

# INTERIM REPORT

## 1 JANUARY – 30 SEPTEMBER 2008



### 1 JANUARY – 30 SEPTEMBER 2008 (COMPARED WITH SAME PERIOD A YEAR AGO)

- Net sales rose 20% during the period, to SEK 4,949 million [4,124]. For comparable units the increase was 6%.
- Operating profit before amortisation of intangible assets (EBITA) rose 30% to SEK 627 million (481), and the EBITA margin was 12.7% [11.7%].
- Profit after tax rose 26% to SEK 391 million (310).
- Earnings per share were SEK 9.78 [7.75] for the period.
- The return on operating capital for the last 12 months was 37.3% [38.7%].

### THIRD QUARTER 2008 (COMPARED WITH SAME PERIOD A YEAR AGO)

- Net sales rose 23% during the third quarter, to SEK 1,691 million [1,371]. For comparable units the increase was 7%.
- Operating profit before amortisation of intangible assets (EBITA) rose 32% to SEK 220 million (167), and the EBITA margin was 13.0% [12.2%].
- Profit after tax rose 23% to SEK 132 million (107).
- Earnings per share were SEK 3.30 [2.67] for the quarter.

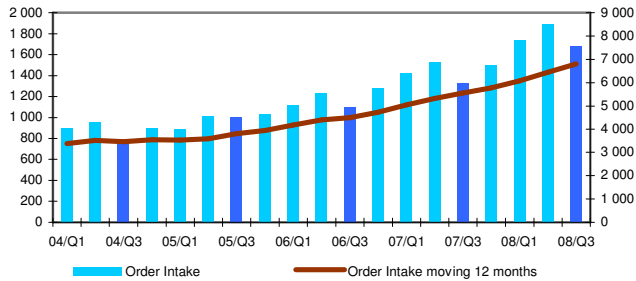
### FINANCIAL DEVELOPMENT

	2008	2007		2008	2007		2007/08	2007
SEK million	July-Sep	July-Sep	Change	Jan-Sep	Jan-Sep	Change	Moving 12 mos	Jan-Dec
Net Sales	<b>1,691</b>	1,371	23,3%	<b>4,949</b>	4,124	20.0%	6,498	5,673
EBITA *)	<b>220</b>	167	31,7%	<b>627</b>	481	30.4%	796	650
EBITA margin, %	<b>13.0</b>	12.2		<b>12,7</b>	11.7		12.2	11.5
Profit after financial items	<b>179</b>	148	20,9%	<b>537</b>	430	24.9%	685	578
Net profit	<b>132</b>	107	23,4%	<b>391</b>	310	26.1%	500	419
Earnings per share, SEK	<b>3.30</b>	2.67	23,4%	<b>9.78</b>	7.75	26.1%	12,50	10.48
Return on operating capital, % (12 months)	<b>37.3</b>	38.7		<b>37.3</b>	38.7		37.3	40.6

\*) Operating profit before amortization of intangible assets

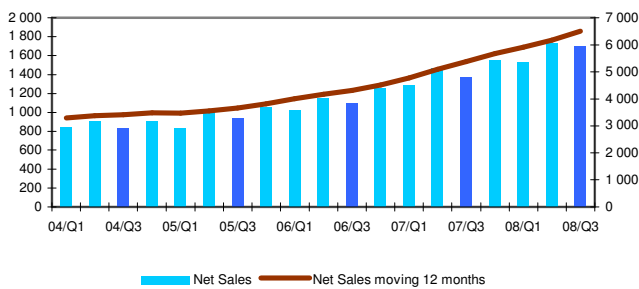
## ORDER INTAKE

SEK million



## NET SALES

SEK million



## SALES GROWTH



## Group performance

### ORDER INTAKE AND NET SALES

#### Order intake

Order intake during the period January–September amounted to SEK 5,306 million (4,273), an increase of 24%. For comparable units, order intake rose 10%, while acquired growth was 13%. Currency movements affected order intake favourably by 1%.

Order intake for the third quarter rose 26% to SEK 1,676 million (1,325). For comparable units, order intake rose 11%, while acquired growth was 14% and currency movements 1%.

#### Net sales

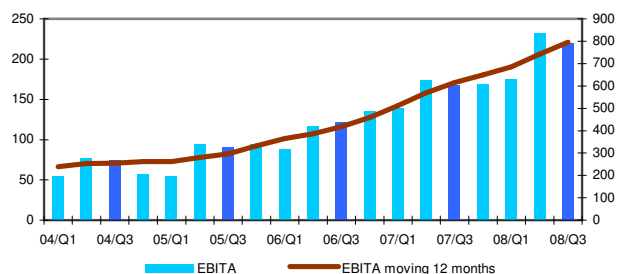
Net sales grew 20% during the first nine months of 2008, to SEK 4,949 million (4,124). For comparable units, net sales rose 6%, while acquired growth was 13%. The positive currency effect was 1%.

Net sales during the third quarter rose 23% to SEK 1,691 million (1,371). For comparable units, net sales rose 7%, while acquired growth was 15%. Currency movements increased net sales during the quarter by 1%.

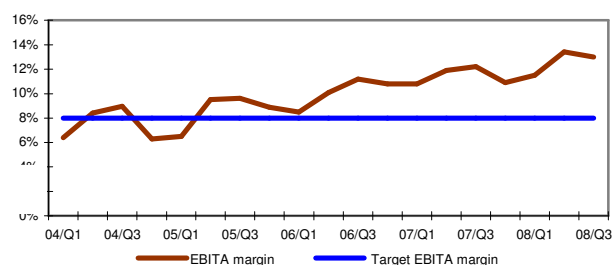
All business areas have shown favourable growth during the year to date. Special Products and Flow Technology were the business areas with the strongest growth, with an increase in net sales of 29% and 21%, respectively, mainly as an effect of acquired growth, but also as a result of stable organic growth.

## EBITA

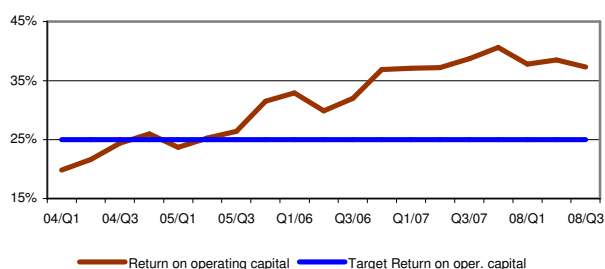
SEK million



## EBITA-MARGIN



## RETURN



## EARNINGS AND RETURN

### Earnings

The gross margin increased during the period January–September by 0.9 percentage point, to 33.4%. During the third quarter, the gross margin was 33.1%, an increase of 0.9 percentage point. The improved gross margin can be credited to a greater share of product sales with a higher gross margin.

Operating profit before amortisation of intangible assets (EBITA) was SEK 627 million [481] for the period January–September, an increase of 30%. The operating margin before amortisation of intangible assets (the EBITA margin) increased to 12.7% [11.7%]. The improved EBITA margin during the period can mainly be credited to strong volume development and an improved gross margin.

Net financial items for the period totalled SEK -46 million [-24]. Net financial items were affected in part by an increase in borrowings mainly as a result of completed acquisitions, and in part by the effect of market valuation of foreign exchange contracts. Tax on profit for the year is estimated at SEK -146 million [-120]. Profit after tax rose 26% to SEK 391 million [310]. Earnings per share were SEK 9.78 [7.75].

Operating profit before amortisation of intangible assets (EBITA) was SEK 220 million [167] for the third quarter, an increase of 32%, while the operating margin before amortisation of intangible assets (the EBITA margin) increased to 13.0% [12.2%].

Net financial items for the third quarter totalled SEK -25 million [-10]. Net financial items were affected in part by an increase in borrowings mainly as a result of completed acquisitions, and in part by the effect of market valuation of foreign exchange contracts. The tax expense was SEK -47 million [-41]. Profit after tax rose 23% to SEK 132 million [107]. Earnings per share for the third quarter were SEK 3.30 [2.67].

### Return

The return on operating capital for the last 12 months decreased to 37.3% [38.7%]. The lower return is mainly due to completed acquisitions, where only earnings accrued after the acquisition date are included, whereas the entire operating capital is included.

## 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 and transmission products.*

	2008	2007*	2007/08	2007*
SEK million	Jan-Sep	Jan-Sep	Moving 12 mos	Jan-Dec
Net sales	<b>1,425</b>	1,226	1,888	1,689
EBITA	<b>156</b>	136	196	176
EBITA-margin, %	<b>10.9%</b>	11.1%	10.4%	10.4%

\*Comparison figures for 2007 have been changed, since two businesses were transferred to the Industrial Components business area as from 1 January 2008.

Net sales rose 16% during the period January–September, to SEK 1,425 million (1,226). For comparable units, net sales rose 5%, while acquired growth was 9%. Currency movements had a positive effect of 2%. EBITA was SEK 156 million (136) for the first three quarters, corresponding to an EBITA margin of 10.9% (11.1%). The lower EBITA margin is mainly attributable to the fact that completed investments entailed higher overheads, which were gradually compensated for during the year by a stronger gross margin and the increase in net sales.

The company KG Enterprise was acquired during the period.

### Flow Technology

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

	2008	2007	2007/08	2007
SEK million	Jan-Sep	Jan-Sep	Moving 12 mos	Jan-Dec
Net sales	<b>1,258</b>	1,037	1,695	1,474
EBITA	<b>142</b>	102	185	145
EBITA-margin, %	<b>11.3%</b>	9.8%	10.9%	9.8%

Net sales amounted to SEK 1,258 million (1,037) for the period, an increase of 21%. For comparable units, net sales rose 7%, while acquired growth was 14%.

EBITA for the period totalled SEK 142 million (102), and the EBITA margin increased to 11.3% (9.8%). The increase in the EBITA margin is attributable in part to a shift in net sales towards products with better gross margins and in part to higher net sales.

### Industrial Components

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

	2008	2007*	2007/08	2007*
SEK million	Jan-Sep	Jan-Sep	Moving 12 mos	Jan-Dec
Net sales	<b>1,039</b>	895	1,363	1,219
EBITA	<b>121</b>	99	153	131
EBITA-margin, %	<b>11.6%</b>	11.1%	11.2%	10.7%

\*Comparison figures for 2007 have been changed, since two businesses were transferred to the Industrial Components business area as from 1 January 2008.

Net sales during the period January–September rose 16% to SEK 1,039 million (895). For comparable units, net sales rose 8%, while acquired growth was 7%. Currency movements contributed 1% of the increase in net sales for the period. EBITA for the period totalled SEK 121 million (99), corresponding to an EBITA margin of 11.6% (11.1%).

A changed product mix, with a subsequent improvement in the gross margin, contributed to the improved EBITA margin. The companies EssMed and Kabetex were acquired during the period.

## Special Products

*Special Products offers specially manufactured niche products, design solutions, aftermarket service and assembly, and special processing. The main product areas are valves, measuring technology, filters and process technology, and hydraulic couplings.*

<b>SEK million</b>	<b>2008</b>	2007	2007/08	2007
	<b>Jan-Sep</b>	Jan-Sep	Moving 12 mos	Jan-Dec
Net sales	<b>1,267</b>	985	1,604	1,322
EBITA	<b>239</b>	173	300	234
EBITA-margin, %	<b>18.9%</b>	17.6	18.7%	17.7%

Net sales rose 29% during the period, to SEK 1,267 million (985). For comparable units, net sales rose 7%, while acquired growth was 21%. Currency movements affected the increase in net sales by 1%. EBITA totalled SEK 239 million (173), and the EBITA margin was 18.9% (17.6%). The margin improvement is mainly attributable to a greater share of products with higher gross margins.

The companies Ammertech, Precision Products, Douwes International and Flintec Group were acquired during the period.



## Other financial information

### FINANCIAL POSITION

Shareholders' equity amounted to SEK 1,397 million (1,066), and the equity ratio was 32% (35%).

Cash and cash equivalents amounted to SEK 228 million (136). In addition, the company has SEK 575 million (173) in unutilised credit facilities. Interest-bearing net debt amounted to SEK 1,089 million (715).

The net debt/equity ratio was 78% (67) at the end of the period. The increases in net debt and in the debt/equity ratio are mainly attributable to completed acquisitions.

### CASH FLOW

Cash flow from operating activities was SEK 222 million (177). The positive change is attributable to the growth in gross profit. Cash flow after net capital expenditures in property, plant and equipment (excluding company acquisitions) was SEK 153 million (124).

### CAPITAL EXPENDITURES AND DEPRECIATION

The Group's net capital expenditures (excluding company acquisitions) totalled SEK 69 million (53).

Depreciation of property, plant and equipment totalled SEK 56 million (45). Capital expenditures in company acquisitions amounted to SEK 269 million (181).

### EMPLOYEES

The number of employees was 3,272 (2,019) at the end of the period, of whom approximately 1,115 were added through acquired companies.

### ACQUISITIONS

The Group has completed the following company acquisitions, which are being consolidated in 2008 for the first time.

Month acquired	Acquisition	Business area	Sales/SEK million*	No. of employees*
January	Ammertech BV	Special Products	60	25
	Precision Products Ltd	Special Products	70	56
February	Douwes International BV	Special Products	34	14
March	KG Enterprise Oy	Engineering&Equipment	8	2
	EssMed AB	Industrial Components	60	10
July	Flintec Group AB	Special Products	275	1,000
September	Kabetex Kullager &	Industrial Components	20	8
	Transmission AB			
			527	1 115

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

Further information on completed company acquisitions can be found on page 13 of this interim report.

### PARENT COMPANY

The main function of Indutrade AB is 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 0 million (0) during the first nine months of the year. The Parent Company's capital expenditures in financial assets, consisting of acquisitions of subsidiaries, amounted to SEK 531 million (62), and capital expenditures in property, plant and equipment totalled SEK 0 million (0). The number of employees on 30 September was 8 (8).

### RISKS AND UNCERTAINTIES

The Indutrade Group conducts business in 12 countries in northern Europe, the USA and Sri Lanka, through some 100 companies. This spread, together with a large customer base in various industries and a large number of suppliers, mitigates the business and financial risks. In addition to the risks and uncertainties that are described in Indutrade's 2007 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 2007 Annual Report.

#### RELATED-PARTY TRANSACTIONS

No transactions between Indutrade and related parties, which have significantly affected the Company's position and earnings, took place during the period.

#### NOMINATION COMMITTEE FOR ELECTION OF BOARD MEMBERS

At the Annual General Meeting on 24 April 2008, it was resolved that the company's nomination committee shall consist of representatives for four of the largest shareholders as well as the Chairman of the Board. The member representing the largest shareholder shall serve as committee chair. In the event a member resigns from the Nomination Committee prior to the completion of its work, and if the Nomination Committee finds it suitable, a replacement shall be appointed from the same shareholder or, if such shareholder is no longer one of the largest shareholders, from the shareholder that is next in turn in terms of size. The composition of the Nomination Committee ahead of the 2009 Annual General Meeting shall be based on shareholder information as per 31 August 2008, and shall be announced as soon as the members are appointed, but not later than six months prior to the Annual General Meeting. The Nomination Committee's mandate period continues until the composition of the subsequent Nomination Committee has been made public.

Accordingly, the following persons have been appointed as members of the Nomination Committee: Carl-Olof By (Industrivärden, committee chair), Claes Boustedt (L E Lundbergföretagen), Håkan Sandberg (Handelsbanken Pension Foundation and Handelsbanken Pension Fund), Lars Öhrstedt (AFA Insurance), and Bengt Kjell (Chairman of Indutrade).

Information on how to submit proposals to the Nomination Committee is provided on Indutrade's website, [www.indutrade.se](http://www.indutrade.se).

#### ACCOUNTING PRINCIPLES

Indutrade reports in accordance with International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34 and RFR 1.1. The Parent Company applies RFR 2.1. The same accounting principles and calculation methods are used in this report as those used in Indutrade's 2007 Annual Report and described under the section "Accounting principles and notes".

Indutrade has not begun applying any new IFRS recommendations in 2008. Nor has the new IFRIC 11 interpretation had any impact on Indutrade's earnings or financial position. IFRIC 12, 13 and 14 are expected to be approved by the EU in 2008, at which time they will be applied. However, IFRIC 12 and 13 are not relevant for Indutrade, and IFRIC 14 is not judged to have any impact on Indutrade's earnings or financial position upon application.

#### FINANCIAL CALENDAR

The year-end report for 2008 will be published on 13 February 2009.

The 2008 Annual Report will be published in early April 2009. 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 4 May 2009.

The interim report for the period 1 January–31 March 2009 will be published on 4 May 2009.

The interim report for the period 1 January–30 June 2009 will be published on 4 August 2009.

The interim report for the period 1 January–30 September 2009 will be published on 3 November 2009.

Stockholm, 3 November 2008

Indutrade AB (publ)

Johnny Alvarsson  
President and CEO

#### Further information

For further information, please contact:

Johnny Alvarsson, President and CEO, phone +46 8 703 03 00 or +46 70 589 17 95.

---

**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 a.m. on 3 November 2008.

---

This report will be presented in a conference call today at 2 p.m. and can be viewed on the Web at the following link:

<https://www.anywhereconference.com/?Conference=108161773&PIN=943239>.

Participants are welcome to call in on phone +44 207 108 62 05 UK Toll or +1 866 676 58 69 US Toll.

**AUDITORS' REVIEW REPORT**

We have reviewed this report for Indutrade AB (publ) for the period 1 January 2008 to 30 September 2008. The Board of Directors and President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish standard for such reviews, SÖG 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

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

Stockholm, 3 November 2008

Öhrlings PricewaterhouseCoopers AB

Lennart Danielsson  
Authorised Public Accountant  
Auditor in charge



## INDUTRADE CONSOLIDATED INCOME STATEMENT

- CONDENSED

	2008	2007	2008	2007	2007/08	2007
SEK million	July-Sep	July-Sep	Jan-Sep	Jan-Sep	roll 12 months	Jan-Dec
Net Sales	1,691	1,371	4,949	4,124	6,498	5,673
Cost of goods sold	-1,132	-930	-3,294	-2,785	-4,335	-3,826
<b>Gross profit</b>	<b>559</b>	441	<b>1,655</b>	1,339	2,163	1,847
Development costs	-10	-4	-20	-14	-26	-20
Selling costs	-273	-224	-845	-690	-1,127	-972
Administrative expenses	-72	-56	-213	-181	-282	-250
Other operating income and expenses	0	1	6	0	10	4
<b>Operating profit</b>	<b>204</b>	158	<b>583</b>	454	738	609
Net financial items	-25	-10	-46	-24	-53	-31
<b>Profit after financial items</b>	<b>179</b>	148	<b>537</b>	430	685	578
Income Tax	-47	-41	-146	-120	-185	-159
<b>Net profit for the period attributable to equity holders of the parent company</b>	<b>132</b>	107	<b>391</b>	310	500	419

*Operating profit includes:*

Amortisation of intangible assets	-16	-9	-44	-27	-58	-41
Depreciation of property, plant and equipment	-20	-16	-56	-45	-74	-63

Operating profit before amortisation/impairment of intangible assets (EBITA)	220	167	627	481	796	650
--	-----	-----	-----	-----	-----	-----

Earnings per share for the period <sup>1)</sup>	3.30	2.67	9.78	7.75	12.50	10.48
---	------	------	------	------	-------	-------

1) Earnings for the period divided by 40,000,000 shares. There is no dilutive effect.

**Income and expenses reported directly against equity**

Actuarial gains/losses	-	7	-	7	-1	6
Exchange rate differences on foreign operations	41	-2	27	9	42	24
Tax on items reported directly against equity	-	-2	-	-2	-	-2
<b>Total income and expenses reported directly against equity</b>	<b>41</b>	3	<b>27</b>	14	41	28
Profit for the period	132	107	391	310	500	419
<b>Total reported income and expenses for the period</b>	<b>173</b>	110	<b>418</b>	324	541	447

## BUSINESS AREA PERFORMANCE

	<b>2008</b>	2007*	<b>2008</b>	2007*	2007/08	2007*
<b>Net sales, SEK million</b>	<b>July-Sep</b>	July-Sep	<b>Jan-Sep</b>	Jan-Sep	Moving 12 mos	Jan-Dec
Engineering & Equipment	<b>470</b>	426	<b>1,425</b>	1,226	1,888	1,689
Flow Technology	<b>434</b>	347	<b>1,258</b>	1,037	1,695	1,474
Industrial Components	<b>331</b>	286	<b>1,039</b>	895	1,363	1,219
Special Products	<b>467</b>	317	<b>1,267</b>	985	1,604	1,322
Parent company and Group items	<b>-11</b>	-5	<b>-40</b>	-19	-52	-31
	<b>1,691</b>	1,371	<b>4,949</b>	4,124	6,498	5,673

	<b>2008</b>	2007*	<b>2008</b>	2007*	2007/08	2007*
<b>EBITA, SEK million</b>	<b>July-Sep</b>	July-Sep	<b>Jan-Sep</b>	Jan-Sep	Moving 12 mos	Jan-Dec
Engineering & Equipment	<b>59</b>	50	<b>156</b>	136	196	176
Flow Technology	<b>49</b>	36	<b>142</b>	102	185	145
Industrial Components	<b>38</b>	31	<b>121</b>	99	153	131
Special Products	<b>84</b>	58	<b>239</b>	173	300	234
Parent company and Group items	<b>-10</b>	-8	<b>-31</b>	-29	-38	-36
	<b>220</b>	167	<b>627</b>	481	796	650

	<b>2008</b>	2007*	<b>2008</b>	2007*	2007/08	2007*
<b>EBITA margin, %</b>	<b>July-Sep</b>	July-Sep	<b>Jan-Sep</b>	Jan-Sep	Moving 12 mos	Jan-Dec
Engineering & Equipment	<b>12.6%</b>	11.7%	<b>10.9%</b>	11.1%	10.4%	10.4%
Flow Technology	<b>11.3%</b>	10.4%	<b>11.3%</b>	9.8%	10.9%	9.8%
Industrial Components	<b>11.5%</b>	10.8%	<b>11.6%</b>	11.1%	11.2%	10.7%
Special Products	<b>18.0%</b>	18.3%	<b>18.9%</b>	17.6%	18.7%	17.7%
	<b>13.0%</b>	12.2%	<b>12.7%</b>	11.7%	12.2%	11.5%

\*Comparison figures for Engineering & Equipment and Industrial Components have been changed. Two businesses which earlier were accounted for in Engineering & Equipment are part of Industrial Components as from 1 January 2008.

## INDUTRADE CONSOLIDATED BALANCE SHEET

## - CONDENSED

<b>SEK million</b>	<b>2008</b>	2007	2007
	<b>30 Sep</b>	30 Sep	31 Dec
Goodwill	<b>578</b>	317	378
Other intangible assets	<b>581</b>	314	364
Property, plant and equipment	<b>514</b>	369	388
Financial assets	<b>48</b>	32	43
Inventories	<b>1,101</b>	894	936
Accounts receivable, trade	<b>1,121</b>	832	859
Other receivables	<b>188</b>	135	100
Cash and cash equivalents	<b>228</b>	136	203
<b>Total assets</b>	<b>4,359</b>	3,029	3,271
Equity	<b>1,397</b>	1,066	1,189
Long-term borrowings and pension liabilities	<b>692</b>	445	470
Other non-current liabilities	<b>396</b>	170	198
Short-term borrowings	<b>625</b>	406	383
Accounts payable, trade	<b>504</b>	423	470
Other current liabilities	<b>745</b>	519	561
<b>Total equity and liabilities</b>	<b>4,359</b>	3,029	3,271

## CHANGE IN GROUP EQUITY

<b>SEK million</b>	<b>2008</b>	2007	2007
	<b>Jan-Sep</b>	Jan-Sep	Jan-Dec
<b>Opening equity</b>	<b>1,189</b>	<b>892</b>	<b>892</b>
Translation effects	<b>27</b>	9	24
Actuarial pension effects	-	7	6
Tax effect on actuarial pension effects	-	-2	-2
Net profit for the period	<b>391</b>	310	419
Dividend	<b>-210<sup>1)</sup></b>	-150 <sup>1)</sup>	-150 <sup>1)</sup>
<b>Closing equity</b>	<b>1,397</b>	<b>1,066</b>	<b>1,189</b>

<sup>1)</sup> SEK 5.25 (3.75) per share

## INDUTRADE CONSOLIDATED CASH FLOW STATEMENT

- CONDENSED

SEK million	2008	2007	2007/08	2007
	Jan-Sep	Jan-Sep	Moving 12 mos	Jan-Dec
Cash flow from operating activities				
before change in working capital	427	385	568	526
Change in working capital	-205	-208	-124	-127
<b>Cash flow from operating activities</b>	<b>222</b>	<b>177</b>	<b>444</b>	<b>399</b>
Net capital expenditures in non-current assets	-69	-53	-83	-67
Company acquisitions and divestments	-269	-181	-395	-307
Change in other financial assets	1	1	1	1
<b>Cash flow from investing activities</b>	<b>-337</b>	<b>-233</b>	<b>-477</b>	<b>-373</b>
Net borrowings	347	221	329	203
Dividend paid out	-210	-150	-210	-150
<b>Cash flow from financing activities</b>	<b>137</b>	<b>71</b>	<b>119</b>	<b>53</b>
Cash flow for the period	22	15	86	79
Cash and cash equivalents at start of period	203	119	136	119
Exchange rate differences	3	2	6	5
<b>Cash and cash equivalents at end of period</b>	<b>228</b>	<b>136</b>	<b>228</b>	<b>203</b>

## KEY DATA

	2008	2008	2008	2008	2007	2007/08	2007
	Jan-Sep	Jan-March	April-June	Jul-Sep	Jan-Sep	Moving 12 mos	Jan-Dec
Net sales, SEK million	4,949	1,525	1,733	1,691	4,124	6,498	5,673
Sales growth, %	20.0	18.6	18.1	23.3	26.4	20.8	25.6
EBITA, SEK million	627	175	223	220	481	796	650
EBITA margin, %	12.7	11.5	13.4	13.0	11.7	12.2	11.5
Operating capital, SEK million	2,486	2,090	2,182	2,486	1,781	2,486	1,839
Return on operating capital, % (12 months)	37.3	37.8	38.5	37.3	38.7	37.3	40.6
Interest-bearing net debt, SEK million	1,089	812	958	1,089	715	1,089	650
Net debt/equity ratio, %	78.0	63.5	78.3	78.0	67.1	78.0	54.7
Equity ratio, %	32.0	36.4	33.7	32.0	35.2	32.0	36.3
<b>Key ratios per share <sup>1)</sup></b>							
Earnings per share, SEK	9.78	2.73	3.75	3.30	7.75	12.50	10.48
Equity per share, SEK	34.93	31.95	30.60	34.93	26.65	34.93	29.73
Cash flow from operating activities per share, SEK	5.55	-0.28	2.58	3.25	4.43	11.10	9.98

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 January–September 2008

All of the shares were acquired in Ammertech BV and Douwes International BV (the Netherlands), in Precision Products Ltd (UK), in KG Enterprise Oy (Finland), and in EssMed AB, Flintec Group AB and Kabetex Kullager & Transmission AB (Sweden).

### Engineering & Equipment

KG Enterprise, with annual sales of approximately SEK 8 million, is a supplier of raw material and semi-finished products to the composite industry. The company is consolidated in the Group as from 1 March 2008.

### Industrial Components

EssMed markets ophthalmology products and technical service in Sweden and Finland. The company has annual sales of approximately SEK 60 million and is consolidated in the Group as from 1 March 2008. Kabetex specialises in customised transmission solutions, with annual sales of approximately SEK 20 million. The company is consolidated in the Group as from 1 September 2008.

### Special Products

Ammertech is a leading technology sales company in the Benelux market in the area of bearings and transmissions, with annual sales of approximately SEK 60 million. Douwes International is a technology sales company with products and specialist know-how in fasteners and assembly tools, with annual sales of approximately SEK 34 million. Precision Products is a well-established manufacturer of piston rings and a supplier to the international marine diesel engine industry as well as of products for other industrial applications in 48 countries. Annual sales amount to approximately SEK 70 million.

The Flintec Group has annual sales of approximately SEK 275 million and roughly 1,000 employees, of whom most (approx. 800) work at Flintec's two manufacturing units in Sri Lanka. In addition, the company has sales and design companies in the USA and the UK, and sales companies in Sweden and Germany. Flintec manufactures and markets measuring technology products.

Ammertech and Precision Products are consolidated in the Group as from 1 January 2008, Douwes as from 1 February 2008, and the Flintec Group as from 1 July 2008.

### Acquired assets in Ammertech BV, Douwes International BV, Precision Products Ltd., KG Enterprise Oy, EssMed AB, Flintec Group AB and Kabetex Kullager & Transmission AB.

