Vision: zero workplace injuries

Lindab is working to minimise the number of workplace injuries. Each business unit is responsible ensuring that laws and regulations are followed and that all staff undergo training for the tasks that they are to perform. All employees must also be informed about and trained in the legislation and regulations that apply to the workplace.

Some incidents have still occurred despite a long-term effort to minimise workplace injuries. Therefore, in 2010 efforts to prevent occupational injuries were intensified. An internal group has been appointed to establish a structure regarding how to work towards implementing the agreed vision of zero workplace injuries.

Diversity

Lindab encourages diversity and treats employees without discrimination with regard to gender, race, religion, age, disability, sexual orientation, nationality, political opinion,

union affiliation, social or ethnic origin. Many units submit positive reports regarding diversity. No cases of discrimination were reported in 2010.

Human rights

All activities within the Group must respect human rights. Every employee has the right to form, join or refrain from participation in trade unions or other organisations that engage in collective bargaining. Lindab makes risk assessments of its geographic markets concerning factors such as oppression, child labour and forced labour. The risk of such violations is considered to be low within the Lindab Group and during the year no violations were recorded.



Lindab recognises the importance of assuming the social responsibility expected of a large company and aims to contribute towards local development.

Society

Lindab has operations in 31 countries. In several of these regions, Lindab is among the leading companies and employers, especially in those locations where the Group's largest production units are situated. It is important for Lindab to have good and close relations with local authorities and organisations, as well as local initiatives that support and contribute towards positive development in the local community.

Dedicated employees and entrepreneurial thinking have always been of central importance for Lindab. There is also a willingness to adapt the entrepreneurial culture to local conditions since the company is active in many different markets.

Communicating fundamental values

Lindab's social responsibility work includes encouraging its suppliers and other business partners to strengthen their own endeavours regarding these issues. All major suppliers must adopt Lindab's Code of Ethics and thereby commit to meeting the associated requirements. Local suppliers are chosen whenever possible. In most places where

the Group is present, cooperation also takes place with various organisations and authorities in order to strengthen the business climate and the local community development. Through such collaborations, Lindab endeavours to contribute to a generally positive development and to the long-term strengthening of the region's attractiveness and competitiveness, something that benefits both the society and Lindab.

An important factor for Lindab's commitment is that the majority of the recruitment of new employees, both managers and other employees, occurs largely in the communities where the Group's units are located and where Lindab is, in many cases, a large and important employer.

Community involvement

Support for schools, universities and other educational institutions and students is widespread throughout Lindab. For instance, employees from Lindab participate as guest lecturers at various university conferences and research is sponsored relating to developments within building systems and ventilation. Lindab also participates in programmes

that provide students with work experience, by offering internships and assistance with thesis work. In 2010 for example, two students from Chalmers University of Technology were offered internships with Lindab, Inc. in Portsmouth, USA.

Lindab is involved in a number of activities in support of local communities. In 2010, the Lindab Group has contributed around SEK 7 m in the form of sponsorship and donations. Lindab also lends its support to smaller local sports clubs in areas where the company is established. The company also sponsors events such as the Swedish Open tennis tournament in Båstad, and the Lindab Arena which is home to the Rögle ice hockey team.

Government Assistance

Received contributions amounted to approximately SEK 27 m in 2010. The majority, 85 percent, was national support for reduced working hours, primarily in Luxembourg. The support payments were intended to reduce the impact of the recession and to secure jobs in the country. The remainder consisted mostly of training and freight support.

PARTNERSHIP PROJECT REGARDING PASSIVE HOUSING

In the past year, an EU-sponsored two-year partnership project got under way for high school students in France, Germany, Ireland and Sweden. Three students from each land are participating in the project, with the aim of learning how passive housing is built. In May of 2011, all of the participants are gathering at Lindab in Förslöv outside Båstad, for practical work regarding the construction of passive houses. The idea behind the project is to learn about energy efficient and environmentally friendly construction. Participants learned for example how property owners can utilise rainwater through functional gutters and quality metal roofing.

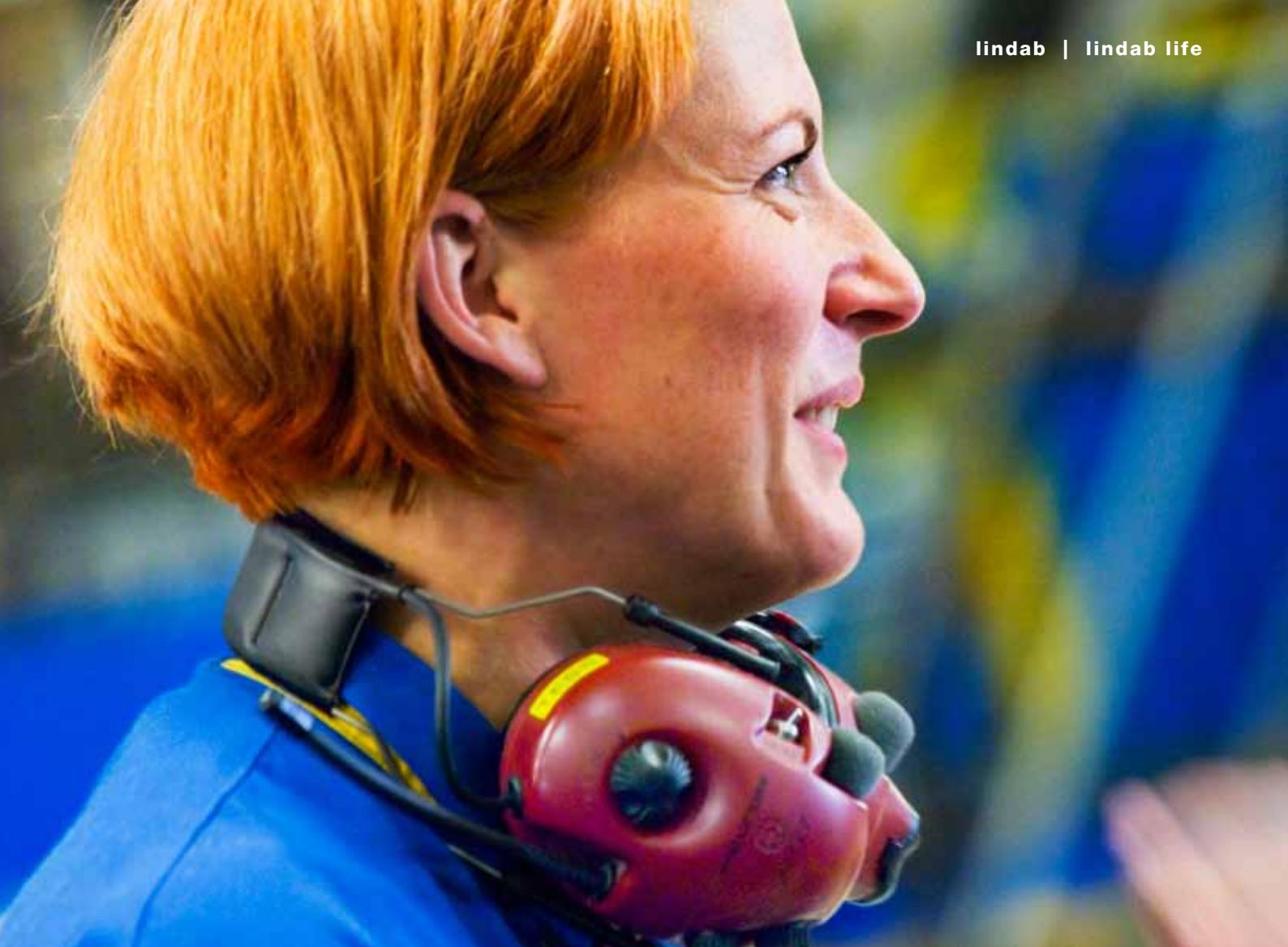


Frame using Lindab's energy beams, ideal for passive houses.

GRI Index

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

Indicator		Status	Page
1. STRATEGY AND ANALYSIS			
1.1	CEO statement on Social Responsibility	F	9
2. ORGANISATIONAL PROFILE			
2.1	Name of the organisation	F	Front cover
2.2	Primary brands, products and/or services	F	4
2.3	Operational structure	F	Note 31
2.4	Location of headquarters	F	Note 1
2.5	Countries where the Group operates	F	Note 31
2.6	Nature of ownership	F	38–39
2.7	Markets served	F	18–19
2.8	Scale of the reporting organisation	F	69ff
2.9	Significant changes during the reporting period	F	69ff
2.10	Awards received during the reporting period	F	n/a
3. REPORT PARAMETERS			
3.1	Reporting period	F	44
3.2	Date of most recent report	F	44
3.3	Reporting cycle	F	44
3.4	Contact persons	F	Back cover
3.5	Process for defining report content	F	44
3.6	Boundary of the report	F	44
3.7	Specific limitations on the scope or boundary of the report	F	44
3.8	Reporting of entities that can affect comparability from period to period and/or between organisations	F	44
3.10	Explanation of the reasons for and effect of any restatements of information	F	44
3.11	Significant changes in the scope, boundary or measurement methods	F	44
3.12	GRI-index	F	54–55
4. GOVERNANCE, COMMITMENTS AND STAKEHOLDER RELATIONSHIPS			
4.1	Governance structure of the organisation	F	57–63
4.2	Chairman's position	F	57–63
4.3	Number of independent, non-executive Board members	F	57–63
4.4	Mechanisms for shareholders and employees to provide recommendations or directions to the Board	F	57–63
4.14	List of stakeholder groups engaged by the Group	F	40–41, 45–46, 60, note 26
4.15	Basis for the identification and selection of stakeholders	F	45
5. MANAGEMENT APPROACH AND PERFORMANCE INDICATORS			
<i>Economic performance indicators</i>			
EC1	Economic value generated and distributed	F	46
EC3	Coverage of the organisation's defined-benefit plan obligations	F	Note 6, note 24
EC4	Significant financial assistance received from government	F	53
<i>Environmental performance indicators</i>			
EN1	Materials used	F	48
EN2	Percentage of materials used that are recycled input materials	F	49
EN3	Direct energy consumption	F	48
EN4	Indirect energy consumption	F	48
EN5	Energy saved due to conservation and efficiency improvements	P	48–49
EN8	Total water withdrawal by source	P	49
EN16	Total direct and indirect greenhouse-gas emissions	F	48
EN18	Initiatives to reduce emissions of greenhouse gases and results	F	47, 48–49
EN22	Total weight of waste by type and disposal method	P	48–49
EN28	Fines and sanctions for noncompliance with environmental laws and legislation	F	48



Performance indicators for labor practices and decent work

LA1	Total workforce	P	60, note 6
LA2	Employee turnover	P	60, note 6
LA7	Work-related accidents and diseases	P	Note 6
LA13	Composition of the Board, management and employees by category	F	Note 6

Performance indicators for human rights

HR4	Total number of incidents of discrimination and actions taken	F	51
HR6	Operations identified as having significant risk for incidents of child labor and actions taken	F	51
HR7	Operations identified as having significant risk for incidents of forced labor and actions taken	F	51

Performance indicators for society

SO2	Percentage and total number of business units analyzed for risks related to corruption	F	47
SO4	Actions taken in response to incidents of corruption	F	47

Performance indicators for products

PR1	Products and services impact on health and safety throughout the life-cycle	F	46–47
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes	F	47
PR9	Monetary value of fines for noncompliance with laws and regulations concerning products and services	F	47



Corporate governance report

Lindab International AB is a Swedish public limited company, which under the Articles of Association develops, produces and sells products to both the ventilation industry and the construction industry. Lindab is quoted on the Nasdaq OMX Nordic Exchange, Stockholm.

Lindab abides by the Swedish Code of Corporate Governance. The corporate governance report, including the remuneration of senior executives and the report on internal control is reviewed by the company's auditors.

Lindab attaches great importance to corporate governance and this is supported by Lindab's core value, "Neatness and Order". The corporate governance of Lindab is based formally on the Articles of Association, the Companies Act, the adopted rules of procedure, the regulations of Stockholm Stock Exchange, the Swedish code for corporate governance and other applicable Swedish and foreign laws and regulations. Lindab's corporate governance is clarified on page 60.

Deviations

There are no deviations from the company code.

Share capital and shareholders

Lindab's share capital amounted to SEK 78,707,820 at the end of the year. All shares have a face value of SEK 1, which means that there is only one class of share, numbering 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. Following the buy-back in 2008, Lindab holds 3,375,838 treasury shares. The number of outstanding shares therefore amounts to 75,331,982. Lindab has no voting rights for the repurchased shares. There were 6,934 shareholders (7,908) at 31 December 2010. The three largest shareholders, in relation to the number of outstanding shares were Ratos with 11.7 percent (23.7), Livförsäkringsaktiebolaget Skandia with 11.2 percent (12.1) and Sjätte AP-fonden with 10.7 percent (11.1). More information about Lindab's shareholders and the share development in 2010 can be found on pages 38–39.

Annual General Meeting

The Annual General Meeting for the financial year 2009 was held on 11 May 2010 in Boarp, in the municipality of Båstad. 182 shareholders participated. The minutes from the 2010 Annual General Meeting have been available on the company's website since 25 May 2010. In addition to ordinary matters, the meeting adopted decisions regarding:

- principles for the appointment of the Nomination Committee, see below
- principles for the remuneration of senior executives
- introduction of the third part of a three-year incentive programme consisting of a maximum of 784,000 share warrants
- the Board's proposal to amend the Articles of Association
- the Board's proposals regarding:
 - a) authorising the Board to decide upon the transfer of treasury shares
 - b) approval for the transfer of treasury shares with respect to the acquisition of IVK-Tuote OY.

The annual General Meeting for the financial year 2010 will be hosted at 14:00 (CET) on 11 May 2011 at Lindab Arena, Ishallsvägen, in the

municipality of Ängelholm. In accordance with the Articles of Association, notice to attend the Annual General Meeting will be published in 'Post och Inrikes Tidningar' and 'Dagens Industri'. Shareholders wishing to participate in the meeting must be entered into the company's share register 5 days before the meeting, i.e. 5 May 2011, and must notify the company of their wish to participate as specified in the notice to attend the 2011 Annual General Meeting. Shareholders who wish to have a matter discussed at the Annual General Meeting must, as specified on the company's website, submit these matters to the Chairman of the Board no later than 23 March 2011.

Nomination Committee

At the Annual General Meeting in May 2010, it was decided that the company shall have a Nomination Committee consisting of at least four members, one of whom will be the Chairman of the Board. The Chairman is instructed to appoint a Nomination Committee prior to the 2011 Annual General Meeting, in consultation with the three largest shareholders. The mandate period for the Nomination Committee runs until a new Nomination Committee has been appointed. The Chairman of the Nomination Committee shall be the member representing the shareholder controlling the largest number of votes. Accordingly, the company's major shareholders appointed a Nomination Committee. The company announced the Nomination Committee's appointments on 27 October 2010. These are:

- Arne Karlsson, representative for Ratos AB (publ), Chairman
- Caroline af Uggla, representative for Livförsäkringsaktiebolaget Skandia
- Urmas Kruusval, representative for Sjätte AP-fonden
- Svend Holst-Nielsen, Chairman of Lindab International AB.

In accordance with the decision of the Annual General Meeting, the Nomination Committee shall evaluate the work and structure of the Board of Directors and produce proposals for the 2011 Annual General Meeting with regards to:

- election of Chairman for the 2011 Annual General Meeting
- election of the Chairman of the Board of Directors
- election of auditors at the appropriate time in consultation with the Audit Committee
- fees for the Board of Directors and auditors
- composition of the Nomination Committee ahead of the 2012 Annual General Meeting.

The Nomination Committee held five minuted meetings in 2010, at which all members were present. In 2011, the Nomination Committee has held one minuted meeting prior to the 2011 Annual General Meeting.

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

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

A shareholder addresses opinions to the Nomination Committee in this way.

The Board of Directors

It was decided at the Annual General Meeting on 11 May 2010, that the Board of Directors will consist of seven members without deputies. The company's President is the spokesperson for the Board of Directors. The composition and the members' different appointments are detailed below and on page 65 of the Annual Report.

The work of the Board of Directors

The work of the Board of Directors is governed by rules of procedure approved annually. The rules of procedure include the instructions to the company's President, the duties of the Chairman, the Board's meeting procedures and decision-making procedures together with instructions and policies. All documents have been adapted to Lindab's business and organisation. The company's President, David Brodetsky, as well as the CFO, Nils-Johan Andersson, have been present at Board meetings, as well as the secretary of the Board, Chief Legal Counsel Carl-Gustav Nilsson, who has taken the minutes.

During 2010, the Board of Directors met sixteen times including seven additional meetings. At each scheduled meeting, the financial performance was reported and followed up. The auditors were present at two board meetings where they reported observations from the audit. Key issues raised at Board meetings are shown separately.

An evaluation of the work of the Board took place in 2010. The evaluation was conducted internally and was based on the same principles as for the externally conducted evaluation the previous year, with the addition of the views expressed by the Group management in the evaluation. The assessment was that the composition of the Board of Directors is good, it performs its duties very well, and that the dialogue between the Board and the company's management is good. An evaluation of the President has also been performed by the Board of Directors.

Remuneration of the Board of Directors

At the Annual General Meeting on 11 May 2010, total fees of SEK 2,660,000 were established, comprising Board fees of SEK 2,500,000, fees to the Audit Committee of SEK 90,000 and fees to the Remuneration Committee of SEK 70,000, see below.

KEY ISSUES AT EACH BOARD MEETING:

- 9 February – Financial statements, proposals for the Annual General Meeting, dividend, remuneration issues, report from auditors (present).
- 4 March – Strategic issues, acquisition issues, annual report.
- 19 March – Acquisition of IVK-Tuote OY.
- 25 March – Implementing acquisition of IVK-Tuote OY.
- 25 March – Share allocation IVK-Tuote OY.
- 31 March – Strategic issues.
- 27 April – Interim report.
- 11 May – Performance review, forecast 1, remuneration issues, market review.
- 11 May – Post-electoral Board meeting.
- 20 May – Implementation of incentive programme.
- 14 June – Establishment of new financial targets.
- 21 June – Performance review and balance sheet review, investments, acquisition issues.
- 15 July – Interim report, acquisition issues.
- 9 September – Performance review, forecast 2, acquisition issues, market review.
- 29 October – Interim report, report from auditors (present), forecast 3, acquisition issues.
- 13 December – Performance review and balance sheet analysis, budget, strategy review, acquisition issues, remuneration issues.

BREAKDOWN OF BOARD FEES

Name	Function	Board fees	Committee fees	Total
Svend Holst-Nielsen	Chairman	650,000	50,000	700,000
Pontus Andersson	Member	25,000		25,000
Erik Eberhardsson	Member	300,000		300,000
Per Frankling	Member	300,000	50,000	350,000
Ulf Gundemark	Member	300,000	20,000	320,000
Anders C. Karlsson	Member	300,000	20,000	320,000
Stig Karlsson	Member	300,000	20,000	320,000
Markku Rantala	Member	25,000		25,000
Annette Sadolin	Member	300,000		300,000
Total		2,500,000	160,000	2,660,000

THE BOARD OF DIRECTORS

Name	Number of meetings present			Elected		
	The Board 16 meetings	Remuneration Committee 3 meetings	Audit Committee 5 meetings	Year	Company	Ownership
Svend Holst-Nielsen, Chair.	16	3	5	1995	Independent	Independent
Pontus Andersson ²⁾	15			1995		
Erik Eberhardsson	13			2009	Independent	Independent
Per Frankling	16	3	5	2009	Independent	Dependent
Ulf Gundemark	16	2	3	2009	Independent	Independent
Anders C. Karlsson	16	1	2	2001	Independent	Dependent
Stig Karlsson	15		4	2004	Independent	Dependent
Hans-Olov Olsson ¹⁾	8			2001	Independent	Independent
Markku Rantala ²⁾	16			1998		
Annette Sadolin	15			2006	Independent	Dependent

1) Resigned 11 May 2010, mandate period covered 8 meetings.

2) Employee representatives.

Remuneration Committee

The Remuneration Committee consists of the Chairman of the Board, Svend Holst-Nielsen, as Chairman, and the Board members Per Frankling and Anders C. Karlsson. The Committee shall assist the Board of Directors to prepare proposals for principles of remuneration of the executive management, to be approved by the Annual General Meeting. The Committee is also responsible for preparing questions regarding remuneration of the Company management, to be decided by the Board of Directors. The Remuneration Committee was appointed at the Board meeting held on 11 May 2010 and has held three minuted meetings. The matters that have been discussed relate to the remuneration of senior executives regarding the results for 2009, targets for variable remuneration in 2010, and the incentive programmes. In 2011, the Committee has held two minuted questions ahead of the financial year and 2011 Annual General Meeting.

Audit Committee

The Audit Committee consists of Per Frankling (Chairman), Ulf Gundemark, Stig Karlsson and Svend Holst-Nielsen as independent expert. The Audit Committee will 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, and manage other related issues. The Audit Committee has held five minuted meetings in 2010. At four meetings, the auditors have been present as well as the CFO, the manager for internal audits, and the Chief Legal Counsel. The audit was planned and reviewed at these meetings and the quality of financial statements was guaranteed. In 2011, the Committee has held one minuted meeting with the auditors present, concerning the financial statements for 2010.

Auditors

At the 2010 Annual General Meeting, Bertel Enlund and Staffan Landén, authorised public accountants for Ernst & Young, were elected to be the company's auditors for a term that will expire at the Annual General Meeting in 2014. Bertel Enlund and Staffan Landén are also commissioned by other listed companies, but this does not encroach on the time necessary to carry out their work for Lindab. The auditors do not perform any services that could bring their independence into question. Nor have the services performed by the auditors for Lindab over and above the auditing services altered this opinion.

Auditors' fees

For 2010, the auditors' fees for the parent company amounted to SEK 1.7 m and SEK 7.5 m for the Group. In addition, their fees for other services in the Group amounted to SEK 6.5 m. Services have included advice on tax matters, investigation and analysis in connection with acquisitions and divestments, and investigations into certain accounting matters.

Rules of procedure

At the Annual General Meeting on 11 May 2010, the Board of Directors adopted rules of procedure for determining the distribution of duties between the Board of Directors and its committees, the Chairman's role, decision-making procedures and issues regarding financial reporting and internal control. The rules of procedure include the President's instructions for the clarification of the President's duties and responsibilities.

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

SR Policy

This policy is an instrument for controlling Lindab's sustainability work. More about this can be read on pages 44–55.

Code of Ethics

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

Finance Policy

This governs how the Lindab Group manages financing issues, fixed interest periods, liquidity and currency exposure, see note 3.

Information Policy

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

Insider Policy

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

IT Policy

Lindab's IT Policy contains comprehensive rules for the Group's IT use and management. The goal is to ensure access to the IT structure that has been established to enable the business to be run effectively. It includes rules about how the data centres are to be organised, including the management of critical IT equipment, access to support, backup procedures, and system administration.

Anti-corruption Policy

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

Competition Law Policy

It is important that the Group and its employees observe competition legislation. The adopted Competition Law Policy, which was implemented partly through the continuous training of executives and Group employees, protects against breaches of competition law.

Environmental Policy

An international Environmental Policy governs environmental issues, which are reported on pages 48–49.

Group management

Lindab's operations are divided into three business areas. The Group management consists of the President, the Group's business area managers, the CFO and the directors for HR, and Legal. This Group structure ensures that the decision-making paths are short.

Overview of governance in the Group

Shareholders

Shareholders' right to decide about Lindab matters is exercised at the Annual General Meeting or, where appropriate, at the Extraordinary General Meeting, which is Lindab's highest decision-making body. The Annual General Meeting is usually held in May. The meeting decides upon matters referred to in the Companies Act or the company code.

Nomination Committee

The Nomination Committee submits proposals regarding various issues to the Annual General Meeting. See page 57.

Audit Committee

The main task of the Audit Committee is to ensure compliance with the established principles for the financial statements and internal control. See page 59.

The Board of Directors Composition of the Board of Directors

The Board of Directors consists of seven members. The employees have appointed two members and two deputies to the Board of Directors. The President is the spokesperson for the Board of Directors. The Group's CFO participates in Board meetings, as does the Group's Chief Legal Counsel who is secretary to the Board of Directors. The Board of Directors has established two committees, the Audit Committee and the Remuneration Committee.

The Chairman's responsibilities

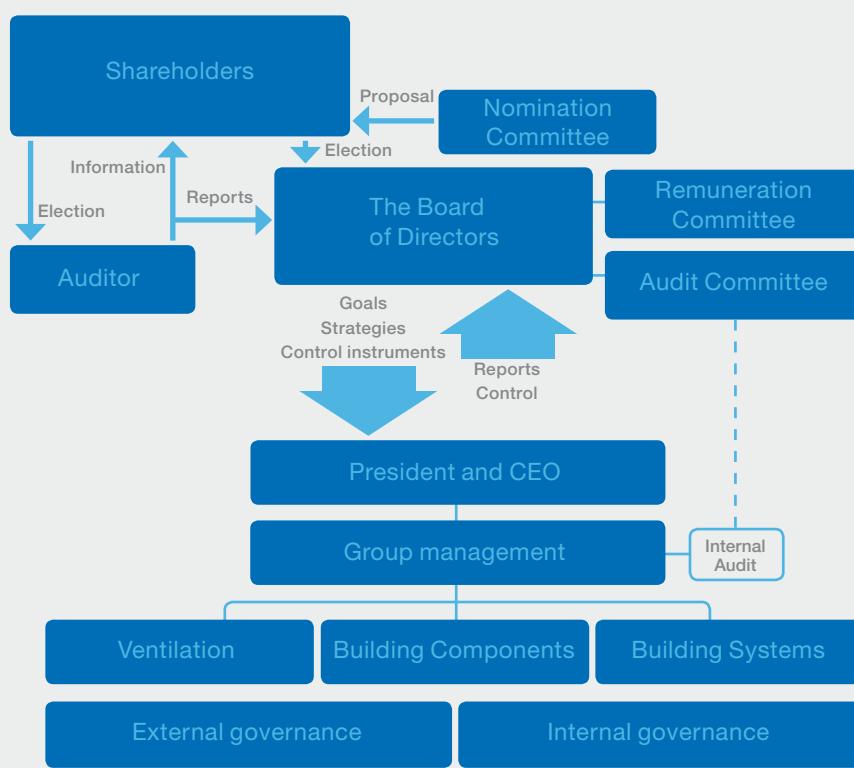
The Chairman leads the Board's work and follows its activities in dialogue with the President and is responsible for other Board members receiving the information and documentation necessary for high quality discussions and decisions. The Chairman represents the company in matters regarding ownership.

The work and responsibilities of the Board of Directors

The Board of Directors ensures that the Group's organisation, management and guidelines for the management of the Group's concerns are appropriate and that the internal control is satisfactory. In addition, the Board of Directors' responsibilities include the establishment of policies and objectives, establishing internal control instruments, deciding upon key matters, issuing the financial statements, as well as evaluating the operational management and ensuring succession planning. The Board of Directors' responsibilities include supervision of the President through continuous monitoring of operations.

The Board of Directors' responsibility for the financial statements

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



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. The auditors work according to an audit plan and report their findings to the Group management and the Audit Committee throughout the year and twice annually to the Board of Directors. The auditors also participate at the Annual General Meeting to deliver the auditors' report describing the review process and the observations made.

The President and Group management

The President leads the operations according to the framework established by the Board of Directors, including the instruction of the President. In consultation with the Chairman of the Board, the President provides the information and documentation necessary for the Board of Directors in order to be able to make informed decisions. The President presents issues and justifies proposal for decisions, and reports to the Board of Directors regarding Lindab's performance. The President leads the Group management work and makes decisions in consultation with the other members of the management team.

External governance

The external corporate governance consists of Swedish and foreign company law, Stock Exchange rules, the company code and other legislation which compellingly or dispositively governs Lindab's activities and corporate governance.

Internal governance

The internal corporate governance comprises the adopted rules of procedure together with instructions and policies based on Lindab's core values. See page 59.

Internal audit and risk management

Lindab's Internal Audit function reports regularly to the CFO and to Lindab's Audit Committee. The overall control environment that has been established by the Board and the management forms the basis for the internal control over financial reporting. See page 62.

Remuneration to senior executives

Remuneration principles

At the 2010 Annual General Meeting, guidelines for the remuneration of senior executives were established. The guidelines are based on remuneration that reflects the market and the environment in which the executives operate. The remuneration should be competitive, facilitating recruitment and motivating employees to remain with the company.

The remuneration will consist of fixed salaries, variable salaries, benefits and pensions. The fixed salaries and benefits will be established individually, based on the above and on the specific skills of the post holder. The variable salary will be based on clear goals, awarded as a percentage of the fixed salary and will thus have a fixed ceiling of 20, 30 and 40 percent depending upon the position. The pension will be a defined-contribution plan and shall be based on the same principles as for the fixed and variable salaries. Incentive programmes were also introduced at the Annual General Meetings in 2008, 2009 and 2010.

In special cases, the Board of Directors has the right to waive the guidelines. During 2010, the Board of Directors has not exercised this mandate.

Remuneration and other benefits for the Group management are shown in the table on the right. A further SEK 7.0 m has been recorded relating to payroll overheads including special employer's contributions on pensions.

Remuneration of the President

David Brodetsky's fixed salary for 2010 totalled SEK 4,700,000 for the full year with a variable salary of up to 75 percent of the fixed salary. The right to pension contributions amounts to 40 percent of the fixed and variable salary, but at least 55 percent of the fixed salary. In addition, David Brodetsky has the right to free accommodation for the duration of his employment, and during a transition period of two years (2009–2010) this right also included current costs and compensation for the tax effect of the benefit. David Brodetsky's right to pension contributions is hedged in EUR and, since 1 January 2010, his fixed and variable salaries have also been hedged in EUR. The company's obligations to David Brodetsky are similarly hedged. In addition, David Brodetsky has the right to a free car and certain other benefits. What David Brodetsky received in 2010 is detailed on the right. The employment runs with a notice period of one year from the company and six months from David Brodetsky. David Brodetsky is bound by a non-competition clause that is valid for one year from the termination of employment, during which he is entitled to remuneration equivalent to fixed and variable parts, plus the right to pension contributions as described above.

Variable salary

Variable remuneration is based on the principles described in the section Remuneration principles.

Remuneration to Group management in general

For the full year 2010, the Group management included Nils-Johan Andersson, Peter Andsberg, Venant Krier and Carl-Gustav Nilsson. Anders Persson was included in the Group management up to and including 31 August 2010. Anders Thulin has been included in the Group management since 1 March and for the remainder of the year

and Christina Imméll from 1 September and for the remainder of the year. The remuneration to Group management follows the guidelines adopted by the Annual General Meeting. The employment contracts contain notice periods of up to 24 months for the company and are bound with non-competition clauses.

REMUNERATION AND OTHER BENEFITS FOR THE GROUP MANAGEMENT 2010

SEK	David Brodetsky	Remuneration of other Group management	Total
Fixed salary incl. holiday pay	4,747,000	12,578,070	17,325,070
Variable salary	2,219,904	2,558,359	4,778,263
Incentive programme	721,715	1,517,730	2,239,445
Pension expenses	2,585,004	3,379,811	5,964,815
Benefits	668,307	942,784	1,611,091
Total	10,941,930	20,976,754	31,918,684

Incentive programme

At the 2010 Annual General Meeting, the third part of a three-year incentive programme consisting of warrants was adopted. 94 employees were invited to subscribe for a total of 784,000 warrants. The price per warrant was established at SEK 8.40 in early May, entitling the holder to one share in Lindab International for SEK 93 between 1 June 2012 and 31 May 2013. The warrants have been externally valued according to the Black-Scholes option pricing model. The participants' purchase of warrants is subsidised by a cash contribution, which after tax, amounts to half the acquisition cost spread over a period of three years, provided that the participant remains employed within the Group and continues to hold the warrants. The expenses for 2010 amounted to SEK 10.4 m for all three incentive programmes. At full utilisation, these shares represent approximately 3 percent of the shares in the company. It is the intention of the Board of Directors to propose that a new incentive programme be adopted at the 2011 Annual General Meeting. As far as can be assessed currently, the first incentive programme 2008–2011, with an issue price of SEK 173.70, will not be utilised.

Evaluation

During the year, the Remuneration Committee has commissioned Nordea to conduct evaluations of the current incentive programmes as well as the variable salaries of senior executives. Nordea has made comparisons with similar companies, conducted questionnaires and interviews with employees and has reviewed the determined targets and target fulfilment for variable salaries. In summary, Nordea confirms that the evaluation shows the incentive programme is desirable even though the first programme will probably not provide any value for the participants, influencing participation in the following programmes which are likely to provide a positive value. Nordea therefore proposes that a new type of incentive programme, namely a share purchase programme, be presented for a resolution at the 2011 Annual General Meeting. With regards to the variable salaries, these run each financial year, with clear measurable financial targets for 80 percent of the salary and personal targets for the remainder. All targets are based on growth and improvements in profitability according to the adopted strategy and each year's budget for the Group and/or each business area. Furthermore, targets will be monitored after each financial year to determine the levels of achievement. According to the Group management, variable salaries are a good control instrument for developing the business and creating shareholder value.

The Board of Directors' report on internal control

The Board of Directors' Report on Internal Control for the Financial Year 2010

Lindab's Board of Directors is responsible for internal control in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance. Lindab's financial statements comply with the laws and regulations applicable to companies listed on the Nasdaq OMX Nordic Exchange and the local rules in each country where business is conducted. The Board of Directors will issue a report on how the internal control over financial reporting is organised. Corporate Governance Reports that are presented for the financial year 2010 and subsequently will be examined by the company's auditors.

The objectives of Lindab's financial statements are:

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

In addition to these objectives, the internal financial statements will provide support to correct business decisions at all levels within the Group.

The Board of Directors' description of the internal control uses the structure found in COSO's (Committee of Sponsoring Organizations of the Treadway Commission) framework as its starting point for internal control. This report has been established against this background.

Control environment

In order to create and maintain a working control environment, the Board 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 President and the committees. The primary responsibility for enforcing the Board of Directors instructions regarding the control environment in the daily routines resides with the President. He reports regularly to the Board of Directors as part of established routines. Furthermore, there will be reports from the company's auditors.

The internal control structure also builds on a management system that is based on the company's organisation and methods of running the business, with clearly defined roles, areas of responsibility and delegated authorities. The controlling documents also play an important role in the control structure e.g. policies and guidelines including the Code of Ethics, which also includes business ethics. The controlling documents concerning accounting and financial statements comprise the most important parts of the control environment with regards to the financial statements.

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

Risk Assessment

The Group carries out an ongoing risk assessment for identifying material risks regarding the financial statements. With regards to the fi-

nancial statements, the main risk is considered to comprise material misstatements in the accounts e.g. regarding book keeping and the valuation of assets, liabilities, income and expenses or other discrepancies. Fraud and losses through embezzlement are a further risk. Risk management is built into each process and different methods are used for evaluating and limiting risks and for ensuring that the risks that Lindab is exposed to are managed in accordance with determined policies, instructions and established follow-up routines. The purpose of this is to minimise possible risks and promote correct accounting, reporting and the release of information.

Control Activities

These are intended for managing the risks that the Board of Directors and management consider to be significant for the business, the internal control and the financial statements.

The control structure partially consists of clear roles within the organisation which facilitate effective distribution of responsibilities for specific control activities, with the aim of discovering and preventing the risk of errors in the reports in time. Such control activities can be clear decision making and decision procedures for major decisions such as acquisitions, other types of larger investments, divestments, contracts, analytical follow-ups etc.

An important task for Lindab's staff is also to implement, further develop and enforce the Group's control routines and to implement the internal control for dealing with critical business matters. Those responsible for the process at different levels are responsible for implementing the necessary controls regarding the financial statements. In the annual accounts and reporting processes, there are controls pertaining to valuation, accounting principles and estimates. All units have their own controllers/financial managers who undertake an evaluation of their own reporting. The continual analysis made of the financial statements together with the analysis made at Group level are very important for ensuring that the financial statements do not contain any material misstatements. The Group's controller organisation plays an important role in the internal control process and is responsible for ensuring that the financial statements from each unit are correct, complete and on time.

Information and communication

Lindab has internal information and communication channels that aim to promote completeness and correctness in financial statements, e.g. through steering documents in the form of internal recommendations, guidelines and policies relating to the financial statements. Through regular updates and messages, the employees concerned are made aware of and have access to, information about changes to accounting principles and reporting requirements or other released information. The organisation has access to policies and guidelines through the Group's intranet (Lindnet).

The Board of Directors receives monthly financial statements. The external information and communication is notably governed by the Information Policy, which describes Lindab's general principles for the release of information.

Follow up

The Group's adherence to the adopted policies and guidelines is followed-up by the Board and the company's management. The company's financial situation is discussed at each Board meeting. The Board of Directors' Remuneration and Audit Committees play important roles with regards to, for example, remuneration, financial reporting and internal control.

Before the publication of Interim Reports and Annual Reports, the Board of Directors reviews the financial statements. Lindab's management conducts monthly follow-ups of results with analyses of deviations from budget, forecasts and previous years. All monthly accounts are discussed with each of the business areas' management. The external auditors' tasks include an annual review of the internal control in Group companies. The Board of Directors meets with the auditors twice each year in order to go through the internal controls and also, in specific cases, to give the auditors additional assignments to undertake specific internal controls.

Internal audit

Since 2008, Lindab has had an internal audit function that reports directly to the CFO as well as to Lindab's Audit Committee. The direction and scope of the internal audit is determined by the Audit Committee. The completed internal audits are also reported directly to the

Audit Committee. Furthermore, the internal audit function participates at each Audit Committee meeting. In 2010, the function has continued to develop the internal controls through audits in accordance with an annual plan and through the development of Group policies and guidelines. This work has included offering advice to corporate functions in connection with the update of Group-wide policies and various internal control issues within the organisation. To the extent that control measures consist of visits to subsidiaries, the activity is carried out according to a developed and advanced control process, which has been continuously developed during the year in order to optimise the approach and the provision of worthwhile reports. In 2010, 13 subsidiaries have been visited altogether. The internal audit has also continued work to develop a uniform risk management process that further strengthens the governance of the Group's operations. Within Lindab, the internal audit function aims to create added value for each operating unit by providing independent and objective scrutiny of the processes, and to identify and recommend improvements.

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

Grevie 9 March 2011

The Board of Directors of Lindab International AB

Auditor's report on the corporate governance report

To the annual meeting of the shareholders in Lindab International AB

corporate identity number 556606-5446

Engagement and responsibility

We have audited the corporate governance report for the year 2010 on pages 57–67. It is the Board of Directors who is responsible for the corporate governance report and that it has been prepared in accordance with the Annual Accounts Act. Our responsibility is to express an opinion on the corporate governance report based on our audit.

port. That standard requires that we have planned and performed the audit to obtain reasonable assurance that the corporate governance report is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the information included in the corporate governance report. We believe that our audit procedures provide a reasonable basis for our opinion set out below.

The scope of the audit

We conducted our audit in accordance with Fars auditing standard RevU 16 *The auditor's examination of the corporate governance re-*

Opinion

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

Båstad 16 March 2011

Bertel Enlund
Authorised Public Accountant
Ernst & Young AB

Staffan Landén
Authorised Public Accountant
Ernst & Young AB

The Board of Directors



- 1. Markku Rantala
- 2. Per Frankling
- 3. Anders C. Karlsson
- 4. Ulf Gundemark
- 5. Svend Holst-Nielsen
- 6. Erik Eberhardson
- 7. David Brodetsky, President, Non Board Member.
- 8. Stig Karlsson
- 9. Pontus Andersson
- 10. Annette Sadolin

The Board of Directors

Svend Holst-Nielsen

Born 1940.

Elected to the Board in 1995, independent.

Chairman of the Board since 1998.

Chairman of the Boards of Sreg International AB, Spendrups Bryggaktiebolag and Glashuset Design Studio Malmö AB. He was previously the President of Unilever's Nordic region and a member of Unilever's European management team.

Main qualifications: MBA, School of Business and Economics in Copenhagen.

Holding: Indirectly 150,000 shares through HB Life and Pension Ltd.

Stig Karlsson

Born 1952.

Elected to the Board in 2004,

dependent of the shareholder Ratos AB.

Industrial Advisor, Ratos. Chairman of the Boards of HAFA Bathroom Group AB, Diab Group AB, HL Display Försältnings AB and IVF Stockholm AB. Also a Board member of Lagerstedt & Krantz AB. Formerly President of Atle Tjänste och Handel.

Main qualifications: B.A. in Economics, Örebro University.

Holding: 0 shares.

Ulf Gundemark

Born 1951.

Elected to the Board in 2009, independent.

Ulf has broad international experience with positions including business area manager at ABB, Global Utilities Manager at IBM and most recently within Hagemeyer/Elektroskan-dia with responsibility for their Nordic, Baltic, Russian and Chinese operations. Ulf Gundemark is a member of the Boards of Papirus, Constructor Group and AQ Group, and is the Chairman of the Board for Ripasso Energy and Bridge to China.

Main qualifications: Master of Science in Engineering.

Holding: 6,000 shares.

Anders C. Karlsson

Born 1950.

Elected to the Board in 2001,

dependent of the shareholder Ratos AB.

Industrial Advisor, Ratos. Chairman of the Boards of Inwidö AB, AH Industries A/S, H+H International A/S, WSP Europe AB, and Rapid Granulator AB. Board member of WSP Group plc, Lasabotte AB and Anders C. Management AB. Formerly a member of Skanska's Group Management responsible for Industry and Europe.

Main qualifications: MBA, Uppsala University.

Holding: Indirectly 57,600 shares through Lasabotte AB.

Annette Sadolin

Born 1947.

Elected to the Board in 2006,

dependent of the shareholder Ratos AB.

Chairman of the Board of Ostre Gasvaerk Teater. Board member of Ratos, TopDenmark A/S, DSV, DSB, Skodsborg Kurhotel og Spa A/S and Danish Standards. Formerly a member of the management board of GE Frankona Re, Munich and GE Employers Re, Copenhagen.

Main qualifications: JB.A. in Law from the University of Copenhagen and the Special Law Program, Columbia University, New York.

Holding: 0 shares.

Per Frankling

Born 1971.

Elected to the Board in 2009,

dependent of the shareholder Ratos AB.

Investment Director at Ratos, where he has been employed since 2000 with responsibility for Ratos's holdings in Lindab, Jötul, Medisize, Stofa and Contex. From 2001–2006 he was a deputy member of Lindab's Board. Per Frankling is a member of the Board of Directors of Jötul AS, Contex Group A/S, Stofa Holding ApS and Medisize Oy.

Main qualifications: MBA and MSc.

Holding: 0 shares.

Markku Rantala

Born 1952.

Elected to the Board in 1998.

Employee representative with LO (Swedish Trade Union Confederation). Employed since 1993 and currently working as Chairman of the local union branch of Lindab IF Metall.

Holding: 250 shares.

Pontus Andersson

Born 1966.

Elected to the Board in 1995.

Employee representative with Unionen (Swedish Union of Clerical and Technical Employees in Industry). Employed since 1987 and currently working as a development engineer. Has professional qualifications in engineering.

Holding: 250 shares.

Deputy employee representatives

Niklas Klang

Born 1967.

Elected to the Board in 2009.

Deputy employee representative. Employed since 1993 and currently working as a machine operator rigger at Lindab Profil AB. Qualified engineer. Not pictured.

Staffan Råberg

Born 1947.

Elected to the Board in 2004.

Deputy employee representative. Employed since 1988 and currently working with internal sales at Lindab Steel AB. Has professional qualifications in engineering. Not pictured.

Group management



1.

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- 1. Christina Imméll
- 2. Carl-Gustav Nilsson
- 3. Peter Andsberg
- 4. David Brodetsky
- 5. Anders Thulin
- 6. Venant Krier
- 7. Nils-Johan Andersson

Group management

David Brodetsky

Born 1955.
President and CEO.
 Employed since 2005.
Holding: 40,200 shares and 177,050 share warrants.

Nils-Johan Andersson

Born 1962.
CFO.
 Employed since 1999.
Holding: 144,295 shares and 65,000 share warrants.

Anders Thulin

Born 1963.
Manager Ventilation business area.
 Appointed in March 2010.
Holding: 0 shares and 39,000 share warrants.

Peter Andsberg

Born 1966.
Manager Building Components business area.
 Employed since 1990.
Holding: 0 shares and 105,375 share warrants through legal entities.

Venant Krier

Born 1958.
Manager Building Systems business area.
 Employed since 2005.
Holding: 1,252 shares and 80,000 share warrants.

Carl-Gustav Nilsson

Born 1950.
Chief legal Counsel.
 Employed since 2002.
Holding: 95,700 shares, 15,000 shares through legal entities and 91,375 share warrants.

Christina Imméll

Born 1964.
HR Director.
 Appointed in September 2010.
Holding: 0 shares and 39,000 share warrants.

Auditors

Bertel Enlund

Born 1950.
Authorised Public Accountant, Ernst & Young AB.
 Auditor to Lindab since 2010.
 Extensive experience of auditing listed companies and companies with international operations including: Tetra Laval grupper, Saab Automobile, NEFAB, Cision and RNB Retail and Brands.

Staffan Landén

Born 1963.
Authorised Public Accountant, Ernst & Young AB.
 Auditor to Lindab since 2010.
 Extensive experience of auditing listed companies and companies with international operations including: Alfa Laval, Papyrus, Capio, Bure Equity and Academedia.



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 2010.

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.

Business

Lindab develops, manufactures, markets and distributes products and system solutions in steel for simplified construction and improved indoor climate. The business is carried out within three business areas, Ventilation, Building Components and Building Systems. The products are characterised by their high quality, ease of assembly, energy efficiency and environmentally-friendly design and are delivered with high levels of service. Altogether, this increases customer value.

Segment reporting

Lindab's operations are managed and reported by business area, Ventilation, Building Components and Building Systems. Since the beginning of 2010, the Profile business area has been divided into two new business areas, Building Components and Building Systems. For more information, see note 7 on page 106.

Updated strategy and financial targets

At the Investor Day in June 2010, Lindab presented a revised version of its strategy for the next three to five years, a new vision as well as updated financial targets. The vision is: "to be the preferred partner for building professionals in Lindab's core products Europewide". The updated strategy focuses on profitable growth with a clearer and more detailed action plan for the future direction of the three business areas. The aim is to grow at a faster pace and take advantage of the strong trends in the market. Each business area will concentrate its efforts on the most profitable market segments and where the greatest growth potential is to be found. The strategy is the result of altered market conditions, such as greater demand for environmentally friendly and energy efficient solutions and the enhanced growth potential within the CEE/CIS. Fundamentally, the strategy remains to develop initiatives that help to simplify construction for customers and business partners. A common feature of the business area strategies is that organic growth will be complemented by selective acquisitions to further strengthen Lindab's competitiveness.

The Group's updated financial targets mean that the target for annual organic sales growth has been increased to 8 percent (6), in light of the updated strategy and the assumptions for market growth. The target for the EBIT margin remains fixed at 14 percent and is expected to be achieved through volume growth, a favourable geographical and product mix, productivity improvements and cost efficiencies, and under good economic conditions. The target for the net debt/equity ratio has been lowered to an interval of 0.8–1.2 times, which is in line with historical levels, from 1.0–1.4 times previously. The capital borrowed by the company will therefore correspond to 0.8–1.2 times the recorded equity of the Group. The capital will be used to maintain a high degree of flexibility and to finance acquisitions. Any surplus capital will be transferred to Lindab's shareholders. Lying within an interval allows room for manoeuvre. The targets are long-term and are considered realistic achievable targets under normal cyclical conditions. Lindab is working continuously to increase the level of target fulfilment. For the current year, which has been affected by the recession, organic sales decreased by 1 percent and the EBIT margin amounted to 5.3 percent (4.3). The net debt/equity ratio amounted to 0.7 times (0.8).

Company acquisitions and divestments

The Finnish company IVK-Tuote Oy was acquired at the end of March. The company produces and sells ventilation products for indoor climate. In 2009, the company had sales of EUR 6 m and an operating profit of EUR 0.7 m. It had 57 employees. The purchase price amounted to EUR 4.4 m which was paid through the transfer of 559,553 Lindab treasury shares. The acquisition meant that the net debt increased by SEK 10 m and consolidated goodwill increased by SEK 9 m. The acquisition has increased Lindab's sales revenue by SEK 46 m for 2010.

The property company LB Kiel Linden AB was acquired from DAL Nordic Finance AB at the start of October. LB Kiel Linden AB leases out properties to Swedish companies in the Lindab Group. The company has no employees. The purchase price amounted to SEK 1 m.

No new acquisitions were made in 2009. By contrast, negotiations were completed regarding the purchase price for the acquisition of SIPOG a.s., meaning an additional purchase price of SEK 41 m was recorded, plus interest and acquisition costs of SEK 3 m. During the third quarter of 2009, the operations of Folke Perforering AB in Borlänge, Sweden, were divested. For more information, see note 5, page 100.

FINANCIAL TARGETS

Organic sales growth/year	8%
Operating margin (EBIT)	14%
Net debt/equity ratio	0.8–1.2times

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Sales revenue and profit

Sales revenue

Sales revenue amounted to SEK 6,527 m (7,019), which is a decrease of 7 percent. Adjusted for currency effects and structural changes, the decrease was 1 percent compared with the previous year. Currency effects have negatively affected sales by 6 percentage points. Structural changes, relating to the acquisition of the Finnish ventilation company IVK-Tuote Oy in the first quarter of 2010 and the sale of Folke Perforering in the third quarter of 2009, altogether had zero net impact on sales.

Foreign sales revenues amounted to SEK 5,040 m (5,701), a decrease of 12 percent, and corresponded to 77 percent (81) of the Group's sales.

SALES REVENUE AND GROWTH

	2010	2009	2008
Sales revenue, SEK m	6,527	7,019	9,840
Change, SEK m	-492	-2,821	560
Change, %	-7	-29	6
Of which			
Volumes and prices, %	-1	-33	2
Acquisitions/divestments, %	0	1	3
Currency effects, %	-6	3	1

Market

The construction market is normally seen as being divided into three segments: residential, non-residential and facilities/infrastructure. Approximately 80 percent of Lindab's sales are to the market for non-residential construction, while residential accounts for the remaining 20 percent of sales. Today, Lindab is a leading supplier, to both new construction and renovation projects, for ventilation products and building components in the Nordic region, ventilation products in parts of Western Europe and building components in parts of CEE/CIS. Lindab has its own operations in 31 countries. The various markets' share of sales have changed in recent years, partly due to the effect of the general economy and the turmoil on the financial markets, see table. A severe and prolonged winter also negatively affected the demand in the construction sector and Lindab's sales in the early part of 2010. There was subsequently a clear recovery, mostly in Scandinavia, in the residential market while the market for non-residential construction continued to show low activity. At the end of the year, demand increased from low levels in the markets in the CEE/CIS, and especially in Russia.

SALES REVENUE BY REGION

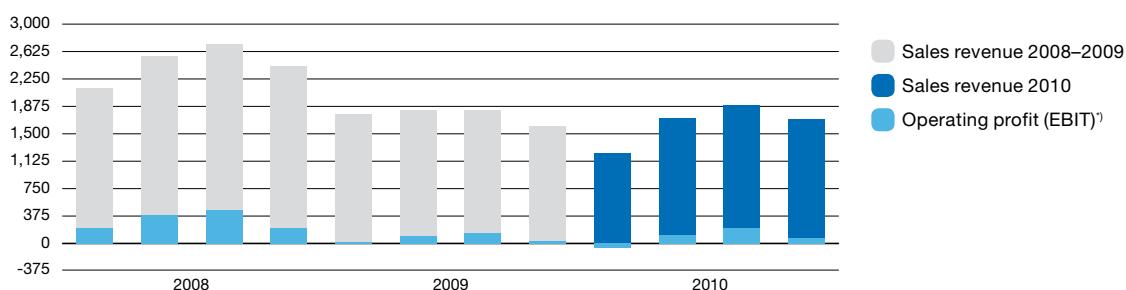
SEK m	2010 Share, %	2009 Share, %	2008 Share, %
Nordic region	2,911	45	2,986
Western Europe	1,926	29	2,220
CEE/CIS	1,416	22	1,487
Other markets	274	4	326
Total	6,527	100	7,019
			100
			9,840

After being hit harder by the global recession than the more mature economies in the West, growth in the CEE/CIS is expected to take off again in the coming years and these markets will return as growth regions, with growth rates exceeding those in the West. These countries have a long way to go before they reach the same standard of living as in the West and the need for new infrastructure and buildings is considerable. Overall, the Swedish market is showing strong demand.

The overall construction market generally follows overall economic development. The residential market reacts more quickly since sales are made directly to consumers, while the market for non-residential construction experiences a delay of at least one year since it is dependent on the investment plans of other industries. The recession and uncertainty about economic developments have led to a sharp decline in investment in construction and consequently on the demand for Lindab products. This has been compounded by banks and financial institutions becoming more restrictive with their lending and demanding higher risk premiums. Lindab's sales revenues in the individual countries and associated regions have also been affected by the formation of subsidies. New residential construction was the first to be affected by the decline in demand and was also the first to begin a recovery. Industrial premises, offices and business premises have been affected most by the recession. By contrast, more stable demand was observed in some markets with regard to publicly funded new buildings such as schools, hospitals and sports arenas. However, there is a risk that the austerity measures now being implemented in parts of Europe will negatively affect demand.

The renovation market is more stable than new construction, and the share of renovation generally increases during a recession, which was clearly the pattern in 2010. The market has also been positively affected by various government subsidies, for example initiatives to improve the energy efficiency of buildings.

SALES REVENUE AND OPERATING PROFIT (EBIT) FOR THE GROUP PER QUARTER, SEK M



**) Adjusted for one-off items.*

Seasonal variations

Lindab's operations are affected by seasonal variations in the construction industry, and the greatest proportion of sales is normally seen during the second half of the year. The most substantial sea-

sonal variations are to be found within the Building Components and Building Systems business areas. The Ventilation business area is less dependent on seasons and the weather since the installation of ventilation systems is mainly carried out indoors.

Performance by business area

The Group's operations are carried out within three business areas, Ventilation, Building Components and Building Systems. The updated strategy focuses on profitable growth with clearer and more detailed action plans for the future direction of the three business areas. Each business area will concentrate its efforts on the most profitable market segments and where the greatest growth potential is to be found. The approach should be adjusted market by market, based on the business area's strengths. The strategies for the business areas are described briefly below. The distribution of sales revenue and operating profit (EBIT) by business area are shown in the table below.

Ventilation business area

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

Sales revenue decreased by 9 percent to SEK 3,535 m (3,878), when adjusted for currency and structure the decrease was 4 percent. Demand has remained stable but at a low level within non-residential construction, which is the business area's main segment. The operating profit (EBIT), excluding one-off items, decreased by 1 percent to SEK 189 m (190). The operating margin (EBIT) amounted to 5.3 percent (4.9). The increase is mainly attributable to lower costs.

Strategy: A clearer organisational distinction between manufacturing and distribution. The leading product group of duct fittings has top priority along with the streamlining and strengthening of distribution channels. The Comfort division's operations must grow significantly and increase profitability. In order to focus operations and improve profitability, Lindab has decided to move labour-intensive production to the new production unit in Karlovarska, outside Prague in the Czech Republic.

Building Components business area

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

Sales revenue decreased by 1 percent to SEK 2,118 m (2,144), when adjusted for currency and structure sales increased by 4 percent. Demand increased gradually during the second and third quarters, due to a recovery from the weak first quarter as also to an improvement in underlying demand. However the early winter resulted in a sudden slow-down in demand. Operating profit (EBIT) amounted to SEK 185 m (135), an increase of 37 percent. The operating margin (EBIT) amounted to 8.7 percent (6.3). The increase is mainly attributable to higher gross margins.

Strategy: Efforts are to be focused on two distinct segments, residential and non-residential construction. Core products intended for the residential segment are to be given top priority. Efforts within the non-residential construction segment will primarily be carried out within existing core markets. Activities in line with the updated strategy have been established and around 50 Rainline Centres are now open in the CEE/CIS, aimed at increasing market penetration in the residential segment.

Building Systems business area

The Building Systems business area offers complete pre-engineered steel building systems and proprietary IT software that simplifies the project planning and quotation process for designers and contractors.

Sales revenue decreased by 11 percent to SEK 874 m (978), when adjusted for currency and structure the decrease was 3 percent. The main market for the new construction of industrial buildings has been weak in general. However, individual markets such as Russia, Poland, Belarus and Germany have improved. Operating profit (EBIT), excluding one-off items, increased to SEK 18 m (7). The operating margin (EBIT) amounted to 2.1 percent (0.7).

Strategy: The focus will be on large industrial buildings, particularly in Eastern Europe and Russia, where substantial growth is expected in the coming years. In parallel with expansion of the network of builder-dealers there will be a focus on direct sales, mainly in the Russian market. In line with the updated strategy, some labour intensive production has been moved from Luxembourg to the Czech Republic. A decision has been taken to increase capacity at the Russian production unit in Yaroslavl.

SALES REVENUE, OPERATING PROFIT (EBIT) AND OPERATING MARGIN (EBIT) BY BUSINESS AREA

SEK m	Sales revenue			Operating profit (EBIT)			Operating margin (EBIT)		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Ventilation	3,535	3,878	4,783	189	190	454	5.3	4.9	9.5
Building Components	2,118	2,144	2,927	185	135	414	8.7	6.3	14.1
Building Systems	874	978	2,066	18	7	446	2.1	0.7	21.6
Other operations ^{*)}	-	19	64	-45	-31	-35	ET	Neg	Neg
One-off items	-	-	-	-63	-47	-116	ET	ET	ET
Total	6,527	7,019	9,840	284	254	1,163	4.4	3.6	11.8

^{*)} Other operations refer to parent company functions and Group Treasury, and up to and including 2009 also some steel processing for external customers.

Gross profit

Gross profit decreased by 2 percent to SEK 1,837 m (1,882). The gross margin stood at 28 percent (27) of sales revenue.

Other operating income

Other operating income totalled SEK 173 m (145) and consists primarily of capital gains from sale of fixed assets as well as exchange rate gains on operating receivables/liabilities, which normally represent a large proportion. For 2010, capital gains include SEK 73 m for a property deal in Luxembourg. The previous year included a SEK 10 m capital gain from the sale of operations in Folke Perforering.

Indirect costs

Sales and administration expenses decreased by 9 percent, to SEK 1,436 m (1,575), equivalent to 22 percent (22) of sales revenue. Research and development expenses amounted to SEK 36 m (47), equivalent to 0.6 percent (0.7) of sales revenue.

Other operating expenses

Other operating expenses amounted to SEK 254 m (151), mainly comprising the SEK 110 m write-down of goodwill for the Ventilation business area's operations in the USA. Lindab performs annual valuations of goodwill items within the Group. Valuations have previously been made at Group and business area level. In line with the new strategy, with greater focus on Europe, the calculation for 2010 was made for the USA as a free-standing unit. Other operating expenses also include SEK 7 m for the closure of Ventilation's unit in Texas, and SEK 19 m in restructuring costs. The previous year included SEK 45 m in expenses for the cost reduction programme and SEK 12 m in expenses relating to the closure of Lindab Plåt. Exchange rate losses on operating receivables/liabilities normally constitute a large proportion of expenses.

Depreciation/amortisation

The total depreciation/amortisation for the year, included in the costs per function (see note 8), amounted to SEK 170 m (225) of which SEK 6 m (11) related to consolidated amortisation of surplus value on intangible assets. The lower depreciation is mainly due to restructuring measures and Lindab having suspended expansion investments. The sale of the property in Luxembourg has also affected the depreciation costs. For certain surplus value on intangible assets, the depreciation has been completed during the third quarter.

Operating profit

The operating profit (EBIT) amounted to SEK 284 m (254), which is an increase of 12 percent compared with the previous year. Operating profit (EBIT), excluding one-off items, amounted to SEK 347 m (301), which is 15 percent higher than the previous year. One of Lindab's financial targets is to achieve an EBIT margin of 14 percent. For 2010 the operating margin (EBIT) achieved was 4.4 percent (3.6). Excluding one-off items, the operating margin was 5.3 percent (4.3). One-off items for 2010 amounted to SEK -63 m (-47) net. Cost reductions

are the main reason for the increased profit. Increased demand in the latter half of the year also contributed positively to the improved profit.

In previous years, Lindab implemented two cost and efficiency programmes aimed at reducing non-volume related costs by SEK 300 m and SEK 250 m annually. The programmes have been fully implemented and achieved full effect from the beginning of 2010. Altogether, they have reduced costs by SEK 560 m annually compared with the situation in 2008. The costs for 2010 have decreased by SEK 100 m compared with 2009. The capacity to safeguard future growth opportunities has been retained however. Total one-off costs for the programmes amounted to SEK 174 m, which affected 2008 and 2009.

One-off items

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 non-negligible size, and could therefore have an effect on the profit and key ratios.

Profit after financial items

Profit after financial items amounted to SEK 112 m (119), a decrease of 6 percent. Net financial items amounted to SEK -172 m (-135). The increase is due to increased interest expenses resulting from higher interest rates.

Taxes

Tax expenses for the year amounted to SEK 85 m (85), of which SEK 90 m (75) was current tax and SEK -5 m (10) represented deferred tax (for 2010, changes in deferred tax resulted in a net revenue). The effective tax rate was 76 percent (72). Excluding the write-down of goodwill in the USA, the actual tax rate was 38 percent and the average tax rate was 28 percent. The discrepancy between the average and the actual tax rate amounts to 10 percentage points, comprising mainly non-deductible expenses and non-capitalised loss carry-forwards. For more information, see note 14 on page 109.

Profit for the year and earnings per share

Profit for the year amounted to SEK 27 m (34). The after-tax earnings per share, both undiluted and diluted, amounted to SEK 0.36 (0.45).

Dilutive effects have not been taken into account for the share warrants in the incentive programmes since the average share price for the period has been lower than the conversion rates in each of the programmes.

Comprehensive income after tax

The comprehensive income after tax amounted to SEK -298 m (-142). Besides the net profit for the year, comprehensive income after tax also includes the translation differences that arise when foreign operations are translated to SEK and adjustments to the value of cash flow hedges. The change in translation differences is mainly due to the stronger Swedish krona, particularly in relation to EUR and GBP.

Statement of comprehensive income

(Income Statement)

Amounts in SEK m	Note	2010	2009
Sales revenue	7	6,527	7,019
Cost of goods sold	6, 8, 9, 28	-4,690	-5,137
Gross profit		1,837	1,882
Other operating income	12	173	145
Selling expenses	6, 8, 9, 28	-917	-1,036
Administrative expenses	6, 8, 9, 10, 28	-519	-539
R & D costs	6, 8, 9, 11	-36	-47
Other operating expenses	9, 12	-254	-151
Total operating costs		-1,553	-1,628
Operating profit (EBIT)¹⁾		284	254
Interest income	13	9	13
Interest expenses	13	-179	-142
Other financial income and expenses	13	-2	-6
<i>Net financial income</i>		<i>-172</i>	<i>-135</i>
Result before tax (EBT)		112	119
Tax on profit for the year	14	-85	-85
Profit for the year		27	34
<i>- thereof attributable to parent company shareholders</i>		<i>27</i>	<i>34</i>
Other comprehensive income			
Cash flow hedges		1	-11
Translation differences, foreign operations		-326	-168
Income tax attributable to cash flow hedges		0	3
Other comprehensive income		-325	-176
Comprehensive income		-298	-142
<i>- thereof attributable to parent company shareholders</i>		<i>-298</i>	<i>-142</i>
Earnings per share, SEK			
Undiluted	15	0.36	0.45
Diluted	15	0.36	0.45

1) Operating profit (EBIT) has been affected by one-off items, reported as:

Other operating income	73	10
Other operating expenses	-136	-57
Operating profit (EBIT) excl. one-off items	347	301

Operating profit (EBIT) for 2010 has been adjusted by SEK -110 m relating to the write-down of goodwill in the Ventilation business area's operations in the USA, SEK 73 m regarding the capital gain on the sale of property in Luxembourg, SEK -7 m relating to the closure of the Ventilation unit in Texas in the USA, and SEK -19 m regarding restructuring expenses.

The operating profit (EBIT) for 2009 has been adjusted by SEK -45 m relating to the cost reduction programme, SEK 10 m in income from the sale of Folke Perforering and SEK -12 m relating to the closure of Lindab Plåt in Edsvära.

Cash flow

Cash flow from operating activities

Cash flow from operating activities amounted to SEK 391 m (719). The decrease is mainly due to increased working capital tied up. In the previous year, a capital efficiency programme was implemented, reducing working capital by SEK 583 m. This was mainly due to lower capital tied up in stock of SEK 722 m. The lower amount of tax paid is partly attributable to reduced preliminary tax payments during the year and also to the tax reimbursements based on income tax returns for 2009 and earlier.

Items not affecting cash flow

Items not affecting cash flow consists of provisions and depreciation/amortisation, as these are not cash items. 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. Reversals include the SEK 110 m write-down of goodwill for the Ventilation business area's operations in the USA and the SEK 73 m capital gain on the property deal in Luxembourg. Adjustments to other items not affecting cash flow mainly comprise foreign exchange rate gains/losses on inter-company transactions. For instance, cash flow has been positively affected by SEK 70 m from redeemed forward exchange agreements relating to internal transactions.

Cash flow from investing activities

Cash flow from investing activities amounted to SEK 241 m (-188). Sales of tangible fixed assets have generated a cash flow of SEK 365 m, with the transaction in Luxembourg contributing SEK 285 m. In addition, some of the properties have been sold from the newly acquired company LB Kiel Linden AB, for a total sale price of SEK 49 m.

Company acquisitions and divestments

The Finnish company IVK-Tuote Oy was acquired at the end of March for SEK 43 m. Because payment for the acquisition was made using treasury shares, the cash flow from investing activities has only been affected by the company's SEK 4 m in cash and cash equivalents.

The property company LB Kiel Linden AB was acquired at the start of October. The purchase price totalled SEK 1 m, which essentially corresponded to the equity of the company as well as the company's cash and cash equivalents, representing a negligible impact on cash flow.

Last year, the purchase price was determined for SIPOG a.s. in Slovakia, which was acquired in 2008, and an additional SEK 44 m was paid, which recorded entirely as consolidated goodwill. During the third quarter of 2009, the operations of Folke Perforering AB in Borlänge, Sweden, were divested. The sale gave a capital gain of SEK 10 m and affected cash flow positively by SEK 15 m.

For further explanation see Note 5, Acquisitions and divestments, page 100.

Investments and divestments

Investments in intangible fixed assets amounted to SEK 25 m (20). Investments in tangible fixed assets amounted to SEK 103 m (162). The investments relate principally to expansion and maintenance investments. The decrease is mainly due to Lindab having suspended expansion investments. During the third quarter, investment in the new Building Systems plant in Yaroslavl, Russia, was completed with the acquisition of land for SEK 12 m.

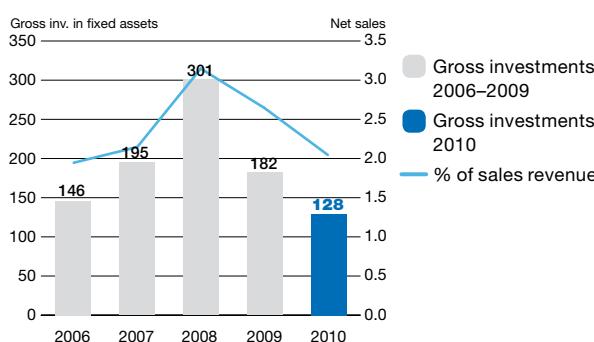
Statement of cash flows

(Indirect method)

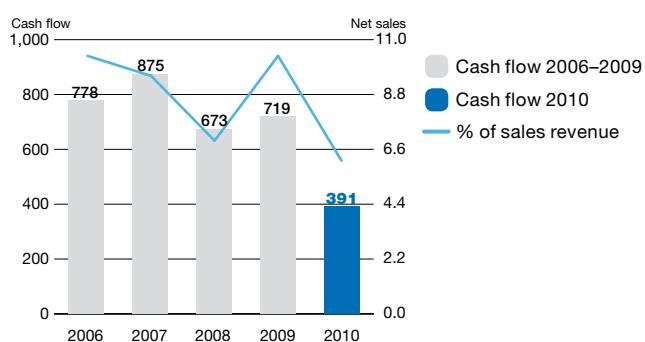
Amounts in SEK m	Note	2010	2009
Operating activities			
Operating profit		284	254
Reversal of depreciation/amortisation and write-downs	8	280	225
Reversal of capital gains (–)/losses (+) reported in operating profit		–66	3
Provisions, not affecting cash flow		–34	–67
Adjustment for other items not affecting cash flow		109	–6
Total		573	409
Interest received		16	11
Interest paid		–172	–160
Tax paid		–25	–124
Cash flow from operating activities before change in working capital		392	136
Change in working capital¹⁾			
Stock (increase – / decrease +)		–199	722
Operating receivables (increase – / decrease +)		47	302
Operating liabilities (increase + / decrease –)		151	–441
Total change in working capital		–1	583
Cash flow from operating activities		391	719
Investing activities			
Acquisition of Group companies	5	4	–45
Divestment of operations	5	–	15
Investments in intangible fixed assets	16	–25	–20
Investments in tangible fixed assets	17	–103	–162
Change in financial fixed assets		0	1
Sale/disposal of intangible fixed assets	16	0	2
Sale/disposal of tangible fixed assets	17	365	21
Cash flow from investing activities		241	–188
Financing activities			
Amortisation		–623	–340
Warrant premium payments		7	5
Dividend to shareholders		–	–206
Cash flow from financing activities		–616	–541
Cash flow for the year		16	–10
Cash and cash equivalents at the beginning of the year		248	258
Effect of exchange rate changes on cash and cash equivalents		–25	0
Cash and cash equivalents at the end of the year		239	248

*) Working capital, see definition on page 123..

GROSS INVESTMENTS IN FIXED ASSETS, EXCL. ACQUISITIONS AND DIVESTMENTS, SEK M, AND IN RELATION TO SALES REVENUE, %



CASH FLOW FROM OPERATING ACTIVITIES, SEK M, AND IN RELATION TO SALES REVENUE, %



Financial position

Fixed assets and investments

Information about changes in the structure of fixed assets can be found in the notes to the cash-flow analysis on page 74.

Stock and accounts receivable

Stock increased by 16 percent, while accounts receivable fell by 8 percent. At the year-end, stock and accounts receivable in relation to sales revenue amounted to 16 percent (13) and 14 percent (14) respectively.

Non-current assets held for sale

At the end of 2010, Lindab had no non-current assets held for sale at reportable amounts.

The previous year the sales were reported for property in Diekirch, Luxembourg, as well as property and certain other assets in Nyiregyháza, Hungary. In January 2010, a sale-and-leaseback was agreed for the Building Systems facility in Diekirch, Luxembourg. The book value was approximately SEK 199 m at the end of 2009. The sale price was approximately SEK 285 m and the deal resulted in a capital gain of approximately SEK 73 m, including selling expenses. The assets in the Building Systems plant in Nyiregyháza, Hungary were sold in the second quarter for an amount corresponding to SEK 13 m, resulting in a capital loss of SEK 5 m. The book value was approximately SEK 18 m.

Cash and cash equivalents

At the year end, consolidated cash and cash equivalents totalled SEK 239 m (248). Unappropriated cash and cash equivalents, including unused credit facilities amounted to SEK 1,791 m (1,432).

Capital employed

Consolidated capital employed, including goodwill and consolidated surplus value amounted to SEK 4,897 m (5,701), which is a decrease of 14 percent. Return on capital employed, including goodwill and consolidated surplus value, amounted to 5.5 percent (4.3). The increase was due to a higher adjusted profit and also to a lower average capital employed (since the total assets decreased).

Shareholders' equity

At the year end, the consolidated equity totalled SEK 2,755 m (3,003). No dividend was paid for the financial year 2009. Equity per share amounted to SEK 36.57 (40.16). Return on equity, or profit for the year in relation to equity, has decreased to 0.9 percent (1.1).

Operating capital

The operating capital totalled SEK 4,611 m (5,425). The return on operating capital amounted to 5.6 percent (4.3). Adjusted for one-off items, the return was 6.9 percent (5.1).

Net debt

At 31 December 2010, net debt amounted to SEK 1,856 m (2,422). The decrease is mainly due to lower capital tied up and reduced indebtedness. 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 2,142 m (2,698), of which SEK 130 m (133) were provisions for pensions. Interest-bearing assets including cash and bank balances amounted to SEK 286 m (276).

The net debt/equity ratio is included in our financial targets. The target is for this to lie within an interval of 0.8–1.2 times. This was revised during the second quarter from an interval of 1.0–1.4 times. The measurement shows the relationship between borrowings and equity and thus the gearing effect, or expressed another way, the company's financial strength. The net debt/equity ratio, i.e. net debt in relation to shareholders' equity, was 0.7 times (0.8). Since the net debt/equity ratio is lower than the financial target, this means borrowing can be increased before the ceiling of 1.2 times is reached.

Interest coverage ratio

The interest coverage ratio was 1.6 times (1.8), which is a measure of how many times the profit can decrease without the interest payments being jeopardised.

Equity/assets ratio

The Group's equity/assets ratio, i.e. shareholders' equity in relation to total assets, amounted to 42 percent (40).

Credit agreement

Since December 2007, Lindab has had a binding five-year credit agreement with Nordea and Handelsbanken. The contract was renegotiated in October 2009 whereby the credit limit was reduced from SEK 4.5 bn to SEK 3.5 bn, representing estimated future financing requirements. At the same time, the covenants were adjusted to current market conditions. The duration is unchanged with a maturity date of 17 December 2012.

Pledged assets and contingent liabilities

Pledged assets have increased to SEK 345 m (35). Among other things, floating charges equivalent to SEK 313 m have been pledged as security for the credit agreement. The change in contingent liabilities from SEK 33 m to SEK 23 m is due to credit redeemed in 2010.

Statement of financial position

(Balance sheet)

Amounts in SEK m	Note	31 Dec 2010	31 Dec 2009	Amounts in SEK m	Note	31 Dec 2010	31 Dec 2009				
ASSETS											
Fixed assets											
<i>Intangible fixed assets</i>											
Capitalised expenditure for development work and similar	16	0	14	Shareholders equity							
Other intangible fixed assets	16	61	47	<i>Equity attributable to parent company shareholders</i>							
Patents and similar rights	16	0	0	Share capital	23	79	79				
Goodwill	16	2,591	2,922	Other contributed capital		2,251	2,244				
Total intangible fixed assets		2,652	2,983	Reserves		39	364				
<i>Tangible fixed assets</i>				Profit brought forward		386	316				
Buildings and land	17, 18, 28	593	644	Total Shareholders' equity		2,755	3,003				
Machinery and equipment	17	528	671	EQUITY AND LIABILITIES							
Construction in progress and advance payments on tangible fixed assets	17	40	21	Shareholders equity							
Total tangible fixed assets		1,161	1,336	<i>Interest-bearing liabilities</i>							
<i>Financial fixed assets</i>				Liabilities to credit institutions	26	1,926	2,384				
Financial investment	24	26	25	Provisions for pensions and similar obligations	24	130	133				
Deferred tax assets	14	365	448	Total interest-bearing liabilities		2,056	2,517				
Other investments held as fixed assets	19	3	3	Long-term liabilities							
Other long-term receivables	20	2	3	<i>Non-interest-bearing liabilities</i>							
Total financial fixed assets		396	479	Deferred tax liabilities	14	319	398				
Total fixed assets		4,209	4,798	Other provisions	25	33	46				
Current assets				Other liabilities		12	15				
Stock	21	1,040	896	Total non-interest-bearing liabilities		364	459				
Accounts receivable	22	897	976	Total long-term liabilities		2,420	2,976				
Other receivables	22	72	83	Current liabilities							
Current tax assets		34	133	<i>Interest-bearing liabilities</i>							
Prepaid expenses and accrued income	22	58	88	Liabilities to credit institutions	26	6	49				
Prepaid expenses and accrued income, interest-bearing	22	21	3	Bank overdraft facilities	26	62	117				
Non-current assets held for sale ¹⁾		0	217	Total interest-bearing liabilities		86	181				
Cash and bank		239	248	<i>Non-interest-bearing liabilities</i>							
Total current assets		2,361	2,644	Advance payments from customers		119	42				
TOTAL ASSETS		6,570	7,442	Accounts payable		622	550				
¹⁾ Non-current assets held for sale relating to production facilities for Building Systems in Diekirch, Luxembourg and in Nyiregyháza, Hungary.				Current tax liabilities		64	101				
				Other provisions	25	42	74				
				Other liabilities		99	133				
				Accrued expenses and deferred income	27	363	382				
				Total non-interest-bearing liabilities		1,309	1,282				
				Total current liabilities		1,395	1,463				
				TOTAL EQUITY AND LIABILITIES		6,570	7,442				

Changes in equity

Share capital

At 31 December 2010, 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 3,375,838 treasury shares (3,935,391), equivalent to 4.3 percent (5.0) of the total number of Lindab shares. The share buy-back was completed in 2008. The decrease is due to the acquisition of IVK-Tuote Oy paid using Lindab treasury shares, in which 559,553 shares were transferred to the seller of the company. The number of outstanding shares has therefore increased to 75,331,982 (74,772,429).

All shares have the same right to profit and surplus in the event of liquidation and they entitle the holder to one vote at Lindab's Annual General Meeting. According to Lindab's Articles of Association, issued share capital must not fall below SEK 60 m nor exceed SEK 240 m, and the number of shares must not fall below 60,000,000 nor exceed 240,000,000.

There are no restrictions in law or in the Articles of Association relating to the transferability of shares.

At 31 December 2010, the company had a market capitalization of SEK 6,648 m (5,496) and 6,934 shareholders (7,908). The largest shareholder is Ratos AB, which owns 11.7 percent (23.7). Following that are two institutional investors, Livförsäkringsaktiebolaget Skandia, which has 11.2 percent (12.1) and Sjätte AP-fonden which has 10.7 percent (11.1) of the number of outstanding shares. These three principal owners together hold 33.6 percent (46.9) of the share capital and votes.

There are no restrictions on how many shares a shareholder can represent at a general meeting. Lindab is unaware of any agreements between shareholders that may result in restrictions in their right to transfer shares.

The Articles of Association states that the Board members are elected at the Annual General Meeting. The appointment and dismissal of Board members are otherwise governed by provisions in the Companies Act and the Code of Corporate Governance. In addition, the Companies Act states that changes to the Articles of Association as appropriate should be decided at general meetings.

Warrants

The Annual General Meeting decided that the three-year Incentive Programme introduced in 2008 would continue, and stage three was implemented in May 2010. This programme also contains 784,000 warrants, of which 771,000 have been subscribed to.

Each warrant entitles the holder to subscribe for one new share, resulting in a maximum dilutive effect of 1 percent per programme. However, it is unlikely that the warrants in the first incentive programme will be redeemed as the conversion price is significantly greater than the current share price. The dilutive effect is therefore expected to be no greater than two percent of the share capital. Since the average share price during the year has been lower than the conversion

rates for the shares, dilutive effects have not been taken into account when calculating earnings per share. Upon redemption, Lindab may choose to transfer parts of the shares that were repurchased in 2008.

Dividend to shareholders for the financial year 2009

The Annual General Meeting held on 11 May 2010 resolved that no dividend would be paid to shareholders and that retained earnings at the end of 2009 of SEK 642,613,081 would therefore be carried forward. In 2009, a dividend of SEK 206 m was paid for 2008.

Asset management

Lindab's assets under management comprise the sum of equity and the Group's net debt, totalling SEK 4,611 m (5,425).

The Group's capital will be used to retain a high degree of flexibility and to finance acquisitions. Any surplus capital will be transferred to Lindab's shareholders.

The overall goal of asset management is to ensure the Group's ability to continue as a going-concern, while ensuring that the Group's funds are being used in the best way to give shareholders a good return and lenders a good level of security.

Lindab is governed on the basis of three long-term financial targets, as detailed below: The targets have been revised during the year as a result of a new vision that has been developed, which has formed the basis for an updated strategy for the next three to five years.

- *Annual organic sales growth of 8 percent (6)*
The overall target is to create value for shareholders and other stakeholders through profitable growth. The organic growth will be achieved through existing products, own product development and by becoming established in new geographical markets.
- *Operating margin (EBIT) 14 percent annually*
The target shall be achieved through volume growth, a favourable geographical and product mix, improvements in productivity and better cost efficiency.
- *Net debt/equity ratio 0.8–1.2 times (1.0–1.4)*
The target means that the capital borrowed by Lindab is between 0.8 and 1.2 times the Group's recorded equity. The target is set in order to achieve an optimised balance between the return on investment and the risk. Falling within an interval allows room for manoeuvre.

The targets have been difficult to achieve during the current recession, but they are realistic, achievable targets under normal economic conditions.

In order to maintain a sound capital structure, the Group may take new loans for example, amortise existing loans, adapt credit agreements, adjust dividends paid to shareholders, repurchase/issue new shares, repay capital to shareholders or sell fixed assets.

Examples of such active measures include the proposal by Lindab's Board of Directors to pay a dividend in 2011, against the background of the improved financial situation. No dividend was paid in 2010.

Statement of changes in equity

Amounts in SEK m	Equity attributable to parent company shareholders					Total equity
	Share capital	Other contributed capital	Hedging reserve	Foreign currency transl. adj.	Profit brought forward	
Opening balance, 1 January 2009	79	2,239	-	540	488	3,346
Profit for the year					34	34
Other comprehensive income			-8	-168		-176
Comprehensive income after tax	-	-	-8	-168	34	-142
Premium for warrant options ¹⁾		5				5
Dividend to shareholders					-206	-206
Transactions with shareholders	-	5	-	-	-206	-201
Closing balance, 31 December 2009	79	2,244	-8	372	316	3,003
Profit for the year					27	27
Other comprehensive income			1	-326		-325
Comprehensive income after tax	-	-	1	-326	27	-298
Premium for warrant options ²⁾		7				7
Transfer of treasury shares in company acquisitions					43	43
Transactions with shareholders	-	7	-	-	43	50
Closing balance, 31 December 2010	79	2,251	-7	46	386	2,755

1) The Annual General Meeting in 2009 resolved to issue a further 784,000 warrant options to senior executives. SEK 5 m has been received as payment regarding these.

2) The Annual General Meeting in 2010 resolved to issue a further 784,000 warrant options to senior executives. 771,000 were subscribed to and SEK 7 m has been received as payment regarding these.

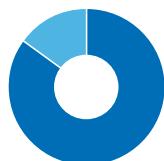
The sale of property Luxembourg generated SEK 285 m in cash flow. Furthermore, the acquisition of IVK-Tuote OY, the Finnish ventilation company, was paid for using treasury shares, which strengthened the equity and resulted in a marginal effect on the net debt. See also notes 26 and 29.

To ensure the availability of financing, it is important to meet the obligations to the banks arising from the credit agreement. Lindab fulfills these demands.

Lindab's Finance policy has been approved by the Board of Directors and this constitutes a framework of guidelines and regulations for the financing operations that are centralised at Corporate Finance. This enables the Group to monitor all financial risk positions and safeguard common interests. At the same time, this brings about cost efficiency, economies of scale and skills development.

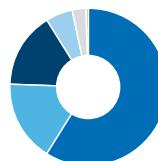
For detailed information relating to the change in share capital, see note 23 on page 114. Other disclosures regarding share related information that must be submitted in the Director's report for listed companies, in accordance with chapter 6 paragraph 2a of the Swedish Annual Accounts Act, are included in Note 6, page 102.

GEOGRAPHICAL DISTRIBUTION OF OWNERSHIP, %



- Sweden, 85 (91)
- Rest of the world, 15 (9)

SHAREHOLDER CATEGORIES, %



- Financial companies, 59 (65)
- Pension funds, 17 (17)
- Foreign shareholders, 16 (9)
- Other Swedish legal entities, 3 (2)
- Swedish private individuals, 5 (6)
- Associations, 0 (1)

Research and development

Lindab's business operations are based on simplifying construction through the development of innovative products. The company strives to be the leader when it comes to development within the three business areas.

The business concept "Simplifying construction" and the core value "Customer success" are at the heart of product development and lead to products that increase customer value. To ensure this, the views and wishes of Lindab's customers are taken into consideration, together with our own ideas about how to simplify the work of our customers. Development is conducted in close cooperation with universities as well as material suppliers. This ensures that we always have access to the latest knowledge within our fields and can thereby create the solutions that best meet our customers' expectations. Together, we conduct materials research and development projects. Examples of topics covered are coatings, rust problems, strength as well as health and environmental aspects. Resources are also being dedicated to the development of products in order to optimise the manufacturing process, as well as lowering both costs and the environmental impact. A large proportion of energy consumption and the bulk of carbon emissions can in some way be related to buildings. Another of Lindab's motivations is therefore to further enhance customer values to contribute towards energy-efficient solutions.

For example, the Ventilation business area's Comfort division has developed eHybrid, a brand new concept for demand controlled indoor climate. It combines the functions for ventilation, cooling/heating and lighting in a package solution with a motion sensor so that energy consumption is directly influenced by occupation of the room. Independent measurements show potential savings of 30 percent.

Building Components in Poland has developed the "Lindab Home System", a complete system for an energy efficient house that is based on Lindab products supplemented with other construction materials. The Construline, Coverline, Rainline and Lindab Safe product systems are included and the designs are calculated and drawn using IT software developed by Lindab.

For 2010, research and development costs amounted to SEK 36 m (47), of which SEK 18 m (23) was within Ventilation, SEK 11 m (11) within Building Components and SEK 7 m (13) was for Building Systems. The number of people employed within the Group's product development departments totalled 29 (26), of whom 23 (19) were within Ventilation and 6 (7) within Building Components.

Sustainable business

Corporate responsibility is fundamental to Lindab's business. In order to further develop and strengthen the culture that already exists in the Group, the values, policies and guidelines that govern the activities have been combined under the concept Lindab Life.

Lindab's vision is "to be the preferred partner for building professionals in Lindab's core products Europewide". Corporate responsibility is an important part in achieving the vision. Lindab's Code of Ethics and core values play a central role in the governance of Lindab's organisation and its operations. Together with the UN's Global Compact and the sustainability reporting in accordance with GRI, they comprise the cornerstones necessary for building confidence and the basis for a strong brand.

Lindab Life summarises how Lindab should act on a daily basis, and how the company should behave towards its customers, suppliers and other partners. Lindab Life also governs its behaviour towards employees and the communities in which the company is present. Furthermore, it covers every significant environmental issue, both from a process and a product perspective. Lindab Life consists of four areas – Business, Environment, Employees and Society. Apart from describing the rules and policies, Lindab Life's four areas also act as a framework for the reporting of the company's sustainability work.

Personnel and personnel development

During the year, the average number of employees in the Lindab Group totalled 4,454 (4,586), a decrease of 132 people. The number of employees at the end of the year was 4,381 (4,435), a decrease of 54 people compared with the previous year. The average number of employees in Sweden was 994 (948), corresponding to 22 percent (21) of all employees. Note 6 contains further information about personnel costs and the average number of employees.

By developing as an attractive employer, Lindab can attract, develop and retain talented individuals, thereby supporting Lindab's vision, strategy, core values and organization. The cornerstones of this work are the efforts already being made regarding the corporate culture, employee and organisational development, and preventive health care.

Skills development is conducted throughout the Group. Central training courses are organised by the main units. However, each group company is responsible for ensuring the local implementation of skills development that satisfies local needs and strengthens the business for the future. In 2010, new initiatives have been developed that will be launched in 2011. The first relates to the Performance and Development Talk, which aims to co-ordinate individual goals, development and follow-up with the organisation's overall objectives, and to increase employee motivation.

Guidelines for remuneration for senior executives

The most recently decided principles for remuneration for holders of key positions, as well as the Board's suggested guidelines that will apply from the next Annual General Meeting, are detailed in note 6.

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 was made for 2010, including special employers' contributions. No provision was made in 2009. At the end of 2010, the foundation held 22,500 shares in Lindab and 313,600 in Ratos. A profit-sharing plan also exists in our Danish company and other different bonus systems apply within the Group. See also note 6.

Incentive programme

The Annual General Meeting decided that the three-year incentive programme introduced in 2008 would continue with stage three implemented in May 2010. The programme contains a total of 784,000 warrants, of which 732,000 warrants have been offered and subscribed to by existing employees, while 52,000 have been reserved for incoming managers. The price per warrant was established at

SEK 8.40, entitling the holder to one share in Lindab International for SEK 93.00 between 1 June 2012 and 31 May 2013. Newly recruited executives have subscribed to 39,000 warrants during the last quarter of 2010, but with conditions that applied at this later date based upon the Black-Scholes option pricing model. The price per warrant was then established at SEK 12.20. See also note 6.

Consistent environmental work

Lindab is actively working to minimise the environmental impact created by the Group's operations and its products. Lindab's Environmental policy is a key document that forms the basis for environmental work within the Group. It determines Lindab's environmental work within manufacturing, energy consumption and reduced carbon dioxide emissions. The majority of Lindab's larger production units are ISO 140001 certified with more to follow. The long-term environmental and climate objectives that were adopted in 2008 have been combined with short-term objectives established by the business areas. These objectives will be achieved through a number of projects implemented in the business areas, leading to improved processes and reduced energy consumption. The long-term objectives are based on the EU's objectives for 2020 and mean that taking 2008 values as a starting point, energy consumption will decrease by 20 percent, 20 percent of energy will come from renewable sources, and greenhouse gas emissions will decrease by 20 percent.

Products

By focusing on product development and continuous improvement, products have been developed that are good in terms of both quality and the environment, and that also improve customers' environmental performance. To improve our products further, and to give our customers the opportunity to see what impact they have on the climate, work is being carried out to determine the carbon footprints for a large number of the Group's products.

Environmental permits

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

In Sweden, operating permits are required for the production units in Grevie and Förslöv. The permits relate to manufacturing industry with factory areas measuring more than 20,000 m², those involved in the coating of metal and those using more than 2,000 litres of process oil each year. Other Swedish operations are either obliged to declare or do not require permits.

Environmental impact

Lindab's manufacture of products from steel has a minimal environmental impact. Independent measurements have been made showing that Lindab's activities do not give rise to pollution that may require the decontamination of soil or water. The waste products generated through production consist mainly of scrap metal that is recovered completely and other waste that is recycled at about 70 percent. Anything not used is sorted and dealt with according to existing laws.

Climate impact

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

are being conducted within the Group. The Group reports to the Carbon Disclosure Project, which measures greenhouse gases and awards points based on emissions. Lindab's measured results have improved every year.

Risks and risk management

See note 3, pages 94-98.

Disputes

The Group is involved in disputes that are consistent with the Group's operations. A new dispute has arisen based on a warranty liability. Lindab has denied liability. Lindab's exposure amounts to a maximum of SEK 15 m. At the time of the acquisition of subsidiary Astron Buildings S.A., there were disputes regarding faults in buildings it had delivered. An agreement was reached with the seller that they accept the risk for ending this dispute. These disputes have now been concluded. Smaller disputes have arisen following the acquisition.

Tax disputes

The company has been involved in a tax dispute in the Czech Republic since 2005. Lindab has appealed to the highest authority and the case has now been referred back to the court of first instance. The full cost has been included in the financial statements in previous years. There is no indication of when the case may be settled. See also note 3.

Dividend

Dividend policy

The Group's dividend policy is to pay a dividend of 40–50 percent of the previous financial year's net profit. According to the dividend policy, when presenting the proposed dividend, the Board must take into consideration Lindab's financial targets, acquisition opportunities, forecast future results, financial position, cash flow, credit terms and other factors. No guarantees can be given that a dividend will be proposed or accepted in any one year.

Proposed appropriation of profits for the financial year 2010

The Annual Report will be presented to the Annual General Meeting on 11 May 2011 with the following proposal for appropriation of profits:

AT THE DISPOSAL OF THE ANNUAL GENERAL MEETING

SEK

Profit brought forward	642,613,081
Transfer of treasury shares in company acquisitions	42,526,028
Net profit for the year	9,798,383
Profit carried forward	694,937,492

Lindab's Board proposes that the Annual General Meeting on 11 May resolves to pay a dividend of SEK 1.00 per share, giving a total dividend of SEK 75 m. No dividend was paid in 2010. 16 May 2011 is the proposed the dividend record day, with the dividend expected to be paid to shareholders on 19 May 2011. The justification behind the proposal is the performance in 2010 and the expectations for 2011. The proposed dividend amounts to 55 percent of profit for the year adjusted for the reversal of the SEK 110 m write-down of goodwill. The write-down of goodwill is reversed in the calculation because it is a one-off item not affecting cash flow.

The parent company

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

The parent company had no sales revenue during the financial year.

Profit for the year amounted to SEK 9 m (127). The lower profit was largely due to the parent company receiving lower Group contributions and dividends from subsidiaries than the previous year. Group contributions amounted to SEK 111 m (79). Dividends from subsidiaries have not been received in 2010, in 2009 SEK 107 m was received.

Notes to changes in parent company equity

Dividend to shareholders for the financial year 2009

The Annual General Meeting held on 11 May 2010 resolved that no dividend would be paid to shareholders and that retained earnings at the end of 2009 of SEK 642,613,081 would therefore be carried forward. In 2009, a dividend of SEK 206 m was paid for the financial year 2008.

Outstanding shares

At 31 December 2010, the share capital amounted to SEK 78,707,820 split between 78,707,820 class A shares only. All shares have a face value of SEK 1.00 each.

A buy-back of 3,935,391 shares took place in 2008, corresponding to 5 percent of the total number of shares. In 2010, the purchase price of SEK 43 m for IVK-Tuote Oy was paid through the transfer of 559,553 treasury shares. The number of outstanding shares has therefore increased to 75,331,982 (74,772,429).

For further information see note 23, Share capital.

INCOME STATEMENT

Amounts in SEK m	Note	2010	2009
Other operating income	6, 10, 12	2	-
Administrative expenses	10	-11	-15
Operating profit		-9	-15
Profit from subsidiaries	13	111	186
Interest expenses, internal	13	-88	-40
Profit after financial items		14	131
Tax on profit for the year	14	-5	-4
Profit for the year*		9	127

*) Comprehensive income corresponds with profit for the year.

CASH FLOW ANALYSIS

Amounts in SEK m	2010	2009
Operating profit	-9	-15
Interest received	0	0
Interest paid	-88	-40
Tax paid	7	31
Cash flow from operating activities before change in working capital	-90	-24
Change in working capital		
Operating liabilities	-2	-7
Cash flow from operating activities	-92	-31
Financing activities		
Borrowings	93	238
Repayment of debt	-	-
Dividend paid	-	-207
Buy-back of treasury shares	-	-
Cash flow from financing activities	93	31
Cash flow for the year	1	0
Cash and cash equivalents at the beginning of the year	0	0
Cash and cash equivalents at the end of the year	1	0

BALANCE SHEET

Amounts in SEK m	Note	31 Dec 2010	31 Dec 2009
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in Group companies	31	3,467	3,467
Financial fixed assets, interest bearing		7	11
Deferred tax assets		4	2
Total fixed assets		3,478	3,480
Current assets			
Current tax assets		6	18
Cash and bank		1	0
Total current assets		7	18
TOTAL ASSETS		3,485	3,498
EQUITY AND LIABILITIES			
Shareholders equity			
Restricted equity			
Share capital	23	79	79
Statutory reserve		708	708
Non-restricted equity			
Share premium reserve		90	90
Profit brought forward		596	426
Profit for the year		9	127
Total Shareholders' equity		1,482	1,430
Provisions			
Interest-bearing provisions		8	11
Total provisions		8	11
Long-term liabilities			
Liabilities to Group companies (interest bearing)		1,991	2,051
Total long-term liabilities		1,991	2,051
Current liabilities			
Non-interest-bearing liabilities			
Accounts payable		1	1
Accrued expenses and deferred income	27	3	5
Total non-interest-bearing liabilities		4	6
Total current liabilities		4	6
TOTAL EQUITY AND LIABILITIES		3,485	3,498
Pledged assets	29	-	-
Contingent liabilities	29	-	-

CHANGES IN PARENT COMPANY EQUITY

Amounts in SEK m	Equity attributable to parent company shareholders				
	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Total equity
Opening balance, 1 January 2009	79	708	90	632	1,509
Profit for the year				127	127
Transactions with shareholders					
Dividend to shareholders				-206	-206
Closing balance, 31 December 2009	79	708	90	553	1,430
Profit for the year				9	9
Transactions with shareholders					
Transfer of treasury shares in company acquisitions				43	43
Closing balance, 31 December 2010	79	708	90	605	1,482

The Group: Nine years in summary

SEK m unless otherwise indicated

Sales revenue and profit	2010	2009	2008	2007	2006	2005	2004	2003*	2002*
Sales revenue	6,527	7,019	9,840	9,280	7,609	6,214	5,477	5,302	5,235
Growth, %	-7	-29	6	22	22	13	3	1	2
of which volumes and prices	-1	-33	2	14	10	6	7	3	-1
of which acquisitions/divestments	0	1	3	8	13	5	-3	1	3
of which currency effects	-6	3	1	0	1	2	-1	-3	0
Net sales abroad, %	77	81	82	82	80	77	75	72	72
Operating profit (EBITDA)	565	479	1,388	1,512	1,103	751	569	472	511
Depreciation/amortisation	280	225	225	203	209	194	185	285	300
Operating profit (EBITA)	401	265	1,172	1,318	942 ¹⁾	553 ¹⁾	384	305	325
Operating profit (EBIT)	284	254	1,163	1,309	894	557	384	187	211
One-off items ²⁾	-63	-47	-116	-	-39	7	-	N/A	N/A
Operating profit (EBIT), excluding one-off items	347	301	1,279	1,309	933	550	384	N/A	N/A
Result before tax (EBT)	112	119	990	1,175	797	484	297	92	83
Profit for the year	27	34	723	901	585	351	203	26	21
Comprehensive income	-298	-142	1,124	1,035	439	485	220	-42	-58
Cash flow									
Cash flow from operating activities	391	719	673	875	778	730	426	395	118
Cash flow from investing activities	241	-188	-418	-225	-424	-667	-159	-112	19
Cash flow from financing activities	-616	-541	-396	-487	-395	58	-370	-165	-177
Cash flow for the year	16	-10	-141	163	-40	121	-103	118	-40
Operating cash flow	418	731	931	985	821	659	-	-	-
Capital employed and financing									
Balance sheet total	6,570	7,442	8,625	7,700	7,077	6,525	5,510	5,178	5,298
Capital employed	4,897	5,701	6,419	5,594	4,998	4,949	4,377	4,247	4,316
Operating capital	4,611	5,425	6,120	5,207	4,792	4,699	4,227	4,001	4,183
Net debt	1,856	2,422	2,774	2,238	2,602	1,846	1,858	1,791	1,931
Shareholders equity	2,755	3,003	3,346	2,969	2,190	2,853	2,369	2,210	2,252
Data per share, SEK									
Undiluted average number of shares, '000s ³⁾	75,203	74,772	77,548	78,708	90,702	120,000	120,000	120,000	120,000
Diluted average number of shares, '000s ³⁾	75,203	74,772	77,548	78,708	93,062	122,940	122,736	122,736	122,736
Undiluted no. of shares at year end, '000s	75,332	74,772	74,772	78,708	78,708	120,000	120,000	120,000	120,000
Diluted no. of shares at year end, '000s	75,332	74,772	74,772	78,708	78,708	122,940	122,736	122,736	122,736
Undiluted earnings per share	0.36	0.45	9.32	11.45	6.45	2.93	1.69	0.22	0.18
Diluted earnings per share (EPS)	0.36	0.45	9.32	11.45	6.29	2.86	1.65	0.21	0.17
Earnings per share, current number of outstanding shares	0.36	0.45	9.67	11.45	7.43	2.93	1.69	0.22	0.18
Undiluted equity per share	36.57	40.16	44.75	37.72	27.82	23.77	19.74	18.42	18.77
Diluted equity per share	36.57	40.16	44.75	37.72	27.82	23.21	19.3	18.00	18.35
Cash flow from operating activities per share	5.20	9.62	8.68	11.12	9.89	5.94	3.47	3.22	0.96
Dividend per share (for 2010 according to the Board's proposal)	1.0	-	2.75	5.25	3.25	-	-	-	-
P/E ratio	245.1	163.3	5.2	12.9	20.7	N/A	N/A	N/A	N/A
Quoted price at year end, LIAB	88.25	73.50	48.50	147.25	130.25	N/A	N/A	N/A	N/A
Market capitalisation at year end, SEK m	6,648	5,496	3,626	11,590	10,252	N/A	N/A	N/A	N/A
Investments									
Fixed assets (gross)	128	182	301	195	146	218	199	195	176

Key figures	2010	2009	2008	2007	2006	2005	2004	2003*	2002*
Operating margin (EBITDA), %	8.7	6.8	14.1	16.3	14.5	12.1	10.4	8.9	9.8
Operating margin (EBITA), %	6.1	3.8	11.9	14.2	12.4 ³⁾	8.9 ³⁾	7.0	5.8	6.2
Operating margin (EBIT), %	4.4	3.6	11.8	14.1	11.7	9.0	7.0	3.5	4.0
Operating margin (EBIT), excluding one-off items, %	5.3	4.3	13.0	14.1	12.3	8.9	7.0	N/A	N/A
Profit margin (EBT), %	1.7	1.7	10.1	12.7	10.5	7.8	5.4	1.7	1.6
Return on capital employed, %	5.5	4.3	20.0	24.5	18.2	11.9	10.7	4.7	5.0
Return on operating capital, %	5.6	4.3	20.7	25.4	19.1	12.2	9.4	7.5 ⁴⁾	7.4 ⁴⁾
Return on operating capital, excluding one-off items, %	6.9	5.1	22.8	25.4	19.9	11.8	9.4	N/A	N/A
Return on equity, %	0.9	1.1	23.4	35.9	25.1	13.7	9.0	1.2	0.9
Return on total assets, %	4.1	3.3	14.3	17.4	13.3	9.4	8.5	3.8	4.1
Equity/assets ratio, %	41.9	40.4	38.8	38.6	30.9	43.7	43.3	42.5	42.5
Net debt/equity ratio, times	0.7	0.8	0.8	0.8	1.2	0.7	0.8	0.8	0.9
Interest coverage ratio, times	1.6	1.8	6.1	8.6	8.4	6.9	4.1	1.9	1.6
Employees									
Average no. of employees	4,454	4,586	5,389	5,013	4,689	4,135	4,138	3,920	3,766
of which abroad	3,460	3,638	4,211	3,907	3,611	3,011	2,936	2,617	2,400
Number of employees at close of period	4,381	4,435	5,291	5,256	4,942	4,479	4,011	3,874	3,835
Payroll expenses including social security contributions and pension expenses	1,724	1,874	2,098	1,938	1,706	1,480	1,385	1,374	1,360
Sales per employee, SEK ('000s)	1,465	1,531	1,826	1,851	1,623	1,503	1,324	1,352	1,390

¹⁾ Key figures relating to the years 2002–2003 have not been restated in accordance with IFRS.

1) The operating profit (EBITA) reported excluding one-off items items, as reported originally.

2) One-off items for

- 2010, totalling SEK –63 m, consisting of SEK 110 m relating to the write-down of goodwill in the Ventilation business area's operations in the USA, SEK 73 m regarding the capital gain on the sale of property in Luxembourg, SEK 7 m in costs relating to the 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 the cost reduction programme, a SEK 10 m income from sale of Folke Perföring's operations, plus SEK 12 m in costs 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 write-down in stock, a SEK 14 capital gain on the sale of property as well as a SEK 18 m capital gain from the divestment of company holdings and SEK 13 m in costs to replace the 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 non-negligible size, and could therefore have an effect on the profit and key ratios.

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

4) To make a comparison between the years 2004–2006, the operating profit (EBITA) for 2002–2003 has been calculated.

Financial definitions, see page 123.

Notes to the consolidated financial statements

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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 9 March 2011. 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 11 May 2011.

Unless otherwise stated, amounts are in SEK m.

NOTE 2 SUMMARY OF IMPORTANT ACCOUNTING PRINCIPLES

The most important accounting principles that have been applied when preparing these consolidated financial statements are detailed below. Unless otherwise stated, these principles have been applied consistently for all the years presented.

Basis for the preparation of accounts

Lindab compiles its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and Recommendation 1 from the Swedish Financial Reporting Board. Lindab also applies statements from IFRIC, International Financial Reporting Interpretations Committee.

Lindab applies the cost method when evaluating assets and liabilities except for financial assets that can be sold and financial assets and liabilities that include derivative instruments, which are evaluated at fair value through the profit for the year (based on assessments where appropriate).

Changes in published standards

The following changes have taken effect as from 1 January 2010, which may have relevance for the Group:

- IFRS 3R, Business Combinations and IAS 27R, Consolidated and Separate Financial Statements, which affects the accounting of future acquisitions, loss of control and transactions with minority shareholders. IFRS 3R has introduced a number of changes in the accounting of business combinations that affect the size of recorded goodwill, the reported profit for the period in which the acquisition is carried out as well as future reported profit. Among other things, balance sheet items may no longer be added to contingent considerations after the acquisition or transaction costs. (Approved by the EU on 3 June 2009.) IAS 27R requires that changes to participating interests in a subsidiary where the majority owner does not lose controlling influence are recorded as equity transactions. These transactions can no longer give rise to goodwill or lead to any gains or losses. (Approved by the EU in June 2009.)
- IAS 39, Financial Instruments: Recognition and Measurement –

Amendment in exposures qualifying for hedge accounting. The amendment deals with the identification of a one-sided risk in a hedged item and the identification of inflation as a hedged risk or portion of the hedged risk in a specific situation. It clarifies that a company may identify part of the changes in fair value or changes in cash flow in a financial instrument as a hedged item. Approved by the EU on 15 September 2009.

- Improvements to IFRS standards relate to certain amendments to IFRS. The provisions have been taken into consideration where appropriate. Approved by the EU in January 2009.

The amendments to IFRS 3 have been considered for the acquisitions that were made during the year. Otherwise the provisions have had no direct consequences for Lindab. However, they have given rise to additional note information, including updates in accounting principles where appropriate.

New accounting recommendations

The International Accounting Standards Board (IASB) has issued the following new or changed accounting recommendations that may be relevant to the Group, but which come into effect so that they need not be applied to this Annual Report. The latest commencement date is included with each recommendation.

- IFRS 9, Financial Instruments: Recognition and Measurement. This standard is the first step in a complete overhaul of the existing standard IAS 39. The standard involves a reduction in the number of valuation categories for financial assets to the main categories of amortised cost and fair value through profit for the year. For some investments in equity instruments, it is possible to record fair value in the statement of financial position, with changes in value recorded directly in other comprehensive income, where no transfer is made to profit for the period on divestment. This first part of the standard will be supplemented by rules regarding write-downs, hedge accounting and the valuation of liabilities. (Not yet approved by the EU and the timetable for approval is currently unavailable.) IFRS 9 will probably be applied for financial years beginning on 1 January 2013 or later.
- IAS 24, Related party disclosures. Amendment. The amended standard must be applied for financial years beginning on 1 January 2011 or later. The amendment clarifies the definition of related parties to facilitate the identification of such relationships and eliminate inconsistencies in the application. It also allows certain exceptions for disclosures about related public bodies. Earlier application is permitted. Approved by the EU in July 2010.
- IFRIC 14, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – amendment. The amendment offers guidance for assessing the recoverable amount of a "net pension asset". The amendment allows a company to report the prepayment of a minimum funding requirement as an asset. (Approved by the EU on 19 July 2010 and to be applied to financial years starting on 1 January 2011 or later.)
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments. This interpretation addresses the accounting by a company when the terms of a financial liability are renegotiated and result in the company issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. (Approved by the EU on 23 July 2010 and to be applied to financial years starting on 1 January 2010 or later.)

- IFRS 7, Financial Instruments: Disclosures – amendment. The amendment was issued on 7 October 2010. The addition will mean that further quantitative and qualitative information remains with the derecognition of financial instruments from the balance sheet. If a transfer of assets does not result in the removal in its entirety, this will also be stated. Similarly, if the company retains an obligation in the derecognised asset, the company must also provide this information. (Expected to be approved by the EU in Q2 2011.)
- Improvements to IFRS standards (issued in May 2010). The IASB has published its third collection of additions to current standards, principally in order to remove inconsistencies and to clarify wording. There are separate transition rules for each addition, but usually they must be applied from 1 January 2011.

During 2011 Lindab will evaluate the effect of applying the statements/standards outlined above.

The Swedish Financial Reporting Board has issued RFR 1 and RFR 2, as well as UFR 1–8. RFR stands for Recommendations from the Swedish Financial Reporting Board and UFR stands for Statements from the Swedish Financial Reporting Board. The Annual Accounts Act (ÅRL) explains which regulations must be applied by a listed company when preparing interim reports. RFR 1 has been applied where appropriate in the presentation of Lindab's financial statements.

Consolidated financial statements

The consolidated financial statements include the parent company, Lindab International AB, and the companies and operations in which the parent company, either directly or indirectly, has a controlling influence and their associated companies. The consolidated financial statements have been prepared according to the acquisition method.

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. The areas containing a high degree of judgement that is of a complex nature, or such areas where assumptions and estimates are of great importance for the consolidated financial statements, are stated in note 4.

Elimination of Group transactions

Gains and losses arising when a Group company sells goods or services to another Group company are completely eliminated. The same applies for associated companies, to the extent that corresponds to the Group's participation. See note 30, Transactions with related parties.

The acquisition method

Acquisitions are managed according to the acquisition method as defined by IFRS 3, Business Combinations. This is distinguished by the recognition of the acquired assets, liabilities and contingent liabilities at their market value, having taken the deferred tax into consideration at the time of the acquisition. The acquisition cost is the fair value of assets given as payment, equity instruments and liabilities incurred or assumed on the date of the acquisition, plus any costs that are directly attributable to the acquisition.

IFRS 3 has been amended with effect for Lindab from 2010. Subsequently, all payments to purchase a business are carried at fair value on the acquisition date, with subsequent contingent payments classified as liabilities that are subsequently re-evaluated in the statement

of comprehensive income. This requires the expected acquisition analysis to be calculated and applied in direct relation to the acquisition, since all subsequent changes affect operating profit. Furthermore, all transaction costs relating to acquisitions must be expensed from 2010 onwards. As of 2010, therefore, only the acquisition price of the acquired business will be recorded as an asset and may comprise the basis for the calculation of goodwill. Acquisitions completed up to and including 2009 include the entire acquisition cost in the goodwill calculation, i.e. including all transaction costs and changes in the purchase price after the acquisition date.

When the cost of acquisition of the subsidiary exceeds the market value of the company's net assets, taking into account the contingent liabilities, the difference is recognised as consolidated goodwill. Goodwill is not amortised but is continually assessed for the write-down requirement at least once a year. Other acquired intangible assets are amortised over the estimated useful life.

If the acquisition cost is below the fair value of the acquired subsidiary's net assets, the difference is reported directly in the statement of comprehensive income.

Divested companies are included in the consolidated financial statements up to the time of the divestment. Companies acquired during the year are included in the consolidated financial statements from the time of acquisition.

Subsidiaries

Companies in which the parent company, indirectly or directly, holds more than 50 percent of the voting rights, or in some other way exercises a controlling influence, are consolidated in their entirety. For subsidiaries in Lindab, see note 31, Group companies and associates.

Associated companies

Associated companies are companies in which the Group controls 20–50 percent of the voting rights. Investments in associated companies are reported in the consolidated statements of comprehensive income and financial position in accordance with IAS 28, Investments in Associates, and are thus in accordance with the equity method. The statement of financial position includes the acquisition cost of the shares, following adjustment for the Group's share in the associated company's results, among financial assets, such as other long-term securities of materiality considerations. The Group's share of changes in reserves following the acquisition is reported in reserves. In accordance with IAS 1, shares in associated companies' profits are reported in separate rows in the financial statements. Lindab's holdings in associated companies constitute smaller values, however, and are therefore not reported on their own rows. The Group's share in the profits of the associated company after financial items (arising in the associated company following the acquisition), is reported in the statement of comprehensive income under Other financial income and expenses.

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 are translated into the Group's reporting currency according to the current method as defined in IAS 21, The Effects of Changes in Foreign Exchange Rates. 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 in accordance with IAS 21.

Transactions in foreign currencies are translated to the functional currency at the prevailing exchange rate on the date of the transaction. Swedish Group companies' receivables and liabilities in foreign currencies are valued at the rate on the balance sheet date. Exchange rate gains and losses that arise when paying and when translating monetary assets and liabilities in foreign currencies at the exchange rate on the balance sheet date are reported in the statement of comprehensive income. Exchange rate differences relating to operations are shown as other operating income/expenses (note 12) and are thereby included in the operating profit. Exchange rate differences of a financial nature are reported in financial income and expenses (note 13).

Internal pricing

Market-based pricing is used for inter-company transactions.

Segment reporting

Lindab's operations are managed and reported by business area. Lindab complies with IFRS 8, Operating Segments, which requires disclosures about operating segments. The Group's segments are its three business areas, Ventilation, Building Components and Building Systems. The latter two comprised the former Profile business area.

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 the same principles as for the Group overall. The allocation of costs and net assets is made as needed. Operating expenses not included in the segments are reported under the item Other and include the parent company functions and Group Treasury. Until 2009 also certain steel processing for external customers. Segment reporting is presented in Note 7, Segment Reporting.

Revenue recognition

Revenue is recognised according to IAS 18, Revenue. Sales revenues, i.e. net sales for products and services in the ordinary activities, are reported once the delivery is made and the material risks and benefits connected to ownership of the goods have been transferred to the purchaser. For projects within Building Systems, revenue recognition mainly occurs upon each part delivery. For some major construction contracts, revenue recognition also occurs gradually towards completion. Sales are reported net of VAT, less taxes on goods, returns, freight and discounts.

Other income includes payment for such sales that occur in addition to ordinary activities, such as net profit on fixed assets sold.

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

Within the Lindab Group, there is a share-based incentive programme entitling key employees to purchase warrants to subscribe for shares in the company. Participants pay an initial market value for their warrants, but during the vesting period they receive a refund of up to half the fair value paid for the warrants, as long as they remain employed. For this reason, the programme creates a benefit for the individuals and the cost of this benefit is continuously recorded during the relevant vesting period. In cases where the warrants are redeemed, this will give rise to a dilutive effect. If the issue price for the shares is higher than the average share price during the period, the warrants are not expected to lead to any dilutive effect.

Borrowing costs

All borrowing is reported at fair value i.e. net after transaction costs. Borrowing costs are carried as an expense in the period they are incurred unless they relate to assets that take a substantial period of time to get ready for use or sale. In such cases, these must be capitalised in accordance with IAS 23, Borrowing Costs.

Income taxes

The Group applies IAS 12, 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 reported as temporary differences between the reported values and the tax base on assets and liabilities to be paid in the future. The evaluation 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.

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 of 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 reported 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 for the year and deferred tax receivables and liabilities.

Earnings per share

Earnings per share are reported in accordance with IAS 33, Earnings Per Share. The item is shown directly in 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. Incentive programmes have been implemented during the years 2008–2010. In 2008–2009 784,000 warrants were acquired each year by senior executives and key employees. In 2010 the 771,000 warrants were acquired. The warrants may be utilised during the periods 1 June 2010–31 May 2011, 1 June 2011–31 May 2012 and 1 June 2012–31 May 2013 respectively.

tively to subscribe for one share in Lindab International AB. There is currently no need to calculate the dilutive effect, since the issue price for the shares is higher than the average share price for 2010. A buy-back of treasury shares took place during 2008, and in 2010 parts of them were transferred as payment for acquisitions. This has been taken into account when calculating earnings per share.

Intangible fixed assets

Goodwill

Goodwill arising from the acquisition of a company and operations is assessed according to IFRS 3, Business Combinations. From 2010, Goodwill represents the amount by which the estimated acquisition price of the operations at the time of acquisition (including estimated additional earn-out payments) and the acquisition price up to and including 2009, exceeds the fair value of the Group's share of the acquired subsidiary's identifiable net assets at the time of acquisition. From 2010 therefore, transaction costs and adjustments to contingent consideration may not be included in the basis for the calculation of goodwill. See also the section on the consolidated financial statements on page 88. Goodwill on acquisitions of subsidiaries is reported in intangible assets. Goodwill is tested for any write-down requirement at least annually, or when there is any indication of this. Goodwill is reported as the acquisition value less accumulated write-downs.

Write-down requirements are 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, estimates are normally made at Group level and in each business area. This principle was abandoned in 2010 however, when a separate evaluation was made for the Ventilation business area's operations in the USA. The reason for this is the strategic plan that the Lindab Group established in 2010, supporting a focus on Europe over time.

Gains or losses on the divestment of a subsidiary/associated company include the remaining carrying amount of the goodwill relating to the unit sold.

Brands, patents and similar rights

Brands, patents and similar rights are reported as the acquisition value less accumulated depreciation/amortisation. Depreciation/amortisation is applied on a straight line basis over the estimated useful life of between five and ten years.

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.

Capitalised expenditure for development work and similar

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 pro-

portion of indirect costs. Capitalised development costs are carried at the acquisition value less accumulated depreciation/amortisation and write-downs. The estimated useful life is three years.

Tangible fixed assets

Buildings and land principally comprises factories, branches and offices. These are reported as the recorded residual value, i.e. the acquisition value less the accumulated depreciation according to plan and any write-downs that are made. The depreciation according to plan is based on the acquisition value of fixed assets and is calculated with consideration to the estimated useful life. 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 measured reliably. All other forms of repair and maintenance are reported as costs in the statement of comprehensive income during the period in which they arise.

The acquisition value of assets is divided into material components and each component must be amortised separately over its estimated useful life i.e. component depreciation. This applies to buildings as well as to machines and equipment.

During the investment year, depreciation is made according to plan on machines, equipment, vehicles and computers from the time that they are put into use, or if that is not possible, using half of the depreciation rates shown below.

THE FOLLOWING DEPRECIATION PERIODS HAVE BEEN USED

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

Financial instruments

Financial instruments are every form of agreement giving rise to a financial asset, financial liability or equity instrument in another company. They include cash and cash equivalents, interest-bearing receivables, accounts receivable, trade creditors, borrowing and derivative instruments. Cash comprises cash and bank.

Classification of financial assets and liabilities

- *Financial assets at fair value through profit for the year*, includes financial assets that are held for trading and financial assets that are classified as being reported at fair value in the statement of comprehensive income. 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.
- *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. Financial investment amounting to SEK 26 m, relating to funded pension liabilities, is included in this category.
- *Loan receivables and Accounts receivable*, are non-derivative financial assets with fixed or determinable cash flows that are

not traded in an active market. This type of receivable normally arises when the Group pays cash to another party or supplies a customer with products or services without intending to convert the receivable into cash. Loan receivables and accounts receivable are recognised at the amortised cost, i.e. the amount that is expected to flow in, less allowance for doubtful accounts which are assessed individually. The expected maturity period for accounts receivable is short, therefore the value is reported at the nominal amount without discounting.

- *Available-for-sale financial assets*, include non-derivative financial assets that are either classified as assets available for sale or do not fall into any of the other categories. The assets are valued at their fair value directly against other comprehensive income. Upon being sold, accumulated changes in value are reversed against profit for the year. Other investments held as fixed assets, note 19, are included in this category since they have not been classified in any other category.
- *Financial liabilities at fair value through profit for the year*, This group includes financial liabilities that are classified as being reported at fair value in the statement of comprehensive income. 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.
- *Other financial liabilities*. This category includes loans, other financial liabilities and trade creditors. The liabilities are valued at amortised cost.

A financial asset or financial liability is included in the statement of financial position when the company is party to the instrument's contractual terms. Accounts receivable are reported in the statement of financial position when the invoice has been sent, and supplier invoices are reported when they are received. Each financial fixed asset is reported at its amortised cost. If the fair value is less than the acquisition value then there is a write-down. For further information about values and categories of assets see notes 19 and 20, Long-term financial assets.

Financial assets are removed from the statement of financial position when the right to obtain cash flow from an asset matures or is transferred to another party by transferring all risks and benefits associated with the asset to the other party. A financial liability is removed from the statement of financial position when the obligation has been met, cancelled or has expired.

The boundary between the reporting of current and long-term balance sheet items is consistently applied for all financial instruments. When a settlement or sale is expected to take place more than twelve months following the balance sheet date, a financial asset is reported as a fixed asset. Financial assets that are expected to be settled or sold within twelve months following the balance sheet date are thus classified as current assets. Financial liabilities that are due more than twelve months following the balance sheet date are reported as long-term liabilities and those that are due for payment within twelve months following the balance sheet date are reported as current liabilities.

Financial derivatives

The Lindab Group uses derivative instruments to cover risks of currency and interest rate exposure. The holding of financial derivatives consists of interest rate and currency swaps and currency futures.

Derivatives are recognised in the statement of financial position on the date of contract and measured at fair value, both initially and in subsequent revaluations. The method for reporting the gain or loss arising through the revaluation depends upon whether the derivative is identified as a hedging instrument and whether the hedging of fair value, cash flow or net investment exists.

Derivatives that are not identified as hedging instruments are classified in the statement of financial position as financial assets and liabilities at fair value through profit for the year. Realised and unrealised gains and losses arising from changes in fair value are recognised in the statement of comprehensive income's financial items for the period in which they arise.

Hedge accounting

Lindab uses hedge accounting for financial instruments intended to secure the cash flow in future interest payments concerning the Group's borrowings and some future commercial cash flows. The transactions are documented from the beginning, as is the risk management objective. In addition, at the beginning of the hedge and continuously, an assessment is also documented as to whether the derivatives used in hedging transactions are effective in offsetting changes in cash flow for the hedged items. This is created at the beginning of a hedging measure so that it can be expected to be effective.

The Lindab Group does not use financial instruments to hedge financial risks in foreign operations, therefore hedge accounting in such instances is not relevant. However, hedge accounting is applied for the hedging of currency risks, in Lindab AB's lending to and deposits from Group companies, which is done using forward exchange agreements. See page 98.

Lindab has no purchasing agreements with terms that mean they should be considered as derivative instruments or embedded derivatives.

Raw materials are mainly purchased in SEK, EUR and USD. Purchase of a company that are made in its local market can also be made in the company's local currency, for example, in RUB and GBP. To some extent, Lindab is committed to purchasing certain volumes, before an agreed date, from a supplier that provides an agreed inventory on Lindab's behalf. Lindab can place orders when required, and payment is made following delivery.

Accounts receivable

In general for the Group, accounts receivable that have been due for between 180 and 360 days will be reserved at 50 percent and those that have been due for more than 360 days will be reserved at 100 percent. Consideration will be given however in cases such as credit insurance. Furthermore, individual assessment will be made when required.

Write-downs

IAS 36, Impairment of assets, is used for assessing write-down requirements. Assets with an indefinite useful life are not amortised but are tested for any write-down requirement at least once a year. Depreciated assets are assessed with regards to the depletion in value wherever events or changes in circumstances indicate that the carrying value may not be recoverable. A write-down is recognised in the amount by which the asset's carrying value exceeds its recoverable

value. The recoverable value is the greater of the fair value less selling expenses and the value in use. When assessing a write-down requirement, the assets are grouped at the lowest level, i.e. preferably by asset, or by cash generating units (CGU) if this is not suitable. For the Lindab Group, calculations are made for each business area since they are so strongly integrated. Exceptions have been made in 2010 however, when the Ventilation business area's operations in the USA were evaluated separately, see the section on goodwill on page 90.

Stock

Stock is reported in accordance with IAS 2. 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 the acquisition value and net sales value for raw materials, consumables and purchased finished goods. Own produced goods have been valued at the lower of production costs and net sales value. Obsolescence has therefore been taken into account in the evaluation. Market prices apply when pricing for deliveries between Group companies.

Non-current assets held for sale and discontinued operations

Fixed assets held for sale and operations that are being closed down are reported, when relevant, in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. The assets must be available for sale and it must be likely that the sale will take place within one year of reclassification.

Cash and cash equivalents

Cash and cash equivalents include cash holdings and bank balances. Bank overdrafts are reported in the statement of financial position as part of borrowings in current liabilities.

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.

Reporting Group contributions

Group contributions to the parent company are reported in accordance with UFR 2 issued by the Swedish Financial Reporting Board. These state that Group contributions must be reported according to their economic reality. Received Group contributions have therefore been reported as a dividend in the statement of comprehensive income. When Group contributions are made, these together with their tax amounts are always reported as deductible items from profit brought forward in equity.

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 page 79, Statement of changes in equity, and for redemption, see note 23, Share capital and the number of shares.

Provisions

IAS 37, Provisions, Contingent Liabilities and Contingent Assets is applied for provisions, except for provisions regarding personnel where IAS 19, Employee Benefits, is applied.

A provision is only reported when:

- there is an actual legal or informal obligation resulting from an event
- it is likely that an expense will arise to settle the obligation and a reliable estimate of the amount can be made.

The amount reported as a provision is the best estimate of the expense required to meet the obligation in question on the balance sheet date.

Provisions for pensions and similar obligations

Lindab applies IAS 19, Employee Benefits, which means that pension benefits and other forms of compensation payable to employees after conclusion of employment e.g. upon termination or resignation, are calculated with consideration to estimated future earnings and inflation. The recommendation makes a distinction between defined contribution and defined benefit plans. Defined contribution plans are defined as plans 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.

All plans that are not defined contribution plans are considered to be defined benefit plans. Within the Group there are both defined contribution and defined benefit plans. The most comprehensive defined benefit plans are in Sweden, Norway and Luxembourg. In Italy there is a benefit plan for the termination of employment. There are significant defined contribution plans notably in Sweden, Denmark, Finland and Germany.

Defined contribution plans do not entail a re-evaluation in the consolidated financial statements. The costs for these are carried as an expense during the period that the employees carried out the services relating to the charge. All expenses are reported in full in the operating profit.

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.

In principle however, benefit based commitments are assessed annually. Commitments of smaller amounts are re-evaluated at reasonable intervals or when necessary. These calculations are performed by independent actuaries. Expenses arising from re-evaluation are reported in the operating profit. The interest portion from changes in pension liabilities is reported as financial expenses however.

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.

The liability for these defined benefit plans is valued at the present value of the expected future payments using a discounted rate. The Projected Unit Credit Method is used to determine the present value. This means that each period of service gives rise to an additional unit of the total final obligation. A separate calculation is made for each unit, and the units combined comprise the total obligation on the balance sheet date. In this way, the expensed (pension) payments are recognised on a straight-line basis during the period of employment.

Actuarial assumptions are used for calculating liabilities; this includes expected salary and pension increases as well as the expected return on plan assets. The discount rate is the rate on the balance sheet date on AAA credit rated bonds or, in the absence of these, government bonds for each currency. If possible, the rate should have a remaining maturity period corresponding to the pension obligations. Changes in the actuarial assumptions and outcomes that deviate from the assumptions give rise to so-called actuarial gains and losses.

Calculated actuarial gains and losses are not reported when they fall within the "ten percent corridor". The income and expenses are first reported when actuarial gains/losses fall outside the corridor, i.e. they exceed 10 percent of the present value of the obligation or of the fair value of any plan assets. The profit is then distributed over the remaining period of service of the employee covered by the plan.

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

Leases

Reporting of financial leases results in fixed assets being entered as assets in the statement of financial position and long-term and current liabilities being recognised correspondingly. Fixed assets are depreciated according to plan over the useful economic lifetime, while lease payments are reported as interest and amortisation of liabilities. Assets are shown in the statement of financial position under the category of asset to which they belong.

For operating leases, no asset or liability is reported in the statement of financial position. Payments that are made during the lease term are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. For information about leases, see note 28.

Consolidated cash flow statement

Lindab applies the indirect method in accordance with IAS 7, Cash Flow Statements. 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 money 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 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. Assets are entered at their carrying value and encumbrances at their nominal value. Shares in Group companies are reported at their value in the Group. See also note 29.

Events after the balance sheet date

Events after the balance sheet date are reported in accordance with IAS 10, Events after the Balance Sheet Date.

Government assistance

Government assistance is reported according to IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. Government assistance is action 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 presented as a deduction of the related expenses.

Sick leave and gender balance

Sick leave and gender balance among senior executives are reported in accordance with recommendation RFR 1 from the Swedish Financial Reporting Board, Accounting for Legal Entities.

Information about absence from work (due to illness) for employees in Sweden is submitted for the financial year. Information about gender balance is reported as the balance between women and men and among members of the Board, the President and other individuals in Lindab's management. The distribution is reported separately and the information refers to the situation on the balance sheet date, see note 6.

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 30, Transactions with related parties.

Parent company accounts compared with consolidated financial statements

The parent company's financial statements are prepared and presented in accordance with the Annual Accounts Act (ÅRL) and Recommendations from the Swedish Financial Reporting Board (RFR), RFR 2. RFR 2 requires the parent company to apply all EU approved IFRSs and pronouncements as far as possible under the Annual Accounts Act and taking into account the relationship between accounting and

taxation. The recommendation includes the exemptions to IFRS to be considered and the additions that must be made.

From 2009, the Group has introduced statements of comprehensive income and financial position, rather than income statement and balance sheet. Furthermore, the Group only reports transactions with owners in the statement of changes in equity. Other transactions that were previously reported in equity are now recognised as other comprehensive income for the period in the statement of comprehensive income. With effect from 2010, The Swedish Financial Accounting Standards Council has decided that the accounts must comply with IAS 1 as far as possible; however the alternative with an income statement and a separate statement of comprehensive income must be applied.

IAS 27, Consolidated and Separate Financial Statements, indicates that all dividends from subsidiaries must be reported in the parent company's income statement. In special circumstances, such a dividend may be an indication that the value of the shares has fallen and that write-down requirement test must therefore be done. RFR has accepted the application of this provision.

IFRS 3, Business Combinations, has been amended with effect from and including 2010. But according to RFR 2, cost of the acquisition must continue to be reported under ÅRL and balance sheet items thus include transaction costs and contingent considerations. Negative goodwill need not immediately be carried as an expense. ÅRL has also been amended to facilitate reporting of liabilities at fair value. Optional exceptions remain however because of uncertain tax consequences.

The consolidated financial statements do not show appropriations and untaxed reserves. These are divided into deferred tax liabilities, which are reported as a non-interest-bearing liability and other reserves in equity. This is allocated on the basis of the applicable tax rate in each country.

NOTE 3 RISKS AND RISK MANAGEMENT

Exposure to risk is, to a certain extent, part of the business activity. Lindab's risk management is to identify, measure and prevent risks from being realised, while continually making improvements to minimise potential risks. For the Group, risk prevention is principally aimed at preventing potential risks from developing into damages and/or losses. When this does not fully succeed, the next goal is to mitigate the effect of damages that have already occurred. The risks that Lindab may be exposed to are strategic, operational, financial and legal risks as well as those that can threaten our good standing and reputation.

As with other international companies, Lindab risks being affected by damages arising from natural disasters, terrorist activities and other types of conflict. The Group's risk management includes monitoring the outside world and developing procedures, in order to react and act wisely in the event of a disaster.

Operational risk management

Competition

In the various markets, Lindab faces a large number of small companies and a small number of relatively large regional, national and multinational companies. The company's competitors include Ruukki, Corus Panels and Profiles, Marley, Plannja, Fläkt Woods, Swegon, 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 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 services to new situations.

Lindab's primary raw material is steel, mainly in the form of sheet metal, and Lindab's competitive strength is inevitably affected by the increase in the prices for raw materials. Lindab tries to rationalise its production and organisation in order to be competitive. During recent years, increases in the prices of many input goods for competing materials, such as plastic and concrete, has meant that the competitive situation at least has not deteriorated. Steel has many advantages over plastic and concrete, which should be more strongly emphasised. Customer campaigns also have an influence on customers' product choices Lindab is working to build sound long-term relationships with potential customers and to provide added value by simplifying construction through the use of Lindab's products.

Market risks

Demand for Lindab's products is affected by changes in customers' investment plans and production levels. Customers' investments can change if the economic situation in a country or an industry changes. Changes in the political situation and/or other political decisions can have an influence and consequently affect the customer's investments. Lindab is distributed throughout 31 countries, which balances

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

Within the Ventilation business area, one trend that is not affected by the business cycle is the growing demand for improved indoor climate and energy efficiency. Air should be replaced more often, without noise. It should be clean and with low energy costs.

In the Building Components and Building Systems business areas, there is a similar trend where steel as a construction material is gaining ground in the market at the expense of wooden constructions for instance. Among its advantages, steel does not develop mould and can be recycled in most instances. Furthermore, a large proportion of the products can be manufactured in factories, resulting in lower costs and better logistics.

During a general economic downturn, and when the global economy and world market is in decline, it is important to react quickly and take appropriate action. A rapid change in market conditions took place in 2008 and continued into 2009. Lindab responded quickly and major emphasis was placed on responding to the recession, primarily by focusing on balancing the cost structure and cash flow. Two cost-reduction programmes have been implemented, one of which began in 2008, aimed at reducing non-volume related annual costs by SEK 560 m. These took full effect from the beginning of 2010.

Raw material prices

Lindab purchases large quantities of steel, mainly in the form of sheet metal, and is subject to developments in the market for raw materials. The purchasing strategy developed by Lindab is based on long-standing relations with its main steel and sheet metal suppliers, enabling the company to purchase directly from steel manufacturers rather than intermediaries. Lindab's close relationship with steel manufacturers has allowed it to develop special grades of steel and finishes adapted to the company's systems and products. By centralising its steel purchasing, the company can strengthen its negotiating position and secure more competitive prices. Lindab only purchases steel to requirements and does not speculate or hedge on future steel prices.

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

A 10 percent change in steel prices affects Lindab's profits by SEK 180 m provided that the sales prices do not change. Historically however, the company has adjusted its prices when steel prices have changed.

Risk of bad debt losses

The risk of bad debt losses is 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 posi-

tion leads them to have payment problems. This in turn may result in Lindab not receiving payment for the products it has sold. In order to minimise bad debt losses, a large number of companies within the Group have insured their receivables against bad debt losses. The Group obtains credit information about new customers and monitors existing customers. This leads to fewer bad debt losses. The single largest customer represents about 1.5 percent of sales.

In general for the Group, accounts receivable that have been due for between 180 and 360 days will be reserved at 50 percent and those that have been due for more than 360 days will be reserved at 100 percent. Consideration will be given however in cases such as credit insurance. Furthermore, individual assessments will be made when required. At 31 December 2010, reserves for bad debt losses amounted to SEK 80 m (99). During the year, SEK 24 m (57) was expensed concerning provisions for bad debt losses, equivalent to 0.4 percent (0.8) of the Group's sales.

Seasonal risks

The three business areas, Ventilation, Building Components and Building Systems experience different seasonal variations. Ventilation produces indoor products and is therefore not directly affected by changes in the weather. Sales are traditionally weaker during holiday periods. The products from Building Components and Building Systems are almost entirely for outdoor use and follow the seasons accordingly. Winter is normally the low season, while the sales figures peak between the summer and autumn.

Risk of claims

Historically, claims within the Air Duct Systems division of the Ventilation business area have been low, while claims within Comfort have been slightly higher due to the more complex nature of the products. For Building Components, the level of claims has been low historically. The Topline product group has incurred some costs resulting from the Plastisol coating peeling off. A new coating material is now being used.

Within Building Systems, Lindab is essentially the sole supplier to local builder-dealers who are responsible for carrying out the construction work. This means that there should not be any risk of claims. Some sales however are made directly to end customers and, in such cases the responsibility for claims resides with Lindab. Regardless of who has the construction risk, Lindab is responsible for ensuring that the delivered materials are correct. Claims for rust on roof parts have been received during 2005–2010.

SEK 58 m (80) has been reserved for the financial year 2010. See note 25, Other provisions.

Environmental risks

This risk relates to costs that the Group may incur when adapting its operations to new or stricter environmental legislation. It may also pertain to the decontamination of land for previously owned or currently owned properties, waste management etc. The Group has no known environmental liabilities and the business is not of the type that gives rise to the contamination of land or water that could require clean-up measures. The Group will work according to, and abide by, Swedish and international legislation. The company has specific environmental insurance to protect it and third parties from possible environmental

accidents. The insurance includes liability for damages that are part of or are the result of environmental damage.

Risk for and in connection with disputes

This risk pertains to costs that the Group may incur in managing various disputes. These costs can arise, for example, in connection with settlements and costs for imposed penalties.

The responsibility for monitoring and controlling the legal risk management within the Group lies with the legal department led by Lindab's Chief Legal Counsel. In addition to the continual follow-up of the legal risk exposure, a quarterly analysis of all the Group companies is carried out.

The Group is involved in the following legal disputes

The Group is involved in disputes that are consistent with the Group's operations. A new dispute has arisen based on a warranty liability. Lindab has denied liability. Lindab's exposure amounts to a maximum of SEK 15 m. At the time of the acquisition of subsidiary Astron Buildings S.A., there were disputes regarding faults in buildings it had delivered. Lindab has agreed with the seller of Astron that they accept the risk for ending this dispute. These disputes have now been concluded. Smaller disputes have arisen following the acquisition. A provision of SEK 2 m (2) has been entered into the financial statements.

Tax disputes

The company is involved in a tax dispute in the Czech Republic. The dispute is the result of a tax audit of the company's Czech subsidiary, Lindab s.r.o., for the financial years 2001 and 2000. In light of what emerged in the tax audit, the Czech tax authorities instructed Lindab s.r.o. to pay a total of SEK 8 m in corporate tax, VAT and penalties. The tax authority claimed that Lindab s.r.o. had not satisfactorily reported the transactions in question. The amount that Lindab has been instructed to pay is based on an assessment made by the tax authority. The company does not share the appraisal of the Czech tax authority and appealed against the decision in full in February 2005 to the Department of Finance in the Czech Republic. The company has already paid the corporate tax and the VAT demanded. The full cost has been included in the financial statements. The court in the Czech Republic has rejected the company's appeal. The company has appealed to the highest authority, which in 2008 overturned the original judgement on the basis that the procedure in the initial assessment had been incorrect. The company has no indication of when the case may be settled. During 2007, the company recovered half the penalty fee for the corporate tax and half the penalty fee for the VAT.

Risk for product liability

This risk refers to the costs that the Group may incur if any delivered product causes injury or damage to property. Within Building Systems, Lindab is responsible for product design and therefore carries the risk for product liability in the event of any damages. The Group has product liability insurance, while procedures for eliminating the risk of damages are in place and continually under development.

Insurance risks

These risks refer to costs that Lindab may incur due to inadequate insurance cover for products, property, stoppages, liability, transport, life pensions, etc. The Group has standard global insurance

that provide cover for its head office, manufacturing and storage units as well as cover its own transport operations. The insurances cover damage to property, stoppages, mechanical breakdowns, general accountability and product liability, transport of goods by company vehicles, vehicles and felonies. As a natural part of Lindab's various operations, mitigation measures are continuously being carried out, including together with external consultants. In this work, standards for desirable levels of protection are established in order to limit the likelihood of various injuries.

Lindab's senior executives and Board members are also insured with cover that the company deems appropriate for a company of its size and industry. Lindab considers that it has adequate insurance, normal to this industry, and is sufficiently covered for the risks usually associated with the business operations. Naturally there is no guarantee that Lindab will not incur losses over and above what is covered by this insurance.

Product development risks

Lindab's long-term organic growth and profitability is partly dependent on the ability to develop and successfully launch and market new products. Failure to do this successfully may have a negative effect on income.

Reputation

Lindab's reputation is a valuable asset that can be influenced by Lindab's actions as well as by external stakeholders. The Lindab Group strives to avoid actions that might risk Lindab's good standing. We aim to be a good element of society wherever we operate. A Code of Ethics has been produced and implemented in the Group to ensure that all the managers in our markets follow good practice.

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.

Loss of key competence

The loss of key staff members can negatively affect the Group's earning capacity. Competent and committed managers are crucial for enabling Lindab to fulfil its strategy. To ensure re-growth and to identify future managers within the Group, we work with the aid of a tool, Manager Profile. Senior executives are regularly evaluated in order to identify leadership skills and competence. This model now covers approximately 90 individuals.

Financial risk management

Through its activities, the Group is exposed to financial risks. Financial risk refers to financing risk, liquidity risk, interest rate risk and currency risk.

Lindab's financial policy for the management of financial risk has been approved by the Board of Directors and 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 to achieve cost-effectiveness, econo-

mies of scale, skills development and the protection of the Group's shared interests.

Financing risk

Financing risk is the risk that the financing of the Group's capital requirements and refinancing of outstanding credits is impeded or becomes more expensive.

Since December 2007, the Lindab Group has had a binding five-year credit agreement with Nordea and Handelsbanken. Partly as a result of the deteriorating market conditions, the contract was renegotiated in October 2009 whereby the credit limit was reduced from SEK 4.5 bn to SEK 3.5 bn, representing estimated future financing requirements. The duration is unchanged, with a maturity date of 17 December 2012. The credit agreement includes two covenants in the form of net debt in relation to EBITDA and the interest coverage ratio, which are followed up quarterly. Lindab fulfils the terms of the credit agreement.

Liquidity risk

Liquidity risk is defined as the risk that the Group would incur increased costs due to a lack of liquidity. All centrally managed loan maturities are planned in relation to consolidated cash flow. Lindab's operations are seasonal, which has an effect on the cash flow. In general, cash flow is weaker during the months from January to June each year and is then positive from July until December.

The Group's unused credit at the year-end amounted to SEK 1,791 m (1,432).

Interest rate risk

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 1,856 m (2,422), which means that rising interest rates have an adverse effect on the Group. In accordance with the finance policy, any surplus liquidity must be used to amortise existing loans.

In order to limit the interest rate risk, Lindab entered into two three-year interest rate swap agreements in November 2009, amounting to SEK 1.2 bn. The implication of the interest rate swap agreements is that the average interest rate period on the Group's borrowings has been extended from three months to fifteen months.

Any increase in the interest rate will affect the Group's interest and rental charges. An increase in the interest rate does not have a full effect in the first year thanks to the fixed rate period mentioned above. On rental agreements, rates are fixed for three months. An increase of 1 percentage point would increase the Group's expenses by SEK 11 m (12), of which interest expenses amount to SEK 6 m (9) and rental expenses SEK 5 m (3).

Currency Risks

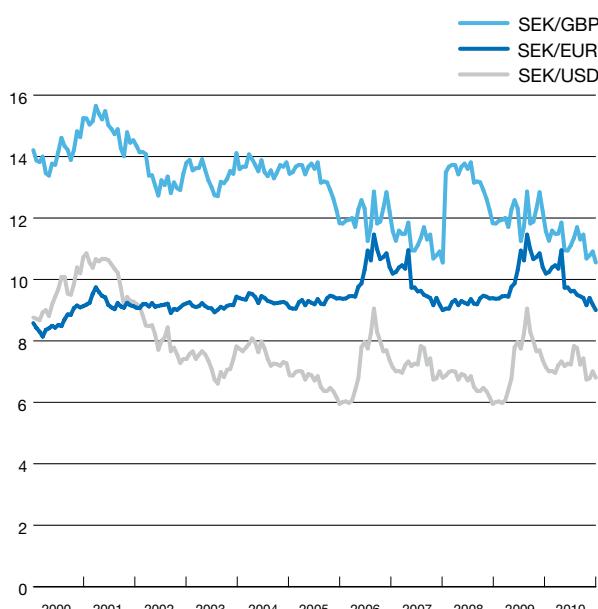
Currency risks are risks that changes in currency negatively affect the cash flow. Furthermore, currency exchange rate fluctuations affect Lindab's statement of comprehensive income and statement of financial position in the following ways:

The profit is affected when income and expenses in foreign currencies are translated into Swedish kronor.

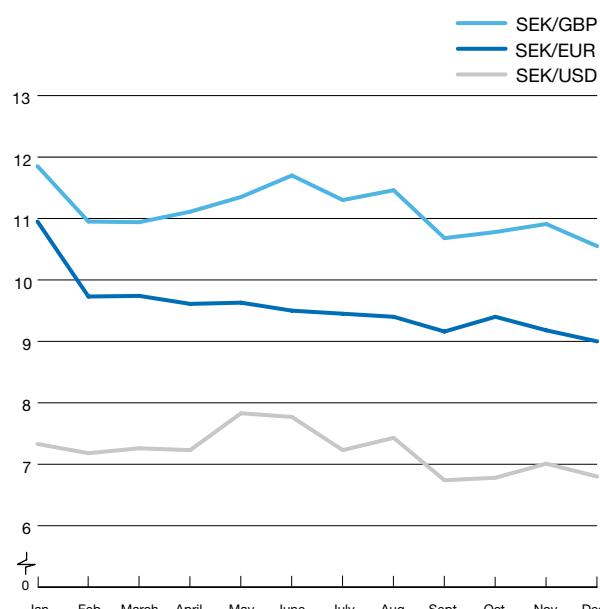
The statement of financial position is affected when assets and liabilities in foreign currencies are recalculated in Swedish kronor.

A 10 percent drop in the value of the Swedish krona compared with a combination of the major currencies increases sales by approxi-

EXCHANGE RATE MOVEMENT 2000–2010, SEK



EXCHANGE RATE MOVEMENT JANUARY–DECEMBER 2010, SEK



mately SEK 496 m and the operating profit (EBIT) by approximately SEK 9 m, assuming the 2010 levels and mix of sales and earnings.

77 percent (81) of the Lindab Group's sales are made using foreign currency. Altogether, sales are made in 16 (17) different currencies, the most important of which are EUR, DKK and GBP, which is the same as for the previous year.

Currency risk can be divided into two different categories depending on how the exposure occurs.

Transaction risk

This arises when trading between Group companies, suppliers and customers if payment is made in another currency than the Group company's local currency. Lindab's net exposure translated to SEK is approximately SEK 350 m (500) annually. SEK 26 m (29) 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. According to the Finance policy, each individual Group company is responsible for deciding whether there should be any hedging of the transaction exposure. Any hedging of currency exposure is subsequently undertaken by Lindab AB.

Translation exposure

This arises when foreign Group companies' equity is translated into SEK. In accordance with Lindab's Finance policy, this exposure has not been hedged during 2010 or 2009.

Exposure due to financial dealings between Group companies

Lindab AB's lending and borrowing to/from Group companies mainly takes place in the Group company's local currency. The currency risk in these transactions is thereby concentrated on Lindab AB, which hedges them using forward exchange agreements. Evaluation of forward exchange agreements is carried out monthly and the effect is reported in the net financial income in the statement of comprehensive income.

CURRENCY FORWARDS AT 31 DECEMBER 2010

Equivalent in SEK m	2010		2009	
	Amount	Term months	Amount	Term months
Sell GBP	-158	1	-204	0
Sell USD	-167	1	-174	0
Sell CZK	-14	3	-64	1
Sell DKK	-18	3	-763	3
Sell CHF	-7	1	-	-
Sell EUR	-240	2	-212	3
Sell NOK	-20	3	-9	3
Sell HUF	-127	6	-114	8
Sell RON	-8	2	-	-
Sell LTL	-2	1	-2	1
Sell LVL	-1	1	-1	1
Sell RUB	-188	10	-162	5
<i>Sell total</i>	<i>-950</i>		<i>-1,705</i>	
Buy CZK	4	3	-	-
Buy DKK	-	-	67	3
Buy CHF	69	2	136	1
Buy EUR	153	3	201	3
Buy NOK	1	2	-	-
BuyEEK	-	-	7	1
Buy HUF	-	-	8	4
<i>Buy total</i>	<i>227</i>		<i>419</i>	
Net	-723		-1,286	

THE FOLLOWING EXCHANGE RATES HAVE BEEN USED FOR TRANSLATION OF FOREIGN OPERATIONS

Country	Currency	Currency code	Average exchange rate		Rate on balance sheet date	
			2010	2009	2010	2009
Belgium	1	EUR	9.55	10.62	9.00	10.35
Bosnia-Herzegovina	1	BAM	4.93	5.50	4.64	5.36
Bulgaria	1	BGN	4.88	5.43	4.60	5.29
Croatia	100	HRK	130.44	144.39	121.85	140.70
Czech Republic	100	CZK	37.77	40.16	35.54	39.22
Denmark	100	DKK	128.25	142.65	120.75	139.15
Estonia	1	EEK	0.61	0.68	0.58	0.66
Finland	1	EUR	9.55	10.62	9.00	10.35
France	1	EUR	9.55	10.62	9.00	10.35
Germany	1	EUR	9.55	10.62	9.00	10.35
Hungary	100	HUF	3.47	3.79	3.22	3.79
Ireland	1	EUR	9.55	10.62	9.00	10.35
Italy	1	EUR	9.55	10.62	9.00	10.35
Kazakstan	100	KZT	4.95	5.23	4.67	4.90
Kosovo	1	EUR	9.55	10.62	9.00	10.35
Latvia	1	LVL	13.48	15.05	12.68	14.60
Lithuania	1	LTL	2.77	3.08	2.61	3.00
Luxembourg	1	EUR	9.55	10.62	9.00	10.35
Montenegro	1	EUR	9.55	10.62	9.00	10.35
Netherlands	1	EUR	9.55	10.62	9.00	10.35
Norway	100	NOK	119.26	121.61	115.20	124.30
Poland	1	PLN	2.39	2.46	2.27	2.50
Romania	1	RON	2.27	2.50	2.10	2.44
Russia	100	RUB	23.74	24.07	22.31	23.86
Serbia	1	CSD	0.09	0.11	0.09	0.11
Slovakia	1	EUR	9.55	10.62	9.00	10.35
Switzerland	100	CHF	390.97	703.57	723.55	695.35
UK	1	GBP	11.13	11.92	10.55	11.49
Ukraine	100	UAH	92.05	96.31	86.65	90.80
USA	1	USD	7.21	7.65	6.80	7.21

NOTE 4 KEY ESTIMATES AND ASSUMPTIONS FOR ACCOUNTING PURPOSES

Estimates and assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are deemed reasonable in the circumstances. In the application of accounting principles, various assumptions have been made that may substantially affect the amounts presented in our financial statements. Estimates can also have a significant impact.

Testing the write-down requirement for goodwill

Following the implementation of IFRS 3, Business Combinations, goodwill and other intangible assets with indefinite useful lives are no longer amortised but are instead tested for any write-down requirement at least once each year or when there is an indication. The effect of IFRS 3 can be considerable if profitability falls in the Group or in certain parts of the Group, since this can trigger a write-down of goodwill. In 2010, a write-down of SEK 110 m has been made. Reported goodwill at the year-end amounted to SEK 2,591 m (2,922).

For further information see note 16.

Deferred tax receivables

Deferred tax receivables are reported to the extent that it is likely that future taxable surpluses will be available, against which the accumulated deficit may be utilised.

Accounting of stock

Stock is valued at the lowest of acquisition value and net sales value. When calculating the net sales value, an assessment is made of discontinued items, surplus items, damaged goods etc.

Doubtful accounts receivable

An assessment of unpaid accounts receivable provides the basis for doubtful accounts.

In our judgement, the assumptions that have been made about the future do not involve any significant risk of material adjustments in the carrying amounts for the next financial year, see also note 3.

Other provisions

The amount reported as a provision is the best estimate of the expenditure that is required to meet the obligation in question on the balance sheet date.

Provisions for future expenses on the basis of the guarantee commitments are reported at the estimated amount required to settle the commitment on the balance sheet date. The estimated amount is based on calculations, assessments and experience.

The Group's reporting of provisions, in accordance with IAS 37, means that SEK 75 m (120) is reported as other provisions, see note 25. This is important when assessing the Group's financial position, since provisions are normally based on assessments of probability and estimates of costs and risks.

Pension expenses

Expenses, as well as the value of pension obligations for benefit based pension plans, are based on actuarial estimates that are based on the assumed discount rate, expected return on plan assets, future salary increases, inflation and demographic circumstances.

The Group's provisions for benefit based pensions amounted to SEK 104 m (108) net after deductions for financial investments. It is important that the choice of parameters allows correct estimates to be made for the evaluation of pensions. Since the Group uses the "corridor" however, greater changes should not have as great an influence during a single year. Changes are only reported when the deviation is greater than 10 percent of the commitment's current value or fair value of the plan assets. The adjusted result is then distributed among the expected remaining period of service associated with the employees in question.

Legal proceedings

According to IFRS, a liability is reported when an event results in an obligation that is likely to require an outflow of economic resources to settle the obligation, and that a reliable estimate of the amount can be made. Outstanding legal matters are reviewed regularly. An assessment is then made as to whether reserves are required in the financial statements. An assessment that does not correspond with the actual outcome may have an effect on the financial statements, see also note 3.

NOTE 5 BUSINESS COMBINATIONS

Acquisitions in 2010

During the year, the Lindab Group has acquired all the shares in IVK-Tuote Oy in Finland and in LB Kiel Linden AB in Sweden.

The shares in IVK-Tuote Oy were consolidated on 26 March. The company produces and sells ventilation products for indoor climate. The acquisition fortifies the Ventilation business area in the Finnish market with an enhanced range of Comfort products. In 2009, the company had sales of EUR 6 m and an operating profit of EUR 0.7 m. It had 57 employees.

The purchase price amounted to EUR 4.4 m which was paid through the transfer of 559,553 Lindab treasury shares. The acquisition means that the net debt increased by SEK 10 m and consolidated goodwill increased by SEK 9 m.

The property company LB Kiel Linden AB was acquired from DAL Nordic Finance AB. The company leases out properties to Swedish companies in the Lindab Group. The company has no employees. The purchase price totalled SEK 1 m, which essentially corresponded to the equity of the company as well as the company's cash and cash equivalents. The book value of the properties amounted to SEK 76 m and the company's borrowing amounted to the same amount i.e. SEK 76 m. During the fourth quarter, following the acquisition, some of the properties have been sold from LB Kiel Linden for a total sale price of SEK 49 m, however this has not affected the Group's profit. The acquisition means that the net debt increased by SEK 76 m. The value of the properties included in the acquisition has been assessed as being in line with net book value.

Financial Impact of Acquisitions in 2010

IVK was consolidated from the end of March, which is consistent with when Lindab gained controlling interest. The acquisition resulted in

a SEK 46 m increase in the Group's sales revenue for the period 1 April to 31 December 2010 and a SEK 3 m increase in the Group's after-tax result. Had the acquisition been made on 1 January 2010, it has been calculated that sales revenue for the Group would have increased to SEK 6,539 m. It is estimated that the Group's after-tax result would have amounted to SEK 28 m, corresponding to a SEK 1 m increase.

LB Kiel Linden was consolidated from the acquisition date on 5 October, when Lindab also gained controlling interest. Since the company leases out properties to the Lindab Group, the Group's sales revenue is not affected by the acquisition. However, the Group's after-tax profit has increased by SEK 3 m as a result of the acquisition. Had the acquisition been made on 1 January 2010, it has been calculated that the after-tax result for the Group would have increased by SEK 1 m.

Acquisitions and divestments in 2009

No acquisitions were made in the previous year. However, negotiations were completed regarding the purchase price for the acquisition of SIPOG a.s. in 2009, meaning an additional purchase price of SEK 41 m, plus SEK 3 m recorded for interest and acquisition costs. The SIPOG group was consolidated from 1 September 2008. The first instalment on the purchase price of EUR 18 m was paid in 2008, and acquisition costs were recorded in addition corresponding to SEK 178 m.

During the third quarter of 2009, the operations of Folke Perforering AB in Borlänge, Sweden, were divested. The buyer was RMIG Sweden AB, which is the market leader in perforation in Europe. The sale price was SEK 15 m and the effect on cash flow, as well as the capital gain, was SEK 10 m. The divestment is considered to have decreased Lindab's net sales by SEK 18 m compared with the result for 2008.

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/divestments on the Group's cash and cash equivalents.

Acquisition price	Acquired operations			Divested operations		
	2010	2009	2010	2009		
Cash paid	-	1	1	41	-	15
Other means of payment	43	-	43	-	-	-
Direct costs relating to the acquisition*	N/A	N/A	N/A	3	-	0
Total acquisition price	43	1	44	44	-	15
Fair value of acquired net assets/liabilities	34	1	35	-	-	-5
Final settlements that only affect cash and cash equivalents for acquisitions in previous years	-	-	-	1	-	-
Goodwill/realised gains	9	0	9	45	-	10
Cash paid, acquisition price	-	1	1	41	-	15
Direct costs relating to the acquisition	N/A	N/A	N/A	3	-	0
Cash and cash equivalents in the acquired subsidiary	-4	-1	-5	N/A	-	N/A
Adjustment to acquisition	-	-	0	1	-	-
Final settlement and purchase price for acquisitions in previous years	-	-	0	0	-	-
Effect of acquisition/divestment on consolidated cash and cash equivalents	-4	0	-4	45	-	15

*) IFRS3, *Business Combinations*, has been amended with effects for Lindab from and including 2010.

This means for example all transaction costs relating to acquisitions must be carried as expenses, see Note 2.

NOTE 5 BUSINESS COMBINATIONS, cont.

Acquired/divested assets and liabilities

Acquired net assets, liabilities and goodwill related to acquisitions are shown below. Acquisitions in 2009 include the additional purchase price for SIPOG Group only. Divested operations for 2009 comprise the assets and liabilities in Folke Perforering. Reported values relate to the book value at the time of divestment.

	Acquired operations			Divested operations		
	2010	2009	2010	2009		
	IVK	LB Kiel	Total			
Tangible fixed assets	27	76	103	-	-	0
Intangible fixed assets	12	-	12	-	-	0
Deferred tax assets	-	-	0	-	-	N/A
Stock	5	-	5	-	-	-3
Accounts receivable and other current assets	7	0	7	-	-	-2
Cash and cash equivalents and current investments	4	1	5	-	-	N/A
Total acquired/divested assets	55	77	132	-	-	-5
Deferred tax liabilities	0	-	0	-	-	N/A
Current and long-term liabilities	21	76	97	-	-	-
Total acquired/divested assets	21	76	97	-	-	-
Acquired/divested net assets	34	1	35	-	-	-5
Goodwill	9	-	9	-	-	-
Realised gains	-	-	-	-	-	10
Acquisition price	43	1	44	-	-	15

NOTE 6 EMPLOYEES AND SENIOR MANAGEMENT

Average no. of employees

	2010			2009		
	Men	Women	Total	Men	Women	Total
Parent company, Sweden ¹⁾	-	-	-	1	-	1
Subsidiaries						
Sweden	795	199	994	727	220	947
Belgium	20	4	24	22	4	26
Bulgaria	4	3	7	6	4	10
Croatia	3	2	5	2	3	5
Czech Republic	570	172	742	579	168	747
Denmark	380	132	512	433	165	598
Estonia	16	4	20	15	3	18
Finland	113	23	136	61	17	78
France	82	20	102	84	22	106
Germany	124	28	152	130	29	159
Hungary	138	35	173	225	41	266
Ireland	17	4	21	23	6	29
Italy	20	9	29	11	18	29
Latvia	1	6	7	7	2	9
Lithuania	3	1	4	3	1	4
Luxembourg	228	27	255	239	30	269
Netherlands	13	3	16	10	3	13
Norway	77	18	95	76	18	94
Poland	81	26	107	74	22	96
Romania	122	37	159	115	24	139
Russia	204	57	261	158	56	214
Slovakia	41	14	55	55	24	79
Switzerland	123	21	144	119	14	133
UK	227	58	285	255	61	316
USA	125	24	149	171	30	201
Subsidiaries total	3,527	927	4,454	3,600	985	4,585
Group total	3,527	927	4,454	3,601	985	4,586

Gender balance, among senior management

The parent company

The Board, incl. employee representatives	8	1	9	9	1	10
President/Group management	6	1	7	6	-	6

The Group

President/Group management	6	1	7	6	-	6
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Sick leave

Sick leave only refers to the Group's Swedish operations, %

	2010	2009
Total sick leave as a proportion of normal working hours	3.8	4.1
Proportion of total sick leave that refers to a continuous period of sick leave of 60 days or more	25.5	32.7

Sick leave by gender

Women	4.9	5.3
Men	3.5	3.9

Sick leave by age

29 or younger	3.4	4.0
Between 30 and 49 years	3.3	3.7
50 or older	5.2	5.3

NOTE 6 EMPLOYEES AND SENIOR MANAGEMENT, cont.

Personnel costs

Salaries and other benefits	2010			2009		
	Board and President	Other employees	Total salaries and benefits	Board and President	Other employees	Total salaries and benefits
Parent company, Sweden ¹⁾	2.8	-	2.8	7.8	-	7.8
Subsidiaries						
Sweden	16.8	345.0	361.8	6.5	335.8	342.3
Belgium	1.2	7.7	8.9	1.8	8.6	10.4
Bulgaria	0.3	0.7	1.1	0.4	1.3	1.7
Croatia	0.2	0.6	0.8	0.2	0.6	0.8
Czech Republic	2.5	94.5	97.0	2.7	107.9	110.6
Denmark	3.7	227.2	230.9	3.9	293.9	297.8
Estonia	0.9	2.2	3.1	1.0	2.4	3.4
Finland	1.4	46.9	48.3	2.2	30.6	32.8
Germany	1.4	52.3	53.7	0.0	70.0	70.0
Hungary	6.9	24.0	30.8	5.4	29.4	34.8
France	1.6	32.4	34.0	2.2	38.2	40.4
Ireland	0.9	8.1	9.0	1.4	13.1	14.5
Italy	1.2	10.0	11.2	1.3	10.6	11.9
Latvia	0.4	0.9	1.3	0.5	1.3	1.8
Lithuania	0.3	0.5	0.8	0.3	0.6	0.9
Luxembourg	5.5	95.8	101.4	7.3	109.9	117.2
Netherlands	1.1	6.4	7.4	0.9	5.7	6.6
Norway	1.3	45.0	46.2	1.4	45.0	46.4
Poland	3.2	16.0	19.2	4.3	14.2	18.5
Romania	1.8	19.1	20.9	1.9	26.6	28.5
Russia	1.8	27.6	29.3	0.5	17.4	17.9
Slovakia	0.4	5.0	5.4	0.0	8.9	8.9
Switzerland	4.1	76.5	80.6	4.3	82.3	86.6
UK	2.2	74.1	76.3	4.0	82.0	86.0
Ukraine	0.0	0.0	0.0	0.0	0.6	0.6
USA	3.1	78.4	81.5	3.1	102.0	105.1
Subsidiaries total	64.2	1,296.6	1,360.8	57.5	1,438.9	1,496.4
Group total	67.0	1,296.6	1,363.6	65.3	1,438.9	1,504.2

Payroll overheads

Parent company, Sweden	0.3	-	0.3	5.2	-	5.2
of which pensions	-	-	-	2.1	-	2.1
Group total	24.4	336.4	360.8	19.9	349.7	369.6
of which pensions	5.0	77.2	82.2	7.1	85.5	92.6
Total personnel costs	91.4	1,633.0	1,724.4	85.2	1,788.6	1,873.8

1) The President was an employee of Lindab International AB up to and including 2009 and subsequently of Lindab AB.

Pension obligations of SEK 34 m (33) to the Board and the President of the Group are based on agreements with the current and former Presidents and vice Presidents. The majority of the obligations are invested in endowment insurance funds. These are valued at SEK 26 m (25). The cost of pension obligations for the year, attributable to the current and previous Presidents and Board members, is SEK 2.6 m (2.2).

NOTE 6 EMPLOYEES AND SENIOR MANAGEMENT, cont.

In 2010, total remuneration paid to Board members totalled SEK 2,793 k (2,675), broken down in the adjoining table.

At the Annual General Meeting on 11 May 2010, it was decided that the fees for the Board members would amount to SEK 2,660 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. Fees for the Audit Committee work were agreed at SEK 90 k, of which SEK 30 k is paid to the Chairman and SEK 20 k to the other three members. Furthermore, it was decided that fees for the work of the Remuneration Committee would total SEK 70 k, of which SEK 30 k is paid to the Chairman and SEK 20 k to the other two members. The Board appoints its own members to this committee.

BOARD FEES PAID

SEK (thousands)	2010	2009
Svend Holst-Nielsen, Chairman	704.4	711.5
Pontus Andersson	25.0	20.0
Erik Eberhardsson	300.0	200.0
Per Frankling	350.0	200.0
Ulf Gundemark	320.0	200.0
Anders C. Karlsson	320.5	341.0
Stig Karlsson	320.0	340.0
Hans-Olov Olsson (resigned during 2010)	127.7	322.3
Markku Rantala	25.0	20.0
Annette Sadolin	300.0	320.0
Total	2,792.6	2,674.8

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

Guidelines for remuneration for senior executives

The Annual General Meeting decided on the following guidelines for remuneration for senior executives:

- Remuneration to senior executives will be based upon the market in which the company operates and the environment in which each of the executives works; it will be competitive, facilitate the recruitment of new executives as well as motivate senior executives to remain with the company.
- The remuneration system consists of the following: fixed salaries, variable salaries, pensions and benefits according to below.
- At the 2010 Annual General Meeting, an incentive programme for the purchase of shares was introduced.
- Fixed salaries and benefits will be established on an individual basis according to the criteria outlined above and specific skills in each case.

- Variable salaries are paid on achieving clearly established targets for the Group as well as individual targets. Variable salaries are paid as a percentage of fixed salaries and have a ceiling.
- As a principal rule, the pension will a defined contribution plan. The extent of the pension is founded on the same criteria as for fixed remuneration and based partly on fixed and partly on variable salaries.
- In special cases, the Board of Directors has the right to waive the guidelines. During 2010, the Board of Directors has not exercised this mandate.

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

Remuneration to Group management and other terms of employment

Fixed and variable salaries

Remuneration to Group management is based on a combination of fixed and variable salaries, with the variable part based on achieved results and individual targets.

At present, 60–80 percent of the variable salary is based on consolidated profits and 20–40 percent on individual targets that are determined for each employee.

The maximum variable salary amounts to 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 75 percent of his annual fixed salary.

David Brodetsky's fixed salary for 2010 was SEK 4,700,000. David Brodetsky has the right to free accommodation for the duration of his employment, and during a transition period of two years (2009–2010), this right also includes current costs and compensation for the tax effect of the benefit. In addition, David Brodetsky has the right to a free car and certain other benefits. From 1 January 2010, David Brodetsky's remuneration has been hedged in EUR.

For the full year 2010, the Group management included Nils-Johan Andersson, Peter Andsberg, Venant Krier and Carl-Gustav Nilsson. Anders Thulin was appointed business area manager for Ventilation during the year and has been included in the Group management since 1 March. Anders Persson was included in the Group management up to and including 1 September 2010, when Christina Imméll took over his role. The remuneration to Group management follows the guidelines adopted by the Annual General Meeting.

Remuneration for 2010 to David Brodetsky, President and CEO, and the other members of the Group management, is shown below.

SEK	David Brodetsky	Remuneration of other Group management	Total
Fixed salary incl. holiday pay	4,747,000	12,578,070	17,325,070
Variable salary	2,219,904	2,558,359	4,778,263
Incentive programme	721,715	1,517,730	2,239,445
Pension expenses	2,585,004	3,379,811	5,964,815
Benefits	668,307	942,784	1,611,091
Total	10,941,930	20,976,754	31,918,684

NOTE 6 EMPLOYEES AND SENIOR MANAGEMENT, cont.

Termination Regulations

The notice period for David Brodetsky's employment is 12 months from the company and six months from David Brodetsky. The contract also includes a non-competition clause that is effective for 12 months following the notice period. He is then entitled to remuneration equivalent to the total sum of his fixed annual salary on the termination date, pension premiums for that period and an amount equal to the average variable salary per year during the last three years.

The notice period for other senior executives is 6–24 months from the company and 6–12 months from the employees. These senior executives are also bound by non-competition clauses effective for 12 months following termination.

Pension expenses

David Brodetsky or the company has the right to demand that he retires at the age of 60. The retirement age for other senior executives is 65.

The company has agreed to pay pension premiums for David Brodetsky equivalent to at least 55 percent of his annual gross salary. The expenses for pension premiums amounted to SEK 2,585 k (2,134).

Other senior executives have pension benefits, over and above their legal right to a pension, equivalent either to the Swedish ITP pension system or benefits that are limited to a maximum of 20–25 percent of their fixed annual salary. The cost of pension premiums for these individuals, over and above their legal right to a pension, totalled SEK 3,380 k (4,796).

Bonus scheme

In addition to the variable salaries for Group management there is a bonus scheme for other senior executives. The bonus scheme is based on results-oriented and individual targets. Dependent upon the individual's position, bonuses are equivalent to 20, 30 or 40 percent of the annual salary. There are approximately 80 employees currently included in the scheme.

Astron has its own separate bonus scheme, which includes approximately 135 employees. Astron's bonus scheme is also based on results-oriented and individual targets. Dependent upon individual positions, bonuses are equivalent to 5–40 percent of annual salaries.

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 2011. 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 5,650 k (0) including employer's 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 reinvested from Ratos shares to Lindab shares. At the end of 2010, the foundation held 22,500 Lindab shares and 313,600 Ratos shares. By April 2011, it will be possible for all non-cash funds to consist solely of Lindab shares once again.

Employees in the Group's Danish company are included in a cash-based profit share plan. According to the plan, Lindab contributes 5 percent of profit in the Danish Group companies to its employees in Denmark, up to a maximum of DKK 3,500 per employee. Those who have been employed for more than one calendar year are entitled to full cash reimbursement and those who were employed before 1 July in a given year are entitled to half the full cash reimbursement. The Board of Lindab A/S determines the size of the payment for the year, taking the year's results into consideration.

Incentive programme

The Annual General Meeting decided that the three-year Incentive Programme introduced in 2008 would continue, and stage three was implemented in May 2010.

The first Incentive Programme (2008) was fully subscribed and 784,000 warrants were acquired by 81 senior executives and key employees within the Group. Each warrant was priced at SEK 17.40, entitling the holder to one share in Lindab International for SEK 173.70 during the period from 01-06-2010 to 31-05-2011.

The second Incentive Programme (2009) was also fully subscribed and 784,000 warrants were acquired by 68 senior executives and key employees within the Group. The price per warrant was fixed at SEK 6.00 in early November, entitling the holder to subscribe for one share in Lindab International for SEK 89.10 between 01-06-2011 and 31-05-2012.

The third incentive programme (2010) contains 784,000 warrants, of which 732,000 have been offered and subscribed to by existing employees, while 52,000 have been reserved for incoming managers. The price per warrant was established at SEK 8.40, entitling the holder to one share in Lindab International for SEK 93.00 between 01-06-2012 and 31-05-2013. Newly recruited managers have subscribed to 39,000 warrants during the last quarter of 2010, with the price per warrant then established at SEK 12.20.

The three incentive programmes have the same structure. The warrants have been valued according to the Black-Scholes option pricing model. The programmes also entitle the holder to a so called 'stay-subvention', i.e. everyone who has acquired warrants receives a cash contribution, equivalent to 50 percent of the purchase price after tax, divided among three occasions during the period provided that they continue to be employed by the Lindab Group and remain in possession of the warrants.

Costs for the Incentive Programmes during 2010 amounted to SEK 10.4 m (8.2). The dilutive effect for each programme may be up to a maximum of 1 percent of the share capital, i.e. 3 percent in total. Upon redemption, Lindab has the opportunity to transfer parts of its own shares that were repurchased in 2008.

Post-employment benefits/pension obligations

The majority of employees in the Lindab Group are included in defined-contribution pension plans. Employees can also be included in defined-benefit plans however, particularly in Sweden, Luxembourg and Norway. In Italy there is a defined benefit plan for the termination of employment. In 2010, liabilities for post employment benefits amounted to SEK 130 m (133), see note 24.

NOTE 7 SEGMENT REPORTING

	Building		Building		Other		Total		Elimination		Total	
	Ventilation	Components	Systems		2010	2009	2010	2009	2010	2009	2010	2009
Sales revenue, external	3,535	3,878	2,118	2,144	874	978	-	19	6,527	7,019	-	-
Sales revenue, internal	6	5	21	21	0	0	-	2	27	28	-27	-28
Sales revenue, total	3,541	3,883	2,139	2,165	874	978	0	21	6,554	7,047	-27	-28
Operating profit (EBITDA) before one-off items	270	285	238	198	49	52	-40	-9	517	526	-	-
Depreciation/amortisation	-81	-95	-53	-63	-25	-34	-5	-22	-164	-214	-	-
Operating profit (EBITA) before one-off items	189	190	185	135	24	18	-45	-31	353	312	0	0
Consolidated depreciation/write-downs of surplus value on intangible fixed assets*)	-110	-	0	0	-6	-11	-	-	-116	-11	-	-
Operating profit (EBIT) before one-off items other than write-downs of goodwill	79	190	185	135	18	7	-45	-31	237	301	0	0
Other one-off items (excluding write-downs of goodwill)	-18	-19	-	-24	65	-14	0	10	47	-47	-	-
Operating profit (EBIT)	61	171	185	111	83	-7	-45	-21	284	254	0	0
Net financial income											-172	-135
Profit after financial items (EBT)											112	119
Tax on profit for the year											-85	-85
Profit for the year											27	34
Fixed assets excl. financial assets**)	1,931	2,154	1,231	1,391	608	687	43	87	3,813	4,319	-	-
Stock	434	438	366	307	240	151	-	-	1,040	896	-	-
Other assets	618	711	273	308	151	382	164	137	1,228	1,538	-178	-174
Unallocated assets											1,028	1,364
Total assets									6,081	6,753	-178	-174
Equity											3,813	4,319
Other liabilities	635	640	431	369	326	270	76	136	1,468	1,415	-178	-174
Unallocated liabilities											1,290	1,241
Total equity and liabilities									1,468	1,415	-178	-174
Gross investments in fixed assets	40	48	31	49	38	79	19	6	128	182	-	-
											128	182

*) Including one-off item goodwill write-down.

**) Some goodwill has been reallocated between other and the business areas, which affects the comparison figures.

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 1.5 percent of the Group's total sales revenue, meaning that Lindab's dependence on individual customers is limited.

Country	2010	Percent	2009	Percent
Sweden	1,487	23	1,318	19
Denmark	701	11	897	13
UK	568	9	657	9
Germany	529	8	660	9
Norway	421	6	459	7
Other	2,821	43	3,028	43
Total	6,527	100	7,019	100

Fixed assets per country

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

Country	2010	Percent	2009 ^{a)}	Percent
Sweden	1,050	28	987	23
Denmark	576	15	668	15
Hungary	235	6	297	7
Russia	190	5	195	5
Czech Republic	121	3	145	3
Luxembourg	400	10	457	11
Other	1,241	33	1,570	36
Total^{b)}	3,813	100	4,319	100

1) Excl. non-current assets held for sale in 2009.

2) The comparative figures have been adjusted compared with those reported in 2009.

Segment information

The Group's operations are managed and reported by business area, which therefore constitutes the basis for the Group's segmentation. The different products available form the basis for the division of business areas and therefore the segments. The Ventilation business area covers the Group's entire ventilation and indoor climate operations.

The Building Components business area provides the construction industry with complete systems for roof drainage, lightweight construction and roof and facade solutions in steel. The Building Systems business area produces and sells pre-engineered steel building systems. Other comprises parent company functions including Group Treasury. Until 2009 also certain steel processing for external customers. No changes have occurred in the fundamentals for segmentation or in the calculation of the segment's profit since the previous year. Up to and including 2009, Building Components and Building Systems were included in a single business area, Profile. Comparative figures have been restated for the new business area segmentation.

Lindab is governed on the basis of three long-term financial targets: organic net sales growth, operating margin (EBIT) and the net debt/equity ratio. Of these, the business areas are mainly responsible for the first two and the head office for the latter.

The business areas are also responsible for the management of operational assets and their performance is calculated at this level, while Group Treasury is responsible for financing at corporate and country level. Therefore cash and cash equivalents, interest-bearing assets and liabilities and equity are not allocated. As a result, it is not possible to allocate interest income and expenses to the segments. Neither tax assets nor tax liabilities are allocated to segments.

The purchase and processing of steel is done centrally for the most part. Profit/loss items from the part of those activities that are sold internally are allocated into segments of consolidation to the business areas.

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

NOTE 8 DEPRECIATION/AMORTISATION AND WRITE-DOWNS BY TYPE OF ASSET AND BY FUNCTION

	Group	
	2010	2009
Capitalised development expenditure (note 16)	1	2
Patents (note 16)	0	0
IT and other intangible fixed assets (note 16)	12	16
Brands (note 16)	7	11
Goodwill (note 16)	110	-
Properties (note 17)	31	53
Machinery and other technical facilities (note 17)	94	110
Equipment, tools and installations (note 17)	25	33
Construction of new facilities in progress (note 17)	0	0
Total	280	225
Total depreciation/amortisation and write-downs distributed by function		
Cost of goods sold	133	175
Selling expenses	20	28
Administration expenses	17	21
R & D costs	0	1
Other operating expenses	110	-
Total	280	225
Amortisation of surplus value on intangible assets distributed by function		
Selling expenses (note 16)	6	11
Total	6	11

NOTE 9 COSTS DISTRIBUTED BY COST ITEMS

	Group		Parent company	
	2010	2009	2010	2009
Cost of direct materials	3,016	3,282	-	-
Personnel costs (note 6)	1,735	1,879	7	13
Depreciation/amortisation and write-downs (notes 8, 16, 17)	280	225	-	-
Other operating expenses	1,384	1,524	4	2
Total	6,415	6,910	11	15

In the statement of comprehensive income/income statement, the costs are classified according to function. The cost of goods sold, selling expenses, administration expenses, R&D costs and other operating expenses amount to SEK 6,415 m (6,910). A breakdown of

these costs into key cost categories is shown here. Personnel costs consist of employed members of staff, SEK 1,724 m, and temporary employees, SEK 11 m.

NOTE 10 AUDITORS' FEES AND EXPENSES

Auditors' fees

An audit includes an examination of the annual report, an assessment of the accounting principles used and the significant estimates that were made by the company management. This also includes a

review in order to determine whether the Board and President may be discharged from liability. Other assignments refer to advice on accountancy matters such as reporting, due diligence and tax etc.

	Group		Parent company	
	2010	2009	2010	2009
Ernst & Young				
Auditing assignments	7.4	8.5	1.7	1.0
Audits separate from auditing assignments	0.1	0.1	-	-
Tax advice	2.1	0.8	0.1	-
Other assignments	4.4	3.5	1.5	-
Total Ernst & Young	14.0	12.9	3.3	-
Horwath				
Auditing assignments	0.8	0	-	-
Audits separate from auditing assignments	-	-	-	-
Tax advice	0.2	-	-	-
Other assignments	0.6	0	-	-
Total Horwath	1.6	0	-	-
Total	15.6	12.9	3.3	1.0

NOTE 11 RESEARCH & DEVELOPMENT

Costs for research and development amount to SEK 36 m (47) and are reported directly in the statement of comprehensive income, of which SEK 0 m (1) relates to the depreciation of capitalised payments for development costs.

NOTE 12 OTHER OPERATING INCOME AND EXPENSES

	Group		Parent company	
	2010	2009	2010	2009
Income				
Exchange rate differences in operating receivables/liabilities	74	97	-	-
Capital gains on the sale of fixed assets	99	14	-	-
Other	0	34	2	-
Total	173	145	2	-
Costs				
Exchange rate differences in operating receivables/liabilities	-96	-97	-	-
Capital losses on the sale of fixed assets	-31	-15	-	-
Write-down of goodwill	-110	-	-	-
Other	-17	-39	-	-
Total	-254	-151	-	-

NOTE 13 FINANCIAL INCOME AND EXPENSES

	Group		Parent company	
	2010	2009	2010	2009
Result from participations in Group companies				
Received dividend	-	-	-	107
Received Group contribution	-	-	111	79
Total	-	-	111	186
Interest income				
External	9	13	0	0
Total	9	13	0	0
Interest expenses				
External	-171	137	0	0
To Group companies	-	-	-88	-40
For pensions, net	-8	-5	-	-
Total	-179	-142	-88	-40
Other financial income and expenses				
Exchange rate gains	1	1	-	-
Exchange rate losses	-3	-7	-	-
Total	-2	-6	-	-
Total	-172	-135	23	146

NOTE 14 TAX ON PROFIT FOR THE YEAR

	Group		Parent company	
	2010	2009	2010	2009
Current tax expense	-90	-75	-5	-7
Deferred tax	5	-10	-	3
Total reported tax expense	-85	-85	-5	-4

The Group's tax expenses for the year amounted to SEK 85 m (85 or 76 percent (72) of the profit after net financial items. The tax rate in Sweden totalled 26.3 percent.

The tax rate has been greatly affected by the SEK 110 m write-down of goodwill in the USA, made at the end of 2010. Since the write-down of goodwill is not tax deductible, this does not have any effect on tax expenses. If the write-down had not occurred, the effective tax rate would instead have been 38 percent.

Excluding the write-down, the average tax rate was 28 percent. The average tax rate has been calculated through a weighting of the subsidiaries' pre-tax result (EBT) multiplied by the local tax rate for each company's home country.

The discrepancy between the average and the actual tax rate amounts to 10 percentage points, partly owing to high tax adjustments made to reported profit, such as non-deductible expenses and non-capitalised loss carry-forwards, and partly because these have a greater impact on the tax rate for low profits than in years when profit levels are more normal. Furthermore, the allocation of profits in countries with high and low tax rates has a major impact. See the reconciliation of the reported tax below.

Last year, major fiscal adjustments consisted of the corrections to deferred taxes on loss carry-forwards of SEK 39 m, including a SEK 33 m reversal of loss carry-forwards in Germany.

	Group		2009	Percent
	2010	Percent		
Pre-tax result	112		119	
Tax in accordance with current tax rates for the company	-29	-26.3	-31	-26.3
Reconciliation with reported tax				
Effect of other tax rates for companies abroad	11	9.8	-2	-1.4
Deficit not capitalised, incurred during the year	-13	-11.6	-10	-8.8
Tax attributable to previous years	-5	-4.5	-12	-9.8
Write-down of goodwill	-44	-39.3	-	-
Non-deductible expenses	-13	-11.6	-20	-16.9
Non-taxable income	2	1.8	8	6.4
Effect of changed tax rates on deferred tax	-7	-6.2	0	-0.1
Activated loss carry-forwards attributable to previous years	6	5.4	9	7.4
Earlier non-capitalised deficits used to lower the year's tax	0	0.0	2	1.6
Reversal of previously capitalised loss carry-forwards	-1	-0.9	-39	-32.8
Other	8	7.1	10	9.0
Reported tax expense	-85	-76.3	-85	-71.7

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

	Deferred tax receivable		Deferred tax liability		Net	
	2010	2009	2010	2009	2010	2009
Intangible fixed assets	146	168	-87	-82	59	86
Tangible fixed assets	15	10	-147	-135	-132	-125
Financial fixed assets	-	-	-4	-6	-4	-6
Stock	21	23	-1	-1	20	22
Receivables	8	7	-1	0	7	7
Provisions	22	26	-1	-1	21	25
Leasing	0	7	-	-10	0	-3
Other	12	91	-78	-86	-66	5
Loss carry-forward	141	116	-	0	141	116
Tax allocation reserves	-	-	0	-77	0	-77
Total	365	448	-319	-398	46	50

Reconciliation of deferred net receivables	2010	2009
Opening balance	50	59
Reported in the statement of comprehensive income	5	-10
Acquisitions of subsidiaries (note 5)	0	0
Reported in equity; hedging reserve	-4	3
Translation differences	-12	-6
Other	7	4
Closing balance	46	50

At the end of the year, the Group had loss carry-forwards of approximately SEK 733 m (644), of which SEK 445 m (441) is the basis for the deferred tax asset of SEK 141 m (116).

The remaining loss carry-forward of SEK 288 m (203), equivalent to a deferred tax asset of SEK 54 m (42), has not been taken into consideration since it is considered unlikely at present that Lindab will be able to utilise them in the foreseeable future.

NOTE 15 EARNINGS PER SHARE

Undiluted	2010	2009
Profit attributable to parent company shareholders, SEK m	27	34
Weighted average number of outstanding ordinary shares	75,203,208	74,772,429
Undiluted earnings per share (SEK per share)	0.36	0.45

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	2010	2009
Profit attributable to parent company shareholders, SEK m	27	34
Weighted average number of outstanding ordinary shares	75,203,208	74,772,429
Share options	-	-
Weighted average number of ordinary shares for calculation of diluted earnings per share	75,203,208	74,772,429
Diluted earnings per share (SEK per share)	0.36	0.45

Diluted earnings per share

To calculate earnings per share, the weighted average number of outstanding ordinary shares is adjusted for the dilutive effect of all potential ordinary shares. In 2010, there were 2,352,000 outstanding share options relating to the first three stages of the incentive programme

that began in 2008. Since Lindab's average share price in 2010 was lower than the conversion rate for the warrants in the incentive programmes, there is currently no reason to expect any dilutive effects.

NOTE 16 INTANGIBLE FIXED ASSETS

	Capitalised expenditure for development work and similar	Patents etc.	IT and other intangible assets	Brands	Goodwill	Total
1 January–31 December 2009						
Accumulated acquisition values						
Opening balance	32	82	150	54	2,972	3,290
Assets provided through acquisitions	-	-	-	-	-	-
Acquisitions	5	-	15	-	45	65
Divestments and disposals	0	-	-5	-	-	-5
Reclassification	-	-	-	-	-	-
Translation differences for the year	-2	-1	-6	-2	-95	-106
Closing balance	35	81	154	52	2,922	3,244
Accumulated depreciation/amortisation according to plan						
Opening balance	-17	-80	-105	-36	-	-238
Depreciation for the year	-2	-	-16	-11	-	-29
Accumulated depreciation through acquisitions	-	-	-	-	-	-
Divestments and disposals	1	-	3	-	-	4
Reclassification	-	-	-	-	-	-
Translation differences for the year	1	1	4	2	-	8
Closing balance	-17	-79	-114	-45	-	-255
Accumulated write-downs						
Opening balance	-4	-2	-	-	-	-6
Write-downs for the year	-	-	-	-	-	-
Translation differences for the year	0	-	-	-	-	0
Closing balance	-4	-2	-	-	-	-6
Planned residual value at start of year	11	0	45	18	2,972	3,046
Planned residual value at end of year	14	0	40	7	2,922	2,983

NOTE 16 INTANGIBLE FIXED ASSETS, cont.

	Capitalised expenditure for development work and similar	Patents etc.	IT and other intangible assets	Brands	Goodwill	Total
1 January–31 December 2010						
Accumulated acquisition values						
Opening balance						
Assets provided through acquisitions	35	81	154	52	2,922	3,244
Acquisitions	-	-	3	-	9	12
Divestments and disposals	5	-	37	-	11	53
Reclassification	-24	-	-5	-	-1	-30
Translation differences for the year	-	-	10	-	-	10
Closing balance	10	82	179	50	2,695	3,016
Accumulated depreciation/amortisation according to plan						
Opening balance						
Depreciation for the year	-17	-79	-114	-45	-	-255
Accumulated depreciation through acquisitions	-	-	-12	-7	-	-20
Divestments and disposals	-	-	-1	-	-	-1
Reclassification	6	-	4	-	-	10
Translation differences for the year	-	-	-10	-	-	-10
Closing balance	-10	-80	-118	-50	-	-258
Accumulated write-downs						
Opening balance						
Write-downs for the year	-4	-2	-	-	-	-6
Divestments and disposals	-	-	-	-	-110	-110
Translation differences for the year	3	-	-	-	-	3
Closing balance	0	-2	-	-	-104	-106
Planned residual value at start of year	14	0	40	7	2,922	2,983
Planned residual value at end of year	0	0	61	0	2,591	2,652

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

Consideration of write-down requirements of goodwill

The Group assesses annually whether there is any write-down requirement for goodwill in accordance with the accounting principles that are described in note 2. The basis for the assessment is normally the most recent strategic plan for the forthcoming periods.

The write-down assessment shall be based on the smallest cash-generating unit, which for the Lindab Group is normally considered to be each business area because they are so strongly integrated.

Assessments of write-down requirements have been made for the Lindab Group, for each business area and separately for the Ventilation business area's operations in the USA. Documentation consists of the strategic plan that was established in 2010. The strategy supports a focus on Europe over time and therefore calculations were made separately for the USA. Consequently, this means a changed approach compared to previous years, when operations in the USA were included in the Ventilation business area. A separate strategic plan has been developed, which forms the basis for the evaluation of goodwill for the USA. This plan is based on a restructuring and focus on the operations. This will be reviewed following a two-year period.

The Weighted Average Cost of Capital (WACC), has been calculated for the business areas and for the Group based on the required return on equity and loan interest rates and an estimated debt/equity ratio based on an analysis of similar companies' average debt/equity ratios. In accordance with this estimate, the Weighted Average Capital Cost (WACC) is 8.0 percent after tax (8.3). Since a WACC of 8.3 percent after tax was applied previously and is considered reasonable, the calculations have been based on this instead. WACC after

tax of 8.3 percent is calculated as equivalent to 10.6 percent (11.2) before tax. For the USA, a risk premium has been added and other local factors have been taken into account such as the tax rate, resulting in a WACC of 9.3 after tax.

The forecast period has been changed from five years from and including 2010 in compliance with IAS 36. For 2009 the calculation was based on seven years. The reason for using a longer period than five years to calculate present value is that the Group management believes that this is too short a period to apply in order to reasonably be considered as a "going concern". This view was also maintained by Lindab for 2010, but the calculation of present value for future flows has nevertheless been adapted to the current rules. The calculations are based on the new strategic plan that was developed in 2010 and remains valid until 2014, and for the remaining years on a sustainable growth rate of 2 percent. Up to and including 2009, the calculation was based on a sustained growth rate of 3 percent, which is still expected to meet expected growth in those markets where Lindab operates.

No write-down requirement exists under the reported conditions for the Group or the business areas. As long as the input variables see a negative change, for example, an increase in the discount rate of 1 percentage point or a 1 percentage point reduction in the growth rate, there is no write-down requirement.

For the USA, a write-down requirement of goodwill has been established in operations of Lindab Inc. and a write-down of SEK 110 m has been made.

Goodwill allocated per business area	2010	2009
Ventilation	1,354	1,538
<i>of which operations in the USA</i>	8	118
Building Components	877	970
Building Systems	360	414
Total goodwill	2,591	2,922

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 2009						
Accumulated acquisition values						
Opening balance	1,149	1,858	499	97	94	3,697
Assets provided through acquisitions	-	-	-	-	-	0
Acquisitions	428	154	26	-78	-63	467
Divestments and disposals	-327	-71	-54	-	-1	-453
Reclassification	2	6	3	-2	-9	0
Translation differences for the year	-72	-61	-13	-8	-5	-159
Non-current assets held for sale	-284	-5	-	-	-	-289
Closing balance	896	1,881	461	9	16	3,263
Accumulated depreciation/amortisation according to plan						
Opening balance	-301	-1,303	-368	-	-	-1,972
Depreciation for the year	-53	-110	-33	-	-	-196
Accumulated depreciation through acquisitions	-	-	-	-	-	0
Divestments and disposals	19	58	46	-	-	123
Reclassification	-	2	-2	-	-	0
Translation differences for the year	14	39	8	-	-	61
Non-current assets held for sale	69	3	-	-	-	72
Closing balance	-252	-1,311	-349	-	-	-1,912
Accumulated write-downs						
Opening balance	-7	-11	-	-3	-	-21
Write-downs for the year	-	-	-	-	-	0
Divestments and disposals	7	-	-	-	-	7
Translation differences for the year	-	-	-	-1	-	-1
Closing balance	0	-11	-	-4	-	-15
Planned residual value at start of year	841	544	131	94	94	1,704
Planned residual value at end of year	644	559	112	5	16	1,336
1 January–31 December 2010						
Accumulated acquisition values						
Opening balance	896	1,881	461	9	16	3,263
Non-current assets held for sale at start of year	284	5	-	-	-	289
Assets provided through acquisitions	152	4	-	-	-	156
Acquisitions	37	36	14	1	31	119
Divestments and disposals	-394	-55	-14	-	-10	-473
Reclassification	5	-31	-3	-	-	-29
Translation differences for the year	-127	-138	-21	-1	-2	-289
Non-current assets held for sale at end of year	-	-	-	-	-	0
Closing balance	853	1,702	437	9	35	3,036
Accumulated depreciation/amortisation according to plan						
Opening balance	-252	-1,311	-349	-	-	-1,912
Non-current assets held for sale at start of year	-69	-3	-	-	-	-72
Depreciation for the year	-31	-94	-25	-	-	-150
Accumulated depreciation through acquisitions	-53	-2	-	-	-	-55
Divestments and disposals	114	30	9	-	-	153
Reclassification	-5	33	1	-	-	29
Translation differences for the year	36	95	15	-	-	146
Non-current assets held for sale at end of year	-	-	-	-	-	0
Closing balance	-260	-1,252	-349	0	0	-1,861
Accumulated write-downs						
Opening balance	0	-11	-	-4	-	-15
Write-downs for the year	-	-	-	-	-	-
Divestments and disposals	-	-	-	-	-	-
Translation differences for the year	-	1	-	0	-	1
Closing balance	-	-10	-	-4	0	-14
Planned residual value at start of year	644	559	112	5	16	1,336
Planned residual value at end of year	593	440	88	5	35	1,161

NOTE 18 TAX VALUES

Property	Group	
	2010	2009
Buildings	18	0
Land	6	2
Total	24	2

The tax values relate solely to Swedish Group companies' property holdings. The book value on these properties amounts to SEK 34 m (2).

NOTE 20 OTHER LONG-TERM RECEIVABLES

	Group	
	2010	2009
Opening balance	3	3
Increase/decrease	-1	0
Book value	2	3

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

NOTE 19 OTHER INVESTMENTS HELD AS FIXED ASSETS

	Group	
	2010	2009
Opening balance	3	4
Divestments	-	-1
Translation differences for the year	0	0
Book value	3	3

The long-term holding of shares and participations that do not relate to Group companies are reported here. They are financial instruments that are classified as assets which may be sold. Associated companies are included at book value, SEK 0 m (0), see notes 30 and 31. Other holdings, SEK 3 m (3), have existed for a long time and mainly constitute smaller holdings owned by Group companies

NOTE 21 STOCK

	Group	
	2010	2009
Raw materials and supplies	542	409
Goods in progress	54	34
Finished goods and goods for resale	444	453
Total	1,040	896

Inter-company profits within the Lindab Group amounted to SEK 61 m (54), which has been eliminated at Group level. Direct material costs for the year amounted to SEK 3,016 m (3,282), including SEK +10 m (-9) in adjustments to the stock obsolescence provision. In addition, the stock obsolescence provision for finished goods has been adjusted by SEK 0 m (-2). The stock obsolescence provision in the outgoing stock amounts to SEK 57 m (74), equivalent to 5 percent (7) of the stock value before deduction for obsolescence. Currency effects have decreased the provision by SEK 7 m during the year.

NOTE 22 CURRENT RECEIVABLES

Number of days overdue	Group	
	Accounts receivable	Accrued income ¹⁾
Not overdue	2010	2009
< 90 days	644	624
90–180 days	200	256
180–360 days	33	55
> 360 days	20	69
Total accounts receivable	977	1,075
Provision for bad debts	-80	-99
Total	897	976
	2010	2009
	2010	2009

1) Accrued income only relates to the exchange gain on forward exchange agreements amounting to SEK 5 m (0) and bonus income of SEK 6 m (10). Prepayments and accrued income are specified in full below.

2) Other receivables relate only to VAT amounting to SEK 58 m (37) and other receivables of SEK 13 m (16). Other receivables are specified in full below.

Change in the provision for bad debts	Group	
	2010	2009
Opening balance	99	77
Added through acquisitions	-	-
Increase in provision	26	59
Actual losses	-32	-32
Cancellation of provisions	-2	-2
Translation differences	-11	-3
Closing balance	80	99

During the year, SEK 24 m (57) has been carried as expenses regarding the provision for bad debts.

Provisions for bad debts are normally made when the receivables have been due for more than 180 days. Receivables that are due for up to 360 days are reserved by 50 percent. Thereafter they are reserved by 100 percent. Individual assessments are made simultaneously and the provision is adjusted as required.

Prepaid expenses and accrued income	Group	
	2010	2009
Prepaid expenses for rental and leasing	10	19
Accrued exchange gain forward exchange agreement	5	0
Insurance premiums	5	17
Accrued bonus income	6	10
Other prepaid expenses	53	45
Total	79	91

Other receivables	Group	
	2010	2009
VAT recoverable	58	37
Advance payments to suppliers	-	28
Advance payments to employees	0	1
Travel advances	1	1
Other receivables	13	16
Total	72	83

NOTE 23 SHARE CAPITAL AND THE NUMBER OF SHARES

The table below indicates the changes in Lindab's share capital and the number of shares as from 2001.

Year	Action	Number of shares Class A	Class B ¹⁾	Change in share capital (SEK '000s)	Total share capital (SEK '000s)
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		-3,375,838	-	-	-
Total number of shares outstanding		75,331,982	-	-	-

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. The number of treasury shares thereby decreased to 3,375,838 and the number of outstanding shares increased to 75,331,982.

Incentive programme

The Annual General Meeting decided that the three-year incentive programme introduced in 2008 would continue with stage three implemented in May 2010. The third incentive programme contains 784,000 warrants, of which 732,000 have been offered and subscribed to by existing employees, while 52,000 have been reserved for incoming managers. The price per warrant was established at SEK 8.40, entitling the holder to one share in Lindab International for SEK 93.00 between 01-06-2012 and 31-05-2013. Newly recruited managers have subscribed to 39,000 warrants during the last quarter of 2010, with the price per warrant then established at SEK 12.20.

NOTE 24 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 pension 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. Note 2 explains further how the pension costs are calculated.

The retirement and family pension plans for salaried employees in Sweden are guaranteed through insurance cover with Alecta, in the so-called ITP2 plan. According to a statement from the Swedish Financial Reporting Board, UFR 3, this is a defined benefit plan that includes

several employers. The company did not have access to the information that would have made it possible to report this as a defined benefit plan for the financial year. The pension plan is in accordance with ITP, which is guaranteed through insurance with Alecta and is therefore shown as a defined-contribution plan. Contributions for pension insurance cover with Alecta amounted to SEK 6 m (6) for the year.

A surplus or deficit with Alecta may mean a refund for the Group or alternatively lower or higher future charges. At the end of the year, Alecta's surplus in terms of the collective consolidation level was 146 percent (141). 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.

Reported in the statement of comprehensive income	2010	2009
Pensions and benefits earned during the year	5	8
Interest expenses on commitments	7	8
Expected return on plan assets	-2	-3
Actuarial gain/loss reported during the year	3	3
Expenses for past service	-2	0
<i>Total expenses for defined benefit plans</i>	<i>11</i>	<i>16</i>
Expenses for defined contribution plans	82	82
Total expenses for post-employment benefits	93	98
of which reported in operating profit (note 6)	85	93
of which reported in net financial income (note 13)	8	5

NOTE 24 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS, cont.

Reported in the statement of financial position

	2010	2009
Net obligations for benefit-based plans		
Present value of pension obligations etc.	167	170
Financial investments	-45	-52
Net liabilities	122	118
Unreported actuarial gains/losses (+/-)	-18	-11
Specification of benefit-based pension obligations, etc.		
Present value of funded pension obligations	68	70
Fair value of plan assets	-45	-52
Net value of funded plans	23	18
Present value of unfunded benefit-based obligations	99	100
Unreported actuarial gains/losses (+/-)	-18	-11
Unreported expenses relating to past service	-	1
Net liability in the statement of financial position for benefit-based obligations	104	108
Allocated to pensions, contribution-based obligations	26	25
Pension liability as per the statement of financial position	130	133
Fair value of plan assets for contribution-based obligations	-26	-25
Financial investments as per the statement of financial position	-26	-25

For benefit-based funded plans, the net pension commitment after deductions 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. Contribution based 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 130 m (133), SEK 34 m (33) comprise pension obligations for current and former Presidents and Vice Presidents. The majority of the obligations are invested in endowment insurance funds. These are valued at SEK 26 m (25).

Change in plan assets and pension obligations during the year	2010		2009	
	Assets	Obligations	Assets	Obligations
Opening balance	-52	170	-53	169
Expected return	N/A	-	-3	-
Interest expenses	-	7	-	8
Contributed funds	-3	-	-3	-
Pensions earned during the year	-	5	-	8
Pensions paid	4	-9	8	-17
Actuarial gains or losses	3	4	1	1
Reclassification and other	-	-2	-	-
Translation differences	5	-8	-2	1
Closing balance	-45	167	-52	170

Most important actuarial assumptions	2010				2009
	Sweden	Luxembourg	Norway	Other	
Discount rate, %	4.0	4.2	3.2	5.0–6.0	4.0–6.0
Expected return on assets, %	N/A	4.6	4.6	-	0.0–6.8
Future salary increases, %	3.0	3.3	4.0	1.0–3.0	1.0–4.2
Future pension increases, %	2.0	3.0	0.5	1.8	1.3–3.0
Net debt breakdown for 2010, SEK m	75	15	9	5	-
Net debt breakdown for 2009, SEK m	72	21	10	5	-

The choice of discount rate in Sweden was based on the market rate applicable to government bonds with a duration corresponding to the average residual maturity of the obligation, for Lindab 3.8 percent, compared with the corresponding interest rate for housing bonds, which generally have a higher market rate, and also with consideration for the interest that has been applied in the past year. It was therefore judged that there is no reason to change the discount rate.

The parent company

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

NOTE 25 OTHER PROVISIONS

	Group			Total
	Restructuring reserve	Warranty provision	Other	
Opening balance	32	80	8	120
Utilised (-)/increase during the year (+)	-18	-14	-1	-33
Exchange rate differences	-4	-8	0	-12
Closing balance	10	58	7	75
Breakdown in the statement of financial position				
Other long-term provisions	4	29	0	33
Other current provisions	6	29	7	42
Total	10	58	7	75

The restructuring reserve consists primarily of the remaining provisions for the cost reduction programmes in recent years.

The warranty provisions of SEK 58 m (80), include estimated future expenses for faults in items or work carried out, and provisions for actual claims.

A large share of the warranty provisions relate to Building Systems, SEK 50 m (60).

The general provisions are reported at the time of sale or, as required where a fault arises on specific products. Provisions of SEK 10 m (18) are made for claims, normally arising in association with deliveries.

The calculation is based partly on actual claims and partly on a so called claim quota based on the average number of received claims in relation to sales during the last two years. Provisions are also made for guarantees and are allocated for the guarantee period. The majority of these comprise individual provisions for specific products, SEK 30 m (36). The remaining provisions, SEK 18 m (26) are made according to calculation principles, which are different for each individual company. The majority of these provisions comprise 1 percent of the sales volume for the last 24 months. The warranty period usually covers five to ten years, but in most cases problems are solved within one year and therefore the majority of warranty provisions are reported as current.

NOTE 26 CONSOLIDATED BORROWING AND FINANCIAL INSTRUMENTS

	Group		Parent company	
	2010	2009	2010	2009
Long-term				
Bank loans	1,926	2,384	-	-
Current				
Liabilities to credit institutions	6	49	-	-
Overdraft facilities	62	116	-	-
Total borrowing	1,994	2,549	-	-

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

	Group	Parent company		
	2010	2009	2010	2009
between 1 and 2 years	1,900	16	-	-
between 2 and 5 years	20	2,321	-	-
more than 5 years	6	47	-	-
	1,926	2,384	-	-

In accordance with IFRS, bank loans include leasing liabilities amounting to SEK 19 m (91). The current share of the leasing liability amounted to SEK 14 m (9) and is included in liabilities to credit institutions. Total borrowing includes pledged liabilities (bank loans with security) of SEK 9 m (10). Security for these loans consists of mortgage deeds in properties.

Information about the credit agreement can be found in note 29.

In 2009, Lindab entered into interest rate swap agreements in order to extend the average fixed interest rate period, which at 31 December 2010 was 15 months. Fixed rates only apply to the financing of property loans in Switzerland. These loans amount to SEK 9 m (10).

The Group's unused credit facilities amounted to SEK 1,791 m (1,432). The parent company has no unused credit.

NOTE 26 CONSOLIDATED BORROWING AND FINANCIAL INSTRUMENTS, cont.

Consolidated borrowing broken down in different currencies:

Amounts in SEK m	Group		Parent company	
	2010	2009	2010	2009
SEK	1,870	2,307	-	-
DKK	27	62	-	-
EUR	52	110	-	-
USD	5	4	-	-
GBP	3	18	-	-
RUB	27	36	-	-
PLN	1	2	-	-
Other currencies	9	10	-	-
	1,994	2,549	-	-

The carrying amount and fair value for financial instruments

Interest-free financial instruments, such as accounts receivable and accounts payable, are reported at fair value. Interest bearing financial instruments, such as consolidated borrowing, are also reported at fair value.

Derivatives with hedge accounting

Cash flow hedges – interest rate swaps. In the closing hedge reserve in equity, SEK -9 m (11) relates to the pre-tax fair value of interest rate swaps. With unchanged interest rates, this value will reduce the profit by SEK 5 m in 2011 and by SEK 4 m in 2012.

	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at fair value through profit for the year	20 ¹⁾	20	0 ¹⁾	0
Investments held to maturity	26 ²⁾	26	25 ²⁾	25
Loan receivables and accounts receivable	1,159 ³⁾	1,159	1,255 ³⁾	1,255
Total financial assets	1,205	1,205	1,280	1,280
Financial liabilities				
Financial liabilities at fair value through profit for the year	16 ⁴⁾	16	16 ⁴⁾	16
Other financial liabilities	3,032 ⁵⁾	3,032	3,571 ⁵⁾	3,571
Total financial liabilities	3,048	3,048	3,587	3,587

1) Reported as derivative assets.

2) Reported as financial investment.

3) Reported as accounts receivable, other long-term receivables, part of other current receivables, accrued income and cash and bank.

4) Reported as derivative liabilities.

5) Reported as accounts payable, long-term liabilities, part of other current liabilities and accrued expenses.

NOTE 27 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent company	
	2010	2009	2010	2009
Salaries and holiday pay	144	141	3	4
Share of profits	4	6	-	-
Payroll overheads	58	57	-	1
Bonuses to customers	78	79	-	-
Interest expenses	19	16	-	-
Other costs	78	98	0	0
Total	381	397	3	5

NOTE 28 LEASING

Operational lease agreements

Leasing costs for assets held through operating lease agreements, such as rented premises, machinery and office equipment, are reported in operating expenses and amount to SEK 59 m (49), of which property rental charges amount to SEK 43 m (34).

Future payments for non-cancellable operational leasing agreements amount to SEK 293 m (162) and are due as follows:

Variable payments do not constitute significant amounts, see table below.

	2010	2009
2011	59	40
2012–2015	201	114
2016 and later	33	8
293	162	

If the buy-back options for the right to repurchase all the properties were utilised, this would result in a change in the equity ratio from 42 percent presently to 38 percent.

Financial lease agreements

Financial lease agreements amounting to SEK 27 m (72) are included in the balance sheet under Buildings and Land. During 2010, costs for these agreements excluding deferred taxes amounted to SEK 6 m (22).

Future obligations for financial leasing agreements amount to SEK 37 m (99) and are broken down as follows:

	Nominal value (present)	
	2010	2009
Year 1	16 (15)	35 (34)
Years 2–5	21 (18)	50 (44)
Years 6 and later	- (-)	14 (10)
	37 (33)	99 (88)

Within the Group there are companies with options contracts giving them the right to buy back properties sold through sale-lease-back companies.

Interest rates were determined when the leasing contracts began. All leasing contracts have fixed repayments, the included variable charges do not amount to substantial sums.

NOTE 29 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets	Group		Parent company	
	2010	2009	2010	2009
Property mortgages	18	17	-	-
Floating charges	327	18	-	-
Total	345	35	-	-

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

Contingent liabilities	Group		Parent company	
	2010	2009	2010	2009
Other guarantees and sureties	13	22	-	-
Pension obligations	10	11	-	-
Total	23	33	-	-

Since December 2007, Lindab has had a binding five-year credit agreement with Nordea and Handelsbanken. The contract was renegotiated in October 2009 whereby the credit limit was reduced from SEK 4.5 bn to SEK 3.5 bn, representing estimated future financing requirements. The duration is unchanged with a maturity date of 17

December 2012. The credit agreement includes two covenants in the form of net debt in relation to EBITDA and the interest coverage ratio, which are followed up quarterly.

The company presently fulfils these requirements.

NOTE 30 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.

Inner circle

Since flotation, the Company has had no new shareholders that might be considered to be major shareholders with influence over the Group. As previously, the principle shareholders Ratos AB, Livförsäkringsaktiebolaget Skandia and Sjätte AP-fonden have been regarded as related parties during the year.

In addition, the parent company has direct and indirect control over its subsidiaries (see note 31). 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 24.

The associated company Meak BV in the Netherlands is also to be considered as related. Since the extent of these transactions is negligible, however, they have not been included below.

Other transactions with related parties are specified below

	Group		Parent company	
	2010	2009	2010	2009
Pension liability to				
Former Presidents	31	14	-	-
The parent company				
Dividends and Group contributions to the parent company	111	186	N/A	N/A
Interest income from the parent company	88	40	N/A	N/A
Long-term receivables in the parent company	1,991	2,051	N/A	N/A
Group companies				
Received dividends and Group contributions from Group companies	N/A	N/A	111	186
Interest expenses to Group companies	N/A	N/A	88	40
Long-term liabilities to Group companies	N/A	N/A	1,991	2,051

Other transactions with related parties

The 2010 Annual General Meeting decided to continue the three-year Incentive Programme introduced in 2008, with stage three implemented during May. Altogether, the programme contains 784,000 warrants, 732,000 have been offered and subscribed to by existing employees, while 52,000 have been reserved for incoming managers. Newly recruited managers have subscribed to 39,000 warrants during the last quarter of 2010. The terms are shown in Note 6.

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 31 GROUP COMPANIES AND ASSOCIATES

	Currency code	Corporate ID no.	Registered office	Share in %	Book value
Lindab AB	SEK	556068-2022	Båstad, Sweden	98,31 ¹⁾	3,467 ²⁾
Lindab Sverige AB	SEK	556247-2273	Båstad, Sweden	100	
Lindab Steel AB	SEK	556237-8660	Båstad, Sweden	100	
Lindab Ventilation AB	SEK	556026-1587	Båstad, Sweden	100	
Lindab Ltd. Co.	RUB	105781261234	St. Petersburg, Russia	0	
Lindab Profil AB	SEK	556071-4320	Båstad, Sweden	100	
Astron Buildings S.A.	EUR	RC B91774	Diekirch, Luxembourg	0	
Lindab s.r.o.	CZK	49613332	Prague, Czech Republic	15	
Spiro Development AB	SEK	556453-3569	Båstad, Sweden	100	
Lindab Plåt AB	SEK	556585-7124	Vara, Sweden	100	
U-nite Fasteners Technology AB	SEK	556286-9858	Uddevalla, Sweden	100	
Lindab i Borlänge	SEK	556047-7365	Borlänge, Sweden	100	
Astron Buildings LLC	RUB	USRN 1067611020840	Yaroslavl, Russia	99	
Lindab Ltd. Co.	RUB	105781261234	St. Petersburg, Russia	100	
Astron Buildings S.A.	EUR	RC B91774	Diekirch, Luxembourg	100	
LA Services S.à.r.l	EUR	B146465	Diekirch, Luxembourg	100	
Lindab Treasury Handelsbolag	SEK	969753-0468	Diekirch, Luxembourg	25	
Lindab Treasury AB	SEK	556044-4704	Båstad, Sweden	100	
Lindab Treasury Handelsbolag	SEK	969753-0468	Diekirch, Luxembourg	50	
Lindab-Astron S.A.S.	EUR	RCS 327 258 943	Marne-la-Vallée, France	100	
Lindab-Astron s.r.o.	CZK	633 19 675	Prerov, Czech Republic	100	
OOO Astron Buildings LLC	RUB	OGRN 1047796961464	Moscow, Russia	100	
Lindab-Astron Sp. z o.o.	PLN	KRS 0000039952	Lomianki, Poland	1	
Astron Buildings LLC	RUB	USRN 1067611020840	Yaroslavl, Russia	1	
Lindab Treasury Handelsbolag	SEK	969753-0468	Diekirch, Luxembourg	25	
Lindab SIA	LVL	40003602009	Riga, Latvia	100	
UAB Lindab	LTL	11788414	Vilnius, Lithuania	100	
Lindab d.o.o.	HRK	80182671	Gornji Stupnik, Croatia	100	
Lindab AS	EEK	10424824	Harju mk, Estonia	100	
Oy Lindab Ab	EUR	557.222	Esbo, Finland	100	
Lindab s.r.o.	CZK	49613332	Prague, Czech Republic	85	
Spiro International S.A.	CHF	CH-217-0135550-1	Bösingen, Switzerland	100	
Spiro S.A.	CHF	CH-217-0130536-2	Bösingen, Switzerland	100	
Protol AG	CHF	CH-160.3.001.249-2	Glarus, Switzerland	100	
Lindab Holding Inc.	USD	54-179 29 84	Portsmouth VA, USA	100	
Spiral Helix Inc.	USD	36-4381930	Chicago IL, USA	100	
Lindab Inc.	USD	06-135 32 48	Portsmouth VA, USA	100	
Lindab Building Systems Kft.	HUF	Cg.15-09-067868	Nyiregháza, Hungary	100	
Lindab SRL	RON	J23/1168/2002	Ilfov, Romania	100	
S.C. Rova Romania S.R.L.	RON	J32/539/06.04.2004	Sibiu, Romania	100	
Lindab EOOD	BGN	175097637	Sofia, Bulgaria	100	
Lindab Ukraine LLC	UAH	34300449	Kiev, Ukraine	100	
Lindab Kft.	HUF	13-09-065422	Biatorbágy, Hungary	100	
Lindab AS	NOK	929805925 MVA	Oslo, Norway	100	
Lindab S.à.r.l	EUR	12002580152	Volpiano, Italy	100	
Lindab Holding A/S	DKK	CVR nr. 25 77 56 78	Haderslev, Denmark	100	
Lindab A/S	DKK	CVR nr. 33 12 42 28	Haderslev, Denmark	100	
Lindab Sp. z o.o.	PLN	KRS 0000043661	Lomianki, Poland	100	
Lindab N.V.	EUR	BE 464.910.211	Gent, Belgium	100	
Lindab Door B.V.	EUR	33291638	Groenekens, Netherlands	100	
Meak B.V.	EUR	18042479	Utrecht, Netherlands	40	
Lindab GmbH	EUR	HRB 2276	Bargteheide, Germany	100	
Lindab-Astron GmbH	EUR	HRB 8007	Mainz, Germany	100	
Lindab-Astron Sp. z o.o.	PLN	KRS 0000039952	Lomianki, Poland	99	
Lindab N.V.	EUR	BE 464.910.211	Gent, Belgium	0	
Lindab AG	CHF	CH-170.3.023.237-3	Wetzikon, Switzerland	100	
Benone AG	CHF	CH-280.3.914.897-4	Muttentz, Switzerland	100	
Lindab Ltd	GBP	1641399	Northampton, UK	100	
CCL Lindab Ltd	GBP	1909033	Northampton, UK	100	
Lindab S.A.S.	EUR	31 228 513 300 061	Montluel, France	100	
Aervent Holdings Ltd	EUR	252361	Dublin, Ireland	100	
Lindab (IRL) Ltd	EUR	44222	Dublin, Ireland	100	
Vios a.s.	SKK	36 593 176	Jamník, Slovakia	100	
Vios-Hungary Kft.	HUF	13-09-113194	Gödöböl, Hungary	100	
Lindab a.s.	SKK	36 214 604	Spišská Nová Ves, Slovakia	100	
IVK-Tuote Oy	EUR	2324252-0	Jyväskylä, Finland	100	
IVK Kiinteistöt Oy	EUR	2324254-7	Jyväskylä, Finland	100	
LB Kiel Linden AB	SEK	5566629-2271	Båstad, Sweden	100	

1) The remaining 1.7 percent in Lindab AB, i.e. 417,143 shares, consist of treasury shares.

2) The number of treasury shares totals 23,582,857.

We affirm that, to the best of our knowledge, this Annual Report has been prepared in accordance with generally accepted accounting practices for listed companies, that the information submitted corresponds with the actual situation and that nothing of material significance has been omitted that could affect the picture of the company presented in the Annual Report.

Båstad 9 March 2011



Stig Karlsson



Svend Holst-Nielsen
Chairman



Anders C. Karlsson



Per Frankling



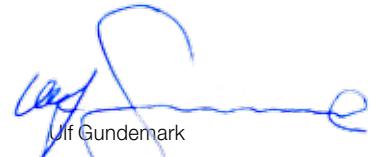
David Brodetsky
President and CEO



Annette Sadolin



Erik Eberhardson



Ulf Gundemark



Pontus Andersson



Markku Rantala

Our Auditors' Report was submitted on 16 March 2011.



Bertel Enlund
Authorised Public Accountant
Ernst & Young AB



Staffan Landén
Authorised Public Accountant
Ernst & Young AB

Auditors' Report

To the Annual General Meeting of Lindab International AB

Corporate identification no. 556606-5446

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Lindab International AB for the year 2010. The company's Annual Report and the consolidated accounts are included in the printed version of this document on pages 69–121. The Board of Directors and the President are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards (IFRS) as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

The audit has been conducted in accordance with the generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the an-

nual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances in the company in order to be able to determine the liability, if any, to the company of any Board member or the President. We also examined whether any Board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with the international financial reporting standards (IFRS) as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's financial position and results of operations. The Directors' Report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the Annual General Meeting of shareholders that the income statements and balance sheets of the parent company and the statements of comprehensive income and financial position for the Group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the Directors' Report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Båstad 16 March 2011



Bertel Enlund
Authorised Public Accountant
Ernst & Young AB

Staffan Landén
Authorised Public Accountant
Ernst & Young AB

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 average number of shares is calculated by reference to the dilution of the warrants issued by the company in accordance with IAS 33. It is presently assessed that the outstanding options are not to be exercised.

Undiluted/diluted earnings per share

Profit for the year attributable to the parent company shareholders in relation to the average number of outstanding shares.

Equity per share

Equity excluding the minority shareholding in relation to the number of outstanding shares at the end of the period.

Cash flow from operating activities per share

Cash flow from operating activities in relation to the average number of shares at the end of the period.

P/E ratio

Quoted price at the year-end divided by the earnings per share.

Operating margin (EBITDA)

Operating margin has been calculated as the profit before depreciation and before consolidated amortisation of surplus value on intangible assets (EBITDA), expressed as a percentage of net sales for the year.

Operating margin (EBITA)

Operating margin has been calculated as the profit following depreciation but before consolidated amortisation of surplus value on intangible assets (EBITDA), expressed as a percentage of net sales for the year.

Operating margin (EBIT)

Operating margin has been calculated as the profit before financial items and tax (EBIT), expressed as a percentage of net sales for the year.

Profit margin (EBT)

Profit margin (EBT) has been calculated as the profit before tax, expressed as a percentage of net sales for the year.

Return on capital employed

Return on capital employed comprises the Group's profit after financial items plus financial expenses as a percentage of average** capital employed.

Return on operating capital

Operating profit (EBIT) as a percentage of average** operating capital.

Return on equity

Return on equity comprises the profit after tax as a percentage of the weighted average** equity.

Return on total assets

Return on total assets comprises profit before tax (EBT) plus financial expenses as a percentage of the average** total assets.

Equity/assets ratio

The equity ratio has been calculated as shareholders' equity as a percentage of total assets according to the statement of financial position.

Net debt/equity ratio

Net borrowings in relation to equity.

Interest coverage ratio

The interest coverage ratio has been calculated as the profit after financial items plus financial expenses in relation to financial expenses.

**) Average capital based on quarterly values from and including 2004.
In previous years, the calculations are based on full-year values.

Information to Shareholders

Annual General Meeting

The Annual General Meeting for Lindab International AB will be held on 11 May 2011 at 14.00 (CET), at the Lindab Arena, Ängelholm, Sweden. Shareholders who wish to take part in the Annual General Meeting must:

- be registered in the register of shareholders held by Euroclear Sweden AB no later than Thursday 5 May 2011, and
- inform Lindab International AB of their participation no later than 16.00 on Thursday 5 May 2011.

Registration in the Register of Shareholders

Shareholders whose shares are nominee registered through a bank or other trustee must request to have their own names entered in the register of shareholders maintained by Euroclear Sweden AB no later than Thursday 5 May 2011 to be eligible to participate in the Annual General Meeting. The shareholder must notify their bank or other trustee in good time before this date.

Notice to attend the Annual General Meeting

Those wishing to participate must give notice no later than 16.00 on Thursday 5 May 2011:

- via the website www.lindabgroup.com
- by telephoning Lindab International AB, + 46 (0) 431 850 00, or
- by post to "Lindab International AB", "Annual General Meeting", SE-269 82 Båstad, Sweden.

The notification must specify:

- name
- personal identity number (registration number)
- address and contact telephone number (daytime)
- any advisors in attendance
- any representatives in attendance.

Shareholders who are represented by proxy must provide a power of attorney for the representative. If the power of attorney is issued by a legal entity, a certified copy of the proof of registration for the legal entity must be attached.

To facilitate this, the original power of attorney and any related documents should be submitted to the company no later than Thursday 5 May 2011.

Matters for discussion

Shareholders who wish to have a matter discussed at the Annual General Meeting must, as specified on the company's website, submit such a proposal to the Chairman of the Board no later than 23 March 2011.

Nomination Committee

It is the duty of the Nomination Committee to prepare the nominations for the Chairman and other members of the Board, the nominated auditors, the nominated Chairperson of the Annual General Meeting, matters regarding fees and similar matters. The Nomination Committee for the 2011 Annual General Meeting consists of:

- Arne Karlsson, representative for Ratos AB (publ), Chairman
- Caroline af Ugglas, representative for Livförsäkringsaktiebolaget Skandia
- Urmas Kruusval, representative for Sjätte AP-fonden.
- Svend Holst-Nielsen, Chairman of Lindab International AB.

Contacting the Nomination Committee

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

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

Reports

Reports can be ordered from Lindab International AB:

- either via the website www.lindabgroup.com, or
- by post to "Lindab International AB", "Reports", SE-269 82 Båstad, Sweden.

Printed copies of the Annual Report will only be sent to shareholders and stakeholders who have ordered it.

Financial statements

Interim report January–March, Q1

29 April 2011

Interim report January–June, Q2

18 July 2011

Interim report January–September, Q3

25 October 2011

Q4 and Year End for 2010

February 2012

Annual Report 2011

March/April 2012

50 years of simplifying construction



1959



1969



1976



1980



1988



1990

AB Lidhults Plåtindustri was registered as a company in February 1959 in Grevie on the Bjäre peninsula, where its headquarters remain today. The business had already been started a few years earlier by the two business partners Lage Lindh and Valter Persson in a small sheet-metal workshop in Lidhult. The initial product range consisted of aluminium strips and windowsills. The product range has been gradually extended, and now includes complete system so-

lutions for the construction industry. Steel as a raw material has been the common denominator throughout the years and efforts to simplify construction have remained just as relevant.

In 1984, Lindab was floated on the Swedish Stock Exchange for small companies (OTC) and in 1991 on the Danish Stock Exchange. In 2000, Lindab was bought out of the Stock Exchanges by Ratos AB together with Livförsäkringsaktiebolaget Skandia and Sjätte AP-fonden via Lindab Intressenter AB. The parent company changed its name to Lindab International AB in 2006. On 1 December 2006, Lindab returned to Stockholm Stock Exchange and became a listed company once more.

Lindab has grown dramatically, and in 2010 had sales of approximately SEK 6.5 billion, with subsidiaries and representative offices in 31 countries.



1998



2005



2006



2008



2009



2010

www.lindabgroup.com

Comprehensive information about the Group can be found on the Lindab website. Contact information and addresses for all our companies throughout the world can also be found there.

Lindab International AB

SE-269 82 Båstad

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Fax +46 (0) 431 850 10

Email lindab@lindab.com

www.lindabgroup.com

Lindab International AB headquarters in Båstad, Sweden

Corporate identity number 556606-5446

