

Year-end report

1 Jan – 31 Dec 2011

1 JANUARY – 31 DECEMBER 2011

- Net sales for the year rose 19% to SEK 7,994 million (6,745). The increase for comparable units was 10%.
- Operating profit before amortisation of intangible non-current assets (EBITA) attributable to acquisitions rose 30% to SEK 917 million (703), and the EBITA margin was 11.5% (10.4%).
- Profit after tax rose 33% to SEK 540 million (405).
- Earnings per share were SEK 13.50 (10.18).
- Cash flow from operating activities was SEK 709 (656) million, per share SEK 17.73 (16.40).
- The Board of Directors proposes a dividend of SEK 6.75 per share (5.10).

FOURTH QUARTER 2011

- Net sales rose 22% during the fourth quarter to SEK 2,158 million (1,764). The increase for comparable units was 12%.
- Operating profit before amortisation of intangible non-current assets (EBITA) attributable to acquisitions rose 54% to SEK 251 million (163), and the EBITA margin was 11.6% (9.2%).
- Profit after tax rose 78% to SEK 155 million (87).
- Earnings per share for the quarter were SEK 3.88 (2.20).

FINANCIAL DEVELOPMENT

SEK million	2011	2010	Change	2011	2010	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net Sales	2,158	1,764	22%	7,994	6,745	19%
EBITA	251	163	54%	917	703	30%
EBITA margin, %	11.6	9.2		11.5	10.4	
Profit after financial items	207	124	67%	729	553	32%
Net profit	155	87	78%	540	405	33%
Earnings per share, SEK ¹⁾	3.88	2.20	76%	13.50	10.18	33%
Return on operating capital, %	26	23		26	23	

¹⁾Attributable to equity holders of the parent company.

CEO's message

In my comments on the preceding quarterly report I wrote that thus far we had not felt any impact from the general turbulence in the financial markets. In essence I can offer the same comment after the last quarter of 2011 as well. A few of our companies have noted lower order intake from a few customers, but at the same time we are seeing higher demand from other customers. However, the delivery delays from our customers are fewer now than earlier in the year, which indicates a better balance between demand and capacity.



Fourth quarter

During the fourth quarter, the Group's invoicing exceeded SEK 2 billion for the third quarter in a row. Order intake for the quarter also exceeded SEK 2 billion. This means that we had order intake in excess of SEK 2 billion during all four quarters of 2011.

The trend from the preceding quarters is holding, with weaker development for heavy vehicles, but otherwise with organic growth of order intake measuring 12% for the quarter and total growth of 22%.

The energy segment continues to grow, and during the quarter one of the Group's companies won an order worth EUR 18 million for a project in the Middle East. This is the largest order ever awarded to an individual Indutrade company.

The prospect list of new energy projects remains abundant, and there are no signs of financing problems for new power plants. One explanation for this is perhaps that the customers are mainly outside Europe.

Margin

Indutrade's gross margin has been stable through the quarters and years. The minor differences that exist from quarter to quarter are mainly attributable to changes in the product mix in companies and various companies' shares of consolidated sales. Due to the proximity to the business that each of the company presidents has in our decentralised group, we can swiftly parry changes in currency movements and material prices, and thereby safeguard the gross margin. In the increasingly turbulent world that we now work in, this is a valuable capability for maintaining favourable earnings over time.

The EBITA margin increased to 11.6% (9.2%) and is the highest EBITA margin ever recorded for the fourth quarter, which can be credited to a favourable market and strong invoicing. All of our business areas posted strong EBITA margins compared with a year ago. In absolute numbers, this also translated to strong growth in earnings.

2011 was a record-breaking year for the Group in many respects. We reached our highest-ever level of sales, order intake, EBITA and earnings per share. All of the Group's long-term targets were achieved by a wide margin in 2011.

Acquisitions

Indutrade carried out two acquisitions during the quarter, one in medical technology and one in flow technology. For the year in total, we acquired companies with combined annual sales of just under SEK 700 million. Acquired growth was 12%. Acquisition activities are continuing, and thus far into 2012, two acquisitions have already been carried out.