#### *Preliminary purchase price allocation*

SEK million

Purchase price, incl. earn-out payment	<b>569</b>
--	------------

Acquired assets	Book value	Fair value adjustment	Fair value
Goodwill	-	183	183
Agencies, trademarks, customer relations, licences, etc.	16	250	266
Property, plant and equipment	106	-	106
Financial assets	8	-	8
Inventories	98	-	98
Other current assets	108	-	108
Cash and cash equivalents	22	-	22
Deferred tax liability	-4	-36	-40
Interest-bearing loans	-103	-	-103
Other operating liabilities	-79	-	-79
	<b>172</b>	<b>397</b>	<b>569</b>

Agencies, customer relations, licences etc. will be amortised over a 10-year period. The acquisition of the Flintec Group accounts for 70 percent of goodwill and other intangible assets.

### Cash flow impact

Purchase price, incl. earn-out payment	569
Purchase price not paid out	-288
Cash and cash equipment in acquired companies	-22
Earn-out payments pertaining to previous years' acquisitions	10
<b>Total cash flow impact</b>	<b>269</b>

### Effect of completed acquisitions 2008 and 2007

SEK million Company	Business area	Net sales		EBITA	
		July-Sep	Jan-Sep	July-Sep	Jan-Sep
Labkotec Oy, Elra AS, Recair Oy and KG Enterprise Oy	Engineering & Equipment	35	113	11	23
Axelvalves AB, SAV-Danmark Trading A/S, Sigurd Sørum AS, MWS Ventil Service AB, Palmstierna Svenska AB and International Plastic System Ltd.	Flow Technology	40	149	8	29
AluFlex System AB, EssMed AB and Kabetex Kullager & Transmission AB	Industrial Components	17	65	2	8
Carrab Industri AB, Ammertech BV, Douwes International BV, Precision Products Ltd. and Flintec Group AB	Special Products	112	208	17	31
<b>Effect on Group</b>		<b>204</b>	<b>535</b>	<b>38</b>	<b>91</b>
Acquisitions carried out in 2007		73	295	18	55
Acquisitions carried out in 2008		131	240	20	36
<b>Effect on Group</b>		<b>204</b>	<b>535</b>	<b>38</b>	<b>91</b>

If the acquired units had been consolidated as from 1 January 2008, net sales for the period January–September would have amounted to SEK 5,112 million, and EBITA for the first nine months would have been SEK 649 million.

## PARENT COMPANY INCOME STATEMENT

## - CONDENSED

SEK million	2008 July-Sep	2007 July-Sep	2008 Jan-Sep	2007 Jan-Sep	2007/08 Moving 12 mos	2007 Jan-Dec
Net sales	0	0	0	0	1	1
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
Administrative expenses	-9	-8	-30	-29	-40	-39
Other income and expenses	0	-1	-1	-1	1	1
<b>Operating profit</b>	<b>-9</b>	<b>-9</b>	<b>-31</b>	<b>-30</b>	<b>-38</b>	<b>-37</b>
Financial income/expenses	-9	-1	-13	-2	-14	-3
Profit from participation in Group companies	0	-	161	149	439	427
<b>Profit after financial items</b>	<b>-18</b>	<b>-10</b>	<b>117</b>	<b>117</b>	<b>387</b>	<b>387</b>
Income Tax	5	3	12	9	-66	-69
<b>Net profit for the period</b>	<b>-13</b>	<b>-7</b>	<b>129</b>	<b>126</b>	<b>321</b>	<b>318</b>
Depreciation of property, plant and equipment	0	0	0	0	-1	-1

## PARENT COMPANY BALANCE SHEET

## - CONDENSED

SEK million	2008 30-sep	2007 30-sep	2007 31 Dec
Property, plant and equipment	2	2	2
Financial assets	1,484	835	950
Current receivables	464	384	567
Cash and cash equivalent	56	30	9
<b>Total assets</b>	<b>2,006</b>	<b>1,251</b>	<b>1,528</b>
Equity	663	551	743
Non-current liabilities	489	277	296
Non-current provisions	218	21	34
Current provisions	96	4	4
Current interest-bearing liabilities	530	386	378
Current noninterest-bearing liabilities	10	12	73
<b>Total equity and liabilities</b>	<b>2,006</b>	<b>1,251</b>	<b>1,528</b>

## DEFINITIONER

<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.

## Indutrade in brief

Indutrade markets and sells components, systems and services with a 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 solidly 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 to grow 10%, reach an 8% EBITA margin and return on operating capital of 25% across a business cycle.

Indutrade is listed on the OMX Nordic Exchange Stockholm.