

# YEAR-END REPORT

## 1 JANUARY – 31 DECEMBER 2009



### 1 JANUARY – 31 DECEMBER 2009 (COMPARED WITH SAME PERIOD A YEAR AGO)

- Net sales fell 7% during the period to SEK 6,271 million (6,778). For comparable units net sales fell 15%.
- Operating profit before amortisation of intangible assets (EBITA) decreased by 28% to SEK 594 million (820) and the EBITA-margin was 9.5% (12,1).
- Profit after tax decreased by 33% to SEK 341 million (510).
- Earnings per share were SEK 8.53 (12.75) for the period.
- The Board proposes a dividend of SEK 4.30 per share (6.40).
- The Board decided to raise the target for the EBITA margin to a minimum of 10% (8) over a business cycle.

### FOURTH QUARTER 2009 (COMPARED WITH SAME PERIOD A YEAR AGO)

- Net sales fell 17% during the period to SEK 1,525 million (1,829). For comparable units net sales fell 18%.
- Operating profit before amortisation of intangible assets (EBITA) decreased by 26% to SEK 142 million (193) and the EBITA-margin was 9.3% (10.6).
- Profit after tax decreased by 28% to SEK 86 million (119).
- Earnings per share were SEK 2.15 (2.98) for the fourth quarter.

### FINANCIAL DEVELOPMENT

SEK million	2009			2008		
	Oct-Dec	Oct-Dec	Change	Jan-Dec	Jan-Dec	Change
Net Sales	<b>1,525</b>	1,829	-16.6%	<b>6,271</b>	6,778	-7.5%
EBITA *)	<b>142</b>	193	-26.4%	<b>594</b>	820	-27.6%
EBITA margin, %	<b>9.3</b>	10.6		<b>9.5</b>	12.1	
Profit after financial items	<b>112</b>	155	-27.7%	<b>461</b>	692	-33.4%
Net profit	<b>86</b>	119	-27.7%	<b>341</b>	510	-33.1%
Earnings per share, SEK	<b>2.15</b>	2.98	-27.7%	<b>8.53</b>	12.75	-33.1%
Return on operating capital, % (12 months)	<b>22.2</b>	36.7		<b>22.2</b>	36.7	

\*) Operating profit before amortization of intangible assets

## CEO'S message

### Improved market situation and scope for higher margin target

The trend of stabilising order intake continued during the fourth quarter. Even though order intake was 7% lower than in the same quarter of 2008, we saw a clear improvement over the preceding quarters, which indicates an improved market situation. During the fourth quarter, net sales and order intake were at roughly the same level.

Despite fierce competition in the market, the gross margin was higher during the fourth quarter compared with the preceding quarter as well as the same quarter in 2008. The stability of the Group's gross margin over the years, including 2009, points to the strength of the product offering and adeptness of our companies.

Distinct and clear personal responsibility among the management teams of the Indutrade companies is a key factor behind our performance in 2009. Our decentralised business model enables the companies to uphold their margins and quickly adapt their operations to changes in demand.

The EBITA margin for the fourth quarter was 9.3%. The lower margin compared with the third quarter follows the normal seasonal pattern. The EBITA margin for the full year was 9.5%. Although 2009 was characterised by a deep recession in most of our markets, once again we exceeded our target of achieving an EBITA margin of at least 8% over a business cycle.

As a result of Indutrade's favourable profit growth, combined with an increased share of manufacturing companies, the Board has decided to raise the target EBITA margin to a minimum of 10% (8) over a business cycle.

### Acquisitions in new markets

During the fourth quarter we carried out our first acquisition in Asia – Key Valves Technology in South Korea. The company is an excellent complement to our Dutch subsidiary HP Valves, since it broadens the product offering to international customers in power generation.

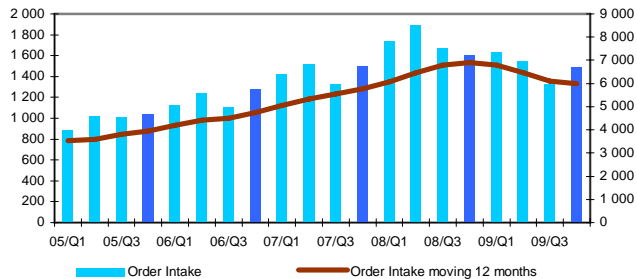
We have continued to acquire companies into the start of 2010. Thus far we have acquired three companies with combined annual sales of SEK 190 million. One of the acquired companies is in Poland, AxMediTec Sp. z.o.o., entailing that the Group now has companies in 17 countries.

As a result of the generally more stable market situation, acquisition opportunities have increased, and we believe that we have good opportunities to carry out additional acquisitions in the coming months.

*Johnny Alvarsson, President and CEO*

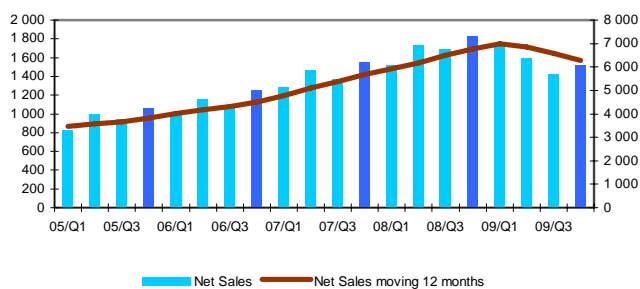
## ORDER INTAKE

MSEK

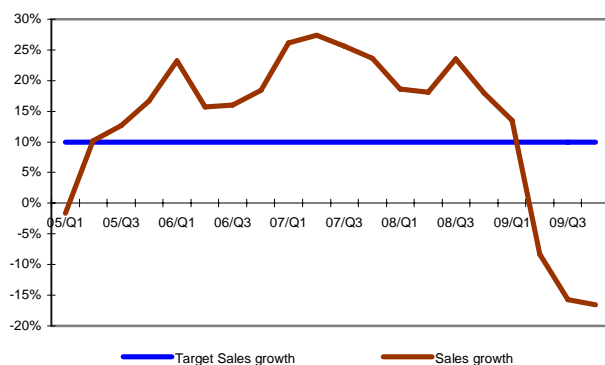


## NET SALES

MSEK



## SALES GROWTH



## Group performance

### ORDER INTAKE AND NET SALES

#### Order intake

Order intake amounted to SEK 6,000 million (6,911) for the year, a decrease of 13%. For comparable units, order intake fell 20%, while acquired growth was 3%. Currency movements had a favourable effect on order intake, by 4%.

Order intake during the fourth quarter was SEK 1,491 million (1,605), a decrease of 7%. For comparable units, order intake fell 9%. Acquired growth was 1%, while currency movements had a favourable effect on order intake, by 1%.

The lower order intake during the year was a result of the weak economy. The Engineering & Equipment business area, which has its main market in Finland, was affected the most as a result of weak performance for the Finnish export industry. The Industrial Components business area also experienced weak order intake related to the auto industry and other manufacturing industries.

The decrease in order intake during the fourth quarter was lower than the decrease in the preceding quarters.

#### Net sales

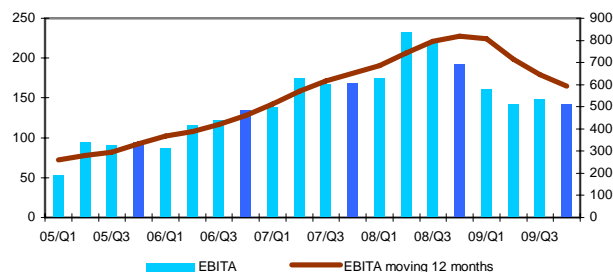
Net sales fell 7% during the year, to SEK 6,271 million (6,778). For comparable units, net sales fell 15%, while acquired growth was 3%. Currency movements had a favourable effect on net sales, by 5%.

Net sales during the fourth quarter fell 17% to SEK 1,525 million (1,829). For comparable units, net sales fell 18%, while currency movements had a favourable effect on net sales for the quarter, by 1%. Acquired growth was less than 1%.

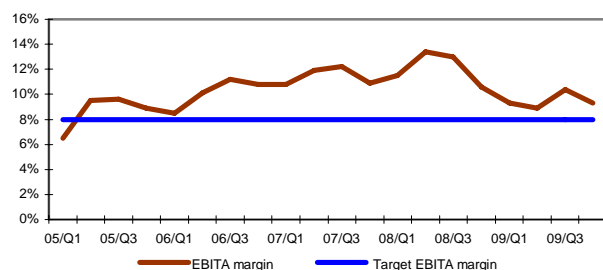
Flow Technology was the business area that fared best during the year, followed by Special Products. This is mainly because these business areas have a relatively high share of net sales in the energy and water/heating, ventilation and plumbing customer segments. Engineering & Equipment and Industrial Components both reported a more than 20% drop in net sales as a result of substantially lower demand.

## EBITA

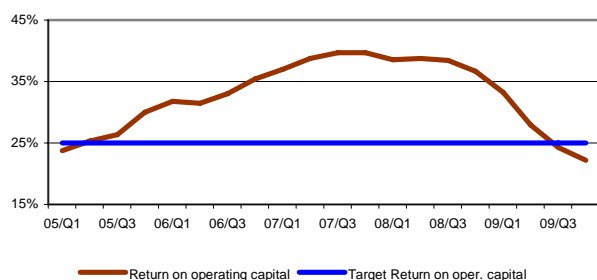
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## EBITA MARGIN



## RETURN



## EARNINGS AND RETURN

### Earnings

The gross margin for the full year was 32.9%, a decrease of 0.4 percentage points compared with the same period in 2008. The gross margin for the fourth quarter was 33.7%, an increase of 0.7 percentage points. The change in the gross margin is mainly attributable to a shift in net sales towards products with higher margins.

Operating profit before amortisation of intangible assets (EBITA) was SEK 594 million (820) for the year, a decrease of 28%. The operating margin before amortisation of intangible assets (the EBITA margin) narrowed to 9.5% (12.1%). During the year, the EBITA margin was hurt by lower sales and a relative higher level of overheads. Measures were taken during the year in the companies in the Group that have been affected by the drop in demand, with the goal of reducing overheads on a full-year basis by SEK 200 million and the number of employees by 250. During the fourth quarter, the cost savings excluding currency effects amounted to approximately SEK 53 million. Compared with year-end 2008, the number of employees decreased by approximately 270.

Net financial items amounted to SEK -64 million (-68). Tax on profit for the year was SEK -121 million (-182). Profit after tax decreased by 33% to SEK 341 million (510). Earnings per share were SEK 8.53 (12.75).

Operating profit before amortisation of intangible assets (EBITA) amounted to SEK 142 million (193) for the fourth quarter, a decrease of 26%. The operating margin before amortisation of intangible assets (the EBITA margin) was 9.3% (10.6%).

Net financial items for the fourth quarter, which in the preceding year were charged with financing costs for a large acquisition, decreased in 2009 to SEK -12 million (-22). The tax charge for the quarter was SEK -26 million (-36). Profit after tax decreased by 28% to SEK 86 million (119). Earnings per share for the fourth quarter were SEK 2.15 (2.98).

### Return

The return on operating capital for the last 12 months was 22.2% (36.7%) and was affected by the lower level of earnings and by the fact that acquisitions were made primarily of manufacturing companies with a high average level of tied-up capital.

## Business areas

### Engineering & Equipment

*Engineering & Equipment offers customised niche products, design solutions, aftermarket service and special processing. The main product areas are hydraulics and pneumatics, industrial equipment, flow products, transmissions and measuring instruments.*

SEK million	2009	2008
	Jan-Dec	Jan-Dec
Net sales	<b>1,569</b>	1,900
EBITA	<b>83</b>	189
EBITA-margin, %	<b>5.3%</b>	9.9%

Net sales fell 17% for the year, to SEK 1,569 million (1,900). For comparable units, net sales fell 25%, while currency movements had a favourable effect on net sales, by 8%. Demand in Finland, which is the business area's largest market, was affected by weak performance for the Finnish export industry in 2009.

The decline in net sales affected EBITA, which totalled SEK 83 million (189) for the year, corresponding to an EBITA margin of 5.3% (9.9%). In the companies that have been hurt by the drop in demand, projects have been carried out to reduce overheads, which gradually generated effects during the year.

EBITA was charged with SEK 10 million in costs for adapting to lower business volume.

### Flow Technology

*Flow Technology offers components and systems for the management, control and supervision of flows. The main product areas are valves, pumps, measuring and analysis instruments, pipe systems, hydraulics, compressors and service.*

SEK million	2009	2008
	Jan-Dec	Jan-Dec
Net sales	<b>1,689</b>	1,712
EBITA	<b>186</b>	185
EBITA-margin, %	<b>11.0%</b>	10.8%

Net sales were stable during the year and amounted to SEK 1,689 million (1,712). For comparable units, net sales fell 3%, while currency movements had a favourable effect on net sales, by 2%.

EBITA for the year was SEK 186 million (185), and the EBITA margin was 11.0% (10.8%), owing to a higher share of net sales of products with higher margins.

The engineering company Rossing & Jansson AB was acquired during the year.

### Industrial Components

*Industrial Components offers a wide range of technically advanced components and systems for production and maintenance. The main product areas are fasteners, mechanical components, pumps, lubrications, rust proofing, cutting tools, adhesives and chemical technology, transmission and automation, filters and process technology, and medical technical technology.*

SEK million	2009	2008
	Jan-Dec	Jan-Dec
Net sales	<b>1,163</b>	1,401
EBITA	<b>72</b>	150
EBITA-margin, %	<b>6.2%</b>	10.7%

Net sales for the year fell 17% to SEK 1,163 million (1,401). For comparable units, net sales fell 22%, while acquired growth was 3%. Currency movements had a favourable effect, of 2%.

EBITA for the year was SEK 72 million (150), corresponding to an EBITA margin of 6.2% (10.7%). Performance of the business area was affected by weak demand for products related primarily to the automotive industry. Completed cost-cutting programmes did not fully compensate for the earnings decline caused by lower net sales. Cost-cutting programmes have been carried out in the companies that have been hurt by the drop in demand. In connection with this, EBITA was charged with SEK 8 million in one-time costs.

During the year, Dominator Pump AB was acquired as well as two businesses – in automation products and optics products.

### Special Products

*Special Products offers specially manufactured niche products, design solutions, aftermarket service and assembly, and special processing. The main product areas are valves, electrical components, glass, technical ceramics, measuring technology, special plastics, filters and process technology, industrial springs, piston rings and hydraulic couplings.*

SEK million	2009	2008
	Jan-Dec	Jan-Dec
Net sales	<b>1,877</b>	1,812
EBITA	<b>288</b>	337
EBITA-margin, %	<b>15.3%</b>	18.6%

Net sales for the year rose 4% to SEK 1,877 million (1,812). For comparable units, net sales fell 11%, while acquired growth was 7%. Currency movements had a favourable effect on net sales, by 8%.

EBITA was SEK 288 million (337), and the EBITA margin was 15.3% (18.6%). The EBITA margin, which reached a high point for the year during the fourth quarter, was affected during the full year by a shift toward products with lower margins. Lower demand mainly affected the Swedish companies, where actions were taken to adapt overheads to the anticipated volume of product deliveries.

During the year, the companies Key Valves Technologies Ltd and Flintec Brasil Ltda were acquired.

## Other financial information

### FINANSIAL POSITION

Shareholders' equity amounted to SEK 1,644 million (1,597), and the equity ratio was 41% (36%).

Cash and cash equivalents amounted to SEK 229 million (223). In addition, the company has SEK 497 million (767) in unutilised credit facilities. Interest-bearing net debt amounted to SEK 940 million (972).

The net debt/equity ratio was 57% (61%) at the year-end.

### CASH FLOW

Cash flow from operating activities was SEK 558 million (490). Cash flow after net capital expenditures in property, plant and equipment (excluding company acquisitions) was SEK 468 million (360). Despite lower earnings, cash flow improved compared with the same period a year ago due to a reduction in working capital.

### CAPITAL EXPENDITURES AND DEPRECIATION

The Group's net capital expenditures (excluding company acquisitions) amounted to SEK 90 million (130). Depreciation of property, plant and equipment totalled SEK 89 million (78). Disbursements for company acquisitions amounted to SEK 188 million (276) of which SEK 56 million (266) were acquisitions made during the year and SEK 132 million (10) were earn-out payments pertaining to previous year's acquisitions.

### EMPLOYEES

The number of employees was 3,040 (3,269) at the year-end. Approximately 270 persons left the Group as a result of the economic downturn.

### ACQUISITIONS

The Group acquired the following companies, which are consolidated for the first time in 2009.

Month acquired	Acquisitions	Business area	Sales/SEK million*	No. of employees*
September	Ingenjörfirman Rossing & Jansson AB	Flow Technology	20	4
	Flintec Brasil Ltda	Special Products	4	4
November	Key Valves Technologies Ltd	Special Products	150	31
December	Dominator Pump AB	Industrial Components	12	4
			<b>186</b>	<b>43</b>

\*Estimated annual sales and number of employees at the time of acquisition.

In addition, two businesses were acquired – both in the Industrial Components business area. The Automation Products business was acquired from B Begner AB, and the Optics Products business was acquired from Sefo Consulting AB. Annual sales for the businesses amount to approximately SEK 20 million and SEK 6 million, respectively.

Further information about company acquisitions during the year can be found on page 14 of this year-end report.

### ACQUISITIONS AFTER THE END OF THE REPORTING PERIOD

In January, four businesses were acquired. Techno Skruv i Värnamo AB, with annual sales of approximately SEK 70 million, has a strong market position in the area of customer-specific fasteners and mechanical products. AxMediTec Sp. S.o.o., in Bialystok, Poland, with annual sales of approximately SEK 70 million, specialises in sales of medical-technical equipment used for healthcare applications in operating rooms, intensive care wards, emergency wards, and cardio and neonatal units. Techno Skruv and AxMediTec will be part of the Industrial Components business area from 1 January 2010. Corona Control AB, which will be part of the Flow Technology business area from 1 January 2010, has annual sales of approximately SEK 50 million. The company is a total supplier of solutions for industrial valves. Metallcenter Sverige AB's construction plastics business, with annual sales of approximately SEK 6 million, was acquired and will be part of the Special Products business area. The business involves the sale of semi-finished construction plastics primarily to customers in the pharmaceutical, energy and engineering industries.

## PARENT COMPANY

The main functions of Indutrade AB are to take responsibility for business development, acquisitions, financing, business control and analysis. The Parent Company's sales, which consist exclusively of inter-company invoicing of services, amounted to SEK 1 million (1) during the year. The Parent Company's capital expenditures in property, plant and equipment totalled SEK 1 million (1). The number of employees on 31 December was 8 (8).

## RISKS AND UNCERTAINTIES

The Indutrade Group conducts business in 17 countries on four continents, through some 120 companies. This spread, together with a large number of customers in various industries and a large number of suppliers, mitigates the business and financial risks. In addition to the risks and uncertainties described in Indutrade's 2008 Annual Report, no significant risks or uncertainties are judged to have emerged or been eliminated. Since the Parent Company is responsible for the Group's financing, it is subject to financing risk.

The Parent Company's other activities are not subject to risks other than indirectly via subsidiaries. For a more detailed report on risks that affect the Group and Parent Company, please see the 2008 Annual Report.

## RELATED-PARTY TRANSACTIONS

No transactions took place during the year between Indutrade and related parties, which have significantly affected the Company's financial position or result of operations.

## ACCOUNTING PRINCIPLES

Indutrade reports in accordance with International Financial Reporting Standards (IFRS). This year-end report has been prepared in accordance with IAS 34 and RFR 1.1. The Parent Company applies RFR 2.1. The same accounting policies and calculation methods are used in this report as those used in Indutrade's 2008 Annual Report and described under the section "Accounting principles and notes".

Effective 1 January 2009 the Indutrade Group applies IFRS 8 Operating Segments, the amendment to IAS 32 Financial Instruments: Presentation, and IAS 1 R Presentation of Financial Statements. None of these standards has any impact on Indutrade's result of operations or financial position. In addition to these, the Group has begun application of the amendment to IFRS 2 Share-based Payment and the amendment to IAS 23 Borrowing Costs. IFRS 2 has had no effect on the Group, and IAS 23 does not affect the Group at all, since there are currently no assets for which borrowing costs can be capitalised.

The IFRIC 13 and IFRIC 14 interpretations were approved in 2008 and have been applied from 1 July 2009. IFRIC 13 is not relevant for Indutrade, and IFRIC 14, which provides guidance for IAS 19, has not had any effect on the Group's result of operations or financial position.

In 2010 the EU is expected to endorse several interpretations and amendments to existing standards. None of these changes are expected to have a material impact on Indutrade when the Group begins applying these following EU endorsement.

## DIVIDEND

The Board of Directors proposes a dividend of SEK 4.30 per share (6.40), for a total dividend payout of SEK 172 million. The proposed dividend is in line with Indutrade's dividend policy to pay, over time, a dividend equivalent to at least 50% of profit after tax.

## FINANCIAL CALENDAR

The 2009 Annual Report will be published in early April 2010. It will be available on Indutrade's website starting on the same date as publication of the printed report.

The Annual General Meeting will be held in Stockholm on 29 April 2010.

The interim report for the period 1 January - 31 March 2010 will be published on 29 April 2010.

The interim report for the period 1 January - 30 June 2010 will be published on 4 August 2010.

The interim report for the period 1 January - 30 September 2010 will be published on 2 November 2010.

Stockholm, 15 February 2010

Indutrade AB (publ)

Johnny Alvarsson  
President and CEO

This report has not been reviewed by the Company's auditors.



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**NOTE**

The information provided herein is such that Indutrade AB (publ) is obligated to disclose pursuant to the Securities and Clearing Operations Act (SFS 1992:543) and/or the Financial Instruments Trading Act (SFS 1991:980). Submitted for publication at 10.30 a.m. on 15 February 2010.

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**Further information**

For further information, please contact:

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This report will be commented upon in a film version at the following links:

- <http://www.indutrade.se>
- <http://www.stockontv.se>

## INDUTRADE CONSOLIDATED INCOME STATEMENT

- CONDENCED

SEK million	2009	2008	2009	2008
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net Sales	1,525	1,829	6,271	6,778
Cost of goods sold	-1,011	-1,226	-4,207	-4,520
<b>Gross profit</b>	<b>514</b>	603	<b>2,064</b>	2,258
Development costs	-10	-12	-44	-32
Selling costs	-302	-324	-1,169	-1,169
Administrative expenses	-77	-86	-323	-299
Other operating income and expenses	0	-4	-3	2
<b>Operating profit</b>	<b>125</b>	177	<b>525</b>	760
Net financial items	-13	-22	-64	-68
<b>Profit after financial items</b>	<b>112</b>	155	<b>461</b>	692
Income Tax	-26	-36	-120	-182
<b>Net profit for the period attributable to equity holders of the parent company</b>	<b>86</b>	119	<b>341</b>	510

*Operating profit includes:*

Amortisation of intangible assets	-17	-16	-69	-60
Depreciation of property, plant and equipment	-23	-22	-89	-78

Operating profit before amortisation/impairment of intangible assets (EBITA)	142	193	594	820
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Earnings per share for the period <sup>1)</sup>	2.15	2.98	8.53	12.75
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<sup>1)</sup> Earnings for the period divided by 40,000,000 shares. There is no dilutive effect.

## INDUTRADE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<b>Net profit for the period</b>	<b>86</b>	119	<b>341</b>	510
<b>Other comprehensive income</b>				
<b>Income and expenses reported directly against equity</b>				
Actuarial gains/losses	12	-1	12	-1
Tax on actuarial gains/losses	-3	0	-3	0
Exchange rate differences	20	82	-47	109
<b>Other comprehensive income for the period, net of tax</b>	<b>29</b>	81	<b>-38</b>	108
<b>Total comprehensive income for the period</b>	<b>115</b>	200	<b>303</b>	618

## BUSINESS AREA PERFORMANCE

	<b>2009</b>	2008	<b>2009</b>	2008
<b>Net sales, SEK million</b>	<b>Oct-Dec</b>	Oct-Dec	<b>Jan-Dec</b>	Jan-Dec
Engineering & Equipment	<b>347</b>	475	<b>1,569</b>	1,900
Flow Technology	<b>438</b>	454	<b>1,689</b>	1,712
Industrial Components	<b>306</b>	362	<b>1,163</b>	1,401
Special Products	<b>440</b>	545	<b>1,877</b>	1,812
Parent company and Group items	<b>-6</b>	-7	<b>-27</b>	-47
	<b>1,525</b>	1,829	<b>6,271</b>	6,778

	<b>2009</b>	2008	<b>2009</b>	2008
<b>EBITA, SEK million</b>	<b>Oct-Dec</b>	Oct-Dec	<b>Jan-Dec</b>	Jan-Dec
Engineering & Equipment	<b>11</b>	33	<b>83</b>	189
Flow Technology	<b>44</b>	43	<b>186</b>	185
Industrial Components	<b>19</b>	29	<b>72</b>	150
Special Products	<b>74</b>	98	<b>288</b>	337
Parent company and Group items	<b>-6</b>	-10	<b>-35</b>	-41
	<b>142</b>	193	<b>594</b>	820

	<b>2009</b>	2008	<b>2009</b>	2008
<b>EBITA margin, %</b>	<b>Oct-Dec</b>	Oct-Dec	<b>Jan-Dec</b>	Jan-Dec
Engineering & Equipment	<b>3.2%</b>	6.9%	<b>5.3%</b>	9.9%
Flow Technology	<b>10.0%</b>	9.5%	<b>11.0%</b>	10.8%
Industrial Components	<b>6.2%</b>	8.0%	<b>6.2%</b>	10.7%
Special Products	<b>16.8%</b>	18.0%	<b>15.3%</b>	18.6%
	<b>9.3%</b>	10.6%	<b>9.5%</b>	12.1%

## INDUTRADE CONSOLIDATED BALANCE SHEET

## - CONDENSED

	<b>2009</b>	2008
<b>SEK million</b>	<b>31 Dec</b>	31 Dec
Goodwill	<b>514</b>	574
Other intangible assets	<b>555</b>	599
Property, plant and equipment	<b>563</b>	554
Financial assets	<b>48</b>	52
Inventories	<b>1,064</b>	1,207
Accounts receivable, trade	<b>901</b>	1,102
Other receivables	<b>125</b>	100
Cash and cash equivalents	<b>229</b>	223
<b>Total assets</b>	<b>3,999</b>	4,411
Equity	<b>1,644</b>	1,597
Long-term borrowings and pension liabilities	<b>794</b>	705
Other non-current liabilities	<b>224</b>	373
Short-term borrowings	<b>375</b>	490
Accounts payable, trade	<b>424</b>	584
Other current liabilities	<b>538</b>	662
<b>Total equity and liabilities</b>	<b>3,999</b>	4,411

## CHANGE IN GROUP EQUITY

## Attributable to equity holders of the parent company

	<b>2009</b>	2008
<b>SEK million</b>	<b>Jan-Dec</b>	Jan-Dec
<b>Opening equity</b>	<b>1,597</b>	1,189
Total comprehensive income for the period	<b>303</b>	618
Dividend	<b>-256<sup>1)</sup></b>	-210 <sup>1)</sup>
<b>Closing equity</b>	<b>1,644</b>	<b>1,597</b>

<sup>1)</sup> SEK 6.40 (5.25) per share.

## INDUTRADE CONSOLIDATED CASH FLOW STATEMENT

- CONDENSED

<b>SEK million</b>	<b>2009</b>	2008
	<b>Jan-Dec</b>	Jan-Dec
Cash flow from operating activities		
before change in working capital	<b>438</b>	619
Change in working capital	<b>120</b>	-129
<b>Cash flow from operating activities</b>	<b>558</b>	490
Net capital expenditures in non-current assets	<b>-90</b>	-130
Company acquisitions and divestments	<b>-188</b>	-276
Change in other financial assets	<b>0</b>	0
<b>Cash flow from investing activities</b>	<b>-278</b>	-406
Net borrowings	<b>-12</b>	131
Dividend paid out	<b>-256</b>	-210
<b>Cash flow from financing activities</b>	<b>-268</b>	-79
Cash flow for the period	<b>12</b>	5
Cash and cash equivalents at start of period	<b>223</b>	203
Exchange rate differences	<b>-6</b>	15
<b>Cash and cash equivalents at end of period</b>	<b>229</b>	223

## KEY DATA

	2009	2009	2009	2009	<b>2009</b>	2008
	Jan-March	April-June	July-Sep	Oct-Dec	<b>Jan-Dec</b>	Jan-Dec
Net sales, SEK million	1,731	1,589	1,426	1,525	<b>6,271</b>	6,778
Sales growth, %	13.5	-8.3	-15.7	-16.6	<b>-7.5</b>	19.5
EBITA, SEK million	161	142	149	142	<b>594</b>	820
EBITA margin, %	9.3	8.9	10.4	9.3	<b>9.5</b>	12.1
Operating capital, SEK million	2,814	2,791	2,612	2,584	<b>2,584</b>	2,569
Return on operating capital, % (12 months)	33.2	27.9	24.3	22.2	<b>22.2</b>	36.7
Interest-bearing net debt, SEK million	1,101	1,264	1,083	940	<b>940</b>	972
Net debt/equity ratio, %	64.3	82.8	70.8	57.2	<b>57.2</b>	60.9
Equity ratio, %	37.2	35.3	37.4	41.1	<b>41.1</b>	36.2
<b>Key ratios per share <sup>1)</sup></b>						
Earnings per share, SEK	2.38	1.90	2.10	2.15	<b>8.53</b>	12.75
Equity per share, SEK	42.83	38.18	38.23	41.10	<b>41.10</b>	39.93
Cash flow from operating activities per share, SEK	-0.93	3.93	4.75	6.20	<b>13.95</b>	12.25

1) Based on 40,000,000 shares which corresponds to the number of shares outstanding during all periods in the table. There is no dilutive effect.

## ACQUISITIONS

### Acquisitions 2009

During the year all of the shares were acquired in six companies; Ingenjörfirman Rossing & Jansson AB, Sweden, Flintec Brasil Ltda, Key Valves Technologies Ltd., Korea and Dominator Pump AB, Sweden. In addition two businesses were acquired; the automation products business from B Begner AB and the optic products business from Sefo Consulting AB.

### Flow Technology

Rossing & Jansson, with annual sales of approximately SEK 20 million, is a supplier of complete system solutions, standalone products and services in the areas of automation and control technology for energy production, industry and shipping. The company is consolidated in the Group as from 1 September 2009.

### Industrial Components

Dominator, with annual sales of approximately SEK 12 million manufacturers and distributes pneumatic diaphragm pumps in Scandinavia and is a market leader in this field in Sweden. Their customers are in the food, pharmaceutical, engineering and chemical industry. The company is consolidated in the Group as from 1 December 2009.

The automation products business revolving around components and sub-systems for automation of industrial manufacturing processes, with annual sales of approximately SEK 20 million, is consolidated in the Group as from 1 October 2009. The optic products business, with annual sales of approximately SEK 6 million, is consolidated in the Group as from October 2009. The business revolves around instruments, products and service for opticians, oculists and ophthalmic clinics.

### Special Products

Flintec Brasil Ltda, previously a dealer for Flintec's products in Brazil, was acquired in September. Its annual sales amount to approximately SEK 4 million.

Key Valves Technologies Ltd in South Korea is a leading player in R&D and manufacturing of high pressure valves. Its products are used to control pressure and flows in severe-duty environments in power generation and in the petrochemical industry. Annual sales amount to approximately SEK 150 million. The company is consolidated in the Group as from 1 November 2009.

### Acquired assets in Ingenjörfirman Rossing & Jansson AB, Flintec Brasil Ltda, Key Valves Technologies Ltd., Dominator Pump AB and the automation products and optic products businesses.

#### *Preliminary purchase price allocation*

SEK million

Purchase price, incl. earn-out payment	<b>78</b>
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	Book value	Fair value adjustment	Fair value
Acquired assets			
Goodwill	-	19	19
Agencies, trademarks, customer relations, licences, etc.	-	19	19
Property, plant and equipment	35	-	35
Financial assets	-	-	-
Inventories	36	-	36
Other current assets	22	-	22
Cash and cash equivalents	11	-	11
Deferred tax liability	-2	-2	-4
Interest-bearing loans and pension liabilities	-24	-	-24
Other operating liabilities	-36	-	-36
	<b>42</b>	<b>36</b>	<b>78</b>

Agencies, customer relations, licenses etc. will be amortised over a 10-year period.

**Cash flow impact**

Purchase price, incl. earn-out payment	78
Purchase price not paid out	-11
Cash and cash equivalents in acquired companies	-11
Earn-out payments pertaining to previous years' acquisitions	132
<b>Total cash flow impact</b>	<b>188</b>

**Effect of completed acquisitions 2009 and 2008**

SEK million Company	Business area	Net sales		EBITA	
		Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
KG Enterprise Oy	Engineering & Equipment	-	0	-	0
Ingenjörfirman Rossing & Jansson AB	Flow Technology	5	6	1	1
EssMed AB, Kabetex Kullager & Transmission AB, Brinch AS and Dominator Pump AB	Industrial Components	1	35	0	0
Douwes International BV, Flintec Group AB, Inkal Industrikalibreringar AB, Flintec Brasil Ltda and Key Valves Technologies Ltd.	Special Products	4	134	1	10
<b>Effect on Group</b>		<b>10</b>	<b>175</b>	<b>2</b>	<b>11</b>
Acquisitions carried out in 2008		1	162	0	9
Acquisitions carried out in 2009		9	13	2	2
<b>Effect on Group</b>		<b>10</b>	<b>175</b>	<b>2</b>	<b>11</b>

If the acquired units had been consolidated as from 1 January 2009, net sales for the year 2009 would have amounted to SEK 6,409 million and EBITA would have been SEK 610 million.

**Acquisitions after the end of the reporting period**

During January four businesses were acquired. Techno Skruv i Värnamo AB, Sweden, with annual sales of approximately SEK 70 million, has a strong market position in the area of customer specific fasteners and mechanical components. AxMediTec Sp. Z.o.o., Bialystok, Poland, with annual sales of approximately SEK 70 million, is specialised in sales of medical technology equipment used for healthcare applications in operating rooms, intensive care wards, emergency wards, and cardio and neonatal units. Techno Skruv and AxMediTec will be included in the Industrial Components business area as from 1 January 2010. Corona Control AB, Sweden, which will be included in the Flow Technology business area as from 1 January 2010, has annual sales of approximately SEK 50 million. The company is a total supplier of solutions for industrial valves. Metallcenter Sverige AB's construction plastics business, with annual sales of approximately SEK 6 million was acquired and will be included in the Special Products business area. The business involves the sale of semi-finished construction plastics to customers in the pharmaceutical, energy and engineering industries. Preliminary purchase price allocations will be presented in the Annual Report 2009.

## PARENT COMPANY INCOME STATEMENT

## - CONDENSED

SEK million	2009	2008	2009	2008
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	1	1	1	1
<b>Gross profit</b>	1	1	1	1
Administrative expenses	-7	-9	-34	-39
Other income and expenses	0	-1	-1	-2
<b>Operating profit</b>	-6	-9	-34	-40
Financial income/expenses	-6	-9	-28	-22
Profit from participation in Group companies	180 168	292 274	378 316	453
<b>Profit after financial items</b>	13	-14	13	391
Appropriations	-51	-74	-40	-14
Income Tax	130	186	289	-62
<b>Net profit for the period</b>				315
Depreciation of property, plant and equipment	-1	-1	-1	-1

## PARENT COMPANY BALANCE SHEET

## - CONDENSED

SEK million	2009	2008
	31 Dec	31 Dec
Intangible assets	2	1
Property, plant and equipment	2	2
Financial assets	1,332	1,514
Current receivables	655	615
Cash and cash equivalent	41	18
<b>Total assets</b>	2,032	2,150
Equity	881	848
Untaxed reserves	1	14
Non-current liabilities	420	495
Non-current provisions	83	199
Current provisions	68	87
Current interest-bearing liabilities	525	396
Current noninterest-bearing liabilities	54	111
<b>Total equity and liabilities</b>	2,032	2,150



## DEFINITIONS

<b>Earnings per share</b>	Net profit for the period divided by the average number of shares outstanding.
<b>EBITA</b>	Operating profit before amortisation of intangible assets.
<b>EBITA margin</b>	EBITA as a percentage of net sales for the period.
<b>Equity ratio</b>	Shareholders' equity as a percentage of total assets.
<b>Gross margin</b>	Gross profit divided by net sales.
<b>Intangible assets</b>	Goodwill, agencies, trademarks, customer lists, licences and leaseholds.
<b>Interest-bearing net debt</b>	Interest-bearing liabilities, incl. Pension liability less cash and cash equivalents.
<b>Net capital expenditures</b>	Purchases less sales of intangible assets, and of property, plant and equipment, excluding those included in acquisitions and divestments of subsidiaries and operations.
<b>Net debt/equity ratio</b>	Interest-bearing net debt divided by shareholders' equity.
<b>Operating capital</b>	Interest-bearing net debt and shareholders' equity.
<b>Property, plant and equipment</b>	Buildings, land, machinery and equipment.
<b>Return on operating capital</b>	EBITA as a percentage of average operating capital per quarter.

## Indutrade in brief

Indutrade markets and sells components, systems and services with high-tech content to industrial customers in selected niches. The Group creates value for its customers by structuring the value chain and increasing the efficiency of its customers' use of technological components and systems. For the Group's suppliers, value is created through the offering of an efficient sales organisation with high technical expertise and solidity developed customer relations.

Indutrade's business is distinguished by the following factors, among others:

- High-tech products for recurring needs
- Growth through a structured and tried-and-tested acquisition strategy
- A decentralised organisation characterised by an entrepreneurial spirit.

The Group is structured into four business areas:

Engineering & Equipment, Flow Technology, Industrial Components and Special Products.

The Group's financial targets are (per year across a business cycle) to grow 10%, reach an 8% EBITA margin and return on operating capital of 25%.

Indutrade is listed on Nasdaq OMX Stockholm.