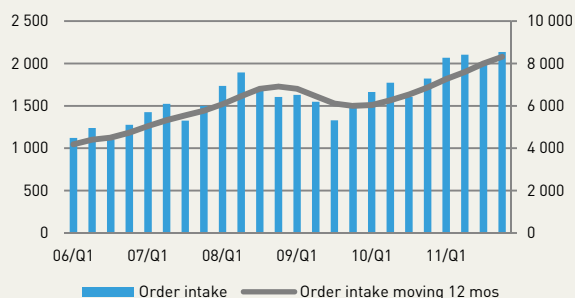
Outlook

As always, the future is uncertain. Many market watchers are expressing concerns about the future, as they did during most of 2011. Still, these fears did not materialise in reality. As the start of 2012 is continuing along the same track as the last quarter of 2011, I am hopeful for favourable performance in 2012. In the meantime, like our customers, we are monitoring developments closely and are prepared to take action if necessary.

Johnny Alvarsson, President and CEO

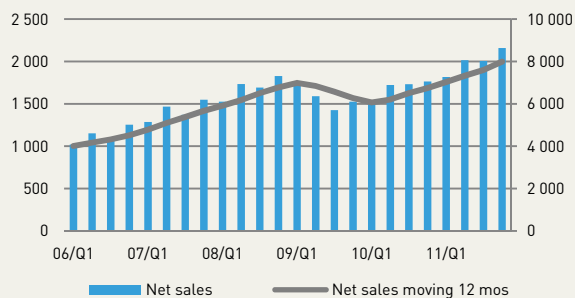
ORDER INTAKE

SEK million

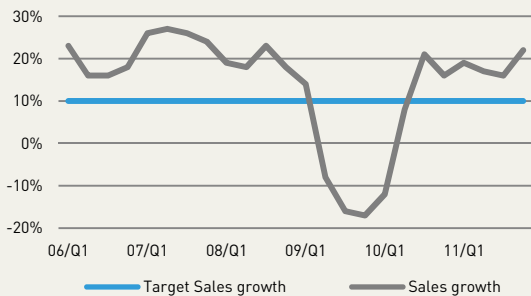


NET SALES

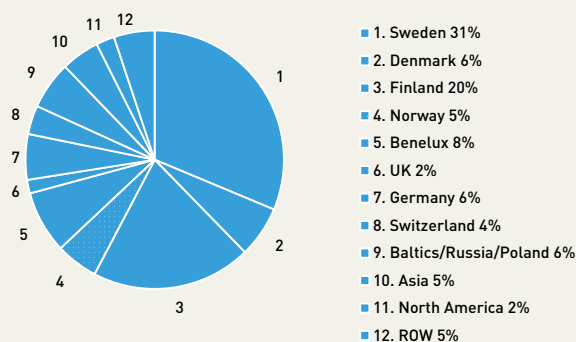
SEK million



SALES GROWTH



NET SALES PER MARKET (%)



Group performance

ORDER INTAKE AND NET SALES

Order intake

Order intake during the year amounted to SEK 8,315 million (6,863), an increase of 21%. For comparable units, order intake rose 12%, while acquired growth was 13%. Currency movements affected order intake negatively by 4%, or SEK -257 million.

Order intake during the fourth quarter amounted to SEK 2,137 million (1,823), an increase of 17%. For comparable units, order intake rose 9%, while acquired growth was 10%. Currency movements affected order intake negatively by 2%, or SEK -35 million.

The business climate for the Group remained favourable also during the final quarter of the year. Order intake and net sales both reached record highs for an individual quarter. All business areas except for Industrial Components experienced an increase in order intake during the quarter for comparable units. The positive trend that was noted already during the second quarter of the year, with rising demand for products in the international energy sector, strengthened further during the fourth quarter. In other respects, the close of the year was in line with earlier performance, as the improvement was broad-based and covered most of the business areas and geographic markets in which the Group is active.

Net sales

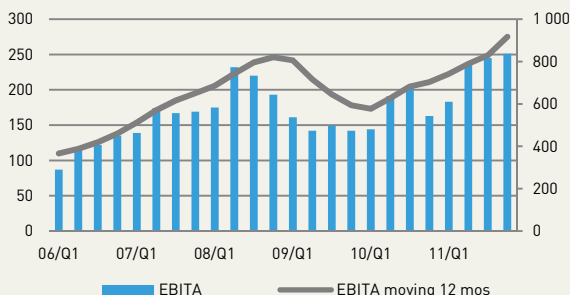
Net sales for the year totalled SEK 7,994 million (6,745), an increase of 19%. For comparable units the increase was 10%, while acquired growth was 12%. The negative currency effect was 3%, corresponding to an impact on sales of SEK -248 million.

During the fourth quarter, net sales rose 22% to SEK 2,158 million (1,764). The increase for comparable units was 12%, while acquired growth was 12%. Currency movements had a negative effect on net sales by 2%, or SEK -32 million.

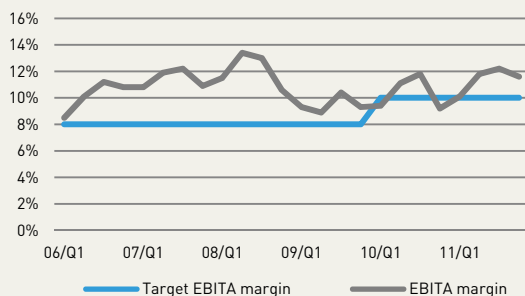
The strong business climate is reflected in net sales for the Group's business areas, which reported increases for comparable units ranging from 6% to 23% for the fourth quarter. For the year as a whole, all business areas reported organic growth of 5%–18%.

EBITA

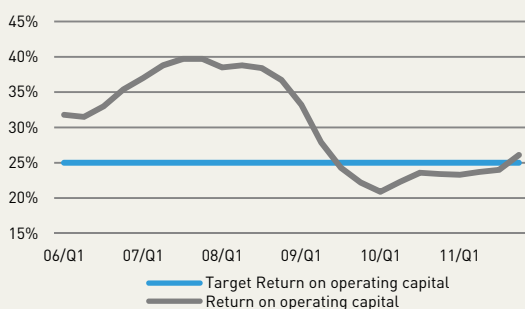
SEK million



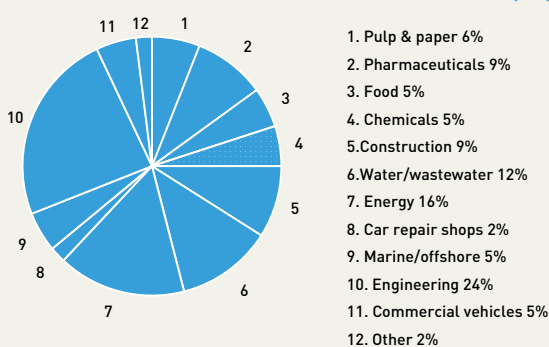
EBITA MARGIN



RETURN



NET SALES PER CUSTOMER SEGMENT (%)



Earnings and return

EARNINGS

Operating profit before amortisation of intangible assets (EBITA) amounted to SEK 917 million (703) for the year, an increase of 30%. The operating margin before amortisation of intangible assets (the EBITA margin) was 11.5% (10.4%).

The gross margin was 34.1% (33.6%). The larger margin is attributable to the fact that parts of the Group's Swedish operations were able to benefit from the effects of the stronger Swedish krona, mainly in the beginning of the year. Active work on margin-enhancing measures and a stronger focus within certain businesses also contributed to better margins. The higher business volume also entailed a decrease in the share of fixed product costs – mainly in the Group's manufacturing companies – which also benefited the gross margin.

Net financial items amounted to SEK -93 million (-61), of which net interest expense was SEK -87 million (-60). The increase in net interest expense is attributable to the Group's higher level of net debt and higher interest rates. Tax on profit for the year was SEK -189 million (-148), corresponding to a tax charge of 25.9% (26.8%). Profit after tax rose 33% to SEK 540 million (405). Earnings per share increased to SEK 13.50 (10.18).

For the fourth quarter, operating profit before amortisation of intangible assets (EBITA) amounted to SEK 251 million (163), an increase of 54%. The operating margin before amortisation of intangible assets (the EBITA margin) was 11.6% (9.2%).

Net financial items for the fourth quarter amounted to SEK -19 million (-18), of which net interest expense was SEK -20 million (-17). Tax on profit for the period totalled SEK -52 million (-37). Profit after tax rose 78% to SEK 155 million (87). Earnings per share were SEK 3.88 (2.20).

Favourable growth for comparable units combined with limited cost increases, a higher gross margin for the year as a whole and good performance for acquired units contributed to the earnings improvement and improved EBITA margin.

All business areas showed higher earnings for the fourth quarter as well as for the year as a whole. Both acquired and comparable companies made a positive contribution to the earnings improvement, while currency effects from translation of foreign units decreased earnings by SEK 32 million for the year and by SEK 7 million for the fourth quarter.

RETURN

The return on operating capital amounted to 26% (23%), and the return on equity was 29% (24%).

Business areas

ENGINEERING & EQUIPMENT

Engineering & Equipment's operations involve sales of components sales as well as customisation, combinations and installations of products from various suppliers. Compared with the other business areas, sales consist to a slightly higher degree of investment goods.

SEK million	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales	438	380	1,627	1,409
EBITA	36	24	128	100
EBITA margin, %	8.2%	6.3%	7.9%	7.1%

Net sales for the year rose 15%, to SEK 1,627 million (1,409). The increase for comparable units was 18%. Acquisitions contributed 3%, while currency movements had a negative effect on net sales, by 6%. During the fourth quarter, net sales rose 16% for comparable units, with 2% from acquisitions and currency movements affecting sales by -3%.

Demand in the Finnish market, where the business area conducts most of its business, remained favourable also during the final quarter of the year. This favourable trend covered most segments of importance for the business area, including the export-oriented engineering industry, the mining industry, domestic and international pulp and paper projects, construction and maintenance, and infrastructure investments such as water and sewage. During the year certain investments were carried out, for example within water and sewage, which led to stronger market positions in these areas. In the Baltic region, which accounts for just under 10% of the business area's sales, activities were focused on the segments with the highest profitability potential.

EBITA for the period rose 28% to SEK 128 million (100), corresponding to an EBITA margin of 7.9% (7.1%). The investments carried out to strengthen the business area's position in interesting and profitable product areas tempered the earnings contribution of the increase in net sales.

In early January the company Dantherm Filtration Oy was acquired, with annual sales of SEK 30 million, and in August a business with annual sales of SEK 17 million was acquired from Enervent Oy.

FLOW TECHNOLOGY

Flow Technology offers components and systems for controlling, measuring, monitoring and regulating flows. The business area includes companies that specialise in various areas of industrial flow technology.

SEK million	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales	541	439	2,017	1,743
EBITA	57	29	229	155
EBITA margin, %	10.5%	6.6%	11.4%	8.9%

Net sales for the year totalled SEK 2,017 million (1,743), an increase of 16%. The increase for comparable units was 11%, while acquired growth was 8%. Currency movements had a negative effect on net sales, by 3%. During the fourth quarter, net sales rose 23% for comparable units, with 3% from acquisitions and currency movements affecting net sales by -3%.

Demand continued to develop well during the fourth quarter, albeit at a slightly lower rate of increase than during earlier quarters of the year. Most of the business area's customer segments benefited from the strong business climate, including energy and water/sewage, while activity in the pulp and paper segment increased from a weaker market situation in the preceding year. Demand from the marine sector during the year as a whole was stable.

EBITA for the period rose 48% to SEK 229 million (155), and the EBITA margin reached 11.4% (8.9%). The increase in net sales for the year was achieved with limited resource strengthening. Similarly, earnings and the margin were affected by a slight strengthening of the gross margin attributable to the stronger Swedish krona and active work on margin-enhancing measures. Completed acquisitions developed favourably and contributed to the earnings increase.

In June the company Torell Pump AB was acquired, with annual sales of SEK 40 million, and in October the company AG Johansons Metallfabrik AB was acquired, with annual sales of approximately SEK 12 million.

INDUSTRIAL COMPONENTS

Industrial Components offers a wide range of technically advanced components and systems for production and maintenance, and medical technology equipment. The products consist mainly of consumables. The companies in the business area typically work in close co-operation with customers' development, production and maintenance departments. Major emphasis is put on identifying and understanding customers' production processes and needs.

SEK million	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales	427	398	1,580	1,455
EBITA	47	35	183	140
EBITA margin, %	11.0%	8.8%	11.6%	9.6%

Net sales for the year rose 9%, to SEK 1,580 million (1,455). The increase for comparable units was 10%. Acquisitions contributed 1%, while currency movements had a negative effect of 2%. During the fourth quarter, net sales rose 6% for comparable units, with 2% from acquisitions and currency movements -1%.

Demand for products for the general engineering industry, the mining and steel industries, and commercial vehicles on the whole was at high, stable level during the fourth quarter. Some softness was noted in demand for certain components in those sectors, at the same time that demand for capital goods remained strong. The market situation for businesses focused on medical technology was stable and benefited during the year from new product launches.

EBITA for the period rose 31% to SEK 183 million (140), corresponding to an EBITA margin of 11.6% (9.6%). The EBITA margin was favourably affected by the increase in net sales, which was achieved with a limited increase in costs. Some positive impact from the stronger Swedish krona was noted during the year.

In October the company AD MediCal AB was acquired, with annual sales of approximately SEK 30 million.

SPECIAL PRODUCTS

Special Products offers specially manufactured niche products, design solutions, aftermarket service and assembly, and special processing. The business area includes companies that conduct a considerable amount of own manufacturing. It is also the Indutrade business area with the highest share of proprietary products.

SEK million	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales	767	554	2,806	2,164
EBITA	118	78	421	342
EBITA margin, %	15.4%	14.1%	15.0%	15.8%

Net sales for the year rose 30% to SEK 2,806 million (2,164), of which sales for comparable units rose 5%. Acquired growth for the year was 28%, while currency movements reduced net sales by 3%. During the fourth quarter, net sales rose 8% for comparable units, with 31% from acquisitions and currency movements affecting sales by -1%.

During the fourth quarter the business area experienced a strong market situation in the international energy market, where demand exceeded deliveries during the quarter as well as for the year as a whole. Demand in other business segments was stable overall during the final quarter of the year. Certain differences were noted geographically, with Benelux softening somewhat compared with the earlier trend at mid-year, while demand in Germany, Sweden and Switzerland remained favourable.

EBITA rose 23% to SEK 421 million (342), and the EBITA margin was 15.0% (15.8%). Apart from the contribution from acquisitions, the earnings improvement is attributable to the increase in net sales for comparable units that was generated with limited increases in resources. The lower EBITA margin for the full year is mainly attributable to the fact that newly acquired units on the whole had lower margins than the business area's previous, average level.

During the year Indutrade acquired the Abima Group, with companies in Switzerland, Austria and Germany; Mijnsbergen b.v. and ATB Automation n.v.-s.a., with operations in the Netherlands and Belgium; Abelko Innovation

AB, in Sweden; and Alcatraz Interlocks BV and MW-Instruments BV in the Netherlands. Annual sales of the acquired companies amount to approximately SEK 560 million.

Other financial information

FINANCIAL POSITION

Shareholders' equity amounted to SEK 2,064 million (1,744), and the equity ratio was 38% (36%). Cash and cash equivalents amounted to SEK 264 million (219). In addition to this, the Group had unutilised credit promises of SEK 710 million (900). Interest-bearing net debt amounted to SEK 1,488 million (1,390). The net debt/equity ratio was 72% (80%) at the year-end.

CASH FLOW

Cash flow from operating activities was SEK 709 million (656). The increase is attributable to the higher level of earnings. Cash flow after net capital expenditures in property, plant and equipment (excluding company acquisitions) was SEK 570 million (545).

CAPITAL EXPENDITURES AND DEPRECIATION

The Group's net capital expenditures (excluding company acquisitions) amounted to SEK 139 million (111). Depreciation of property, plant and equipment amounted to SEK 102 million (98). Investments in company acquisitions amounted to SEK 467 million (684), of which earn-out payments pertaining to previous years' acquisitions amounted to SEK 117 million (88).

EMPLOYEES

The number of employees was 3,807 at year-end (3,444), of whom 303 were added through acquisitions.

ACQUISITIONS

The Group has acquired the following companies, which were consolidated for the first time in 2011.

Month acquired	Acquisitions	Business area	Net sales/SEK m*	No. of employees*
January	Dantherm Filtration Oy (name changed to Tecalemit Filtration Oy)	Engineering & Equipment	30	10
	Abima (name changed to Indutrade Switzerland AG)	Special Products	400	170
	Mijnsbergen b.v. and ATB Automation n.v.-s.a.	Special Products	60	23
February	Abelko Innovation AB	Special Products	60	44
April	Alcatraz Interlocks BV	Special Products	20	5
June	Torell Pump AB	Flow Technology	40	9
July	Hamberger Armaturen AG	Special Products	10	2
August	Enervent (assets)	Engineering & Equipment	17	14
September	MW-Instruments BV	Special Products	10	5
October	AD MediCal AB	Industrial Components	30	12
	AG Johansons Metallfabrik AB	Flow Technology	12	9
			689	303

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

Further information about company acquisitions can be found on page 14 of this interim report.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Two acquisitions were carried out in January 2012.

The Flow Technology business area acquired Rostfria VA-system i Storfors AB, with annual sales of approximately SEK 15 million. The company supplies pump stations and pipe systems to water treatment plants.

Dasa Control Systems AB, with annual sales of SEK 50 million, was acquired by the Special Products business area. Dasa Control Systems supplies internally developed, advanced control and communication systems for heavy vehicles.

In other respects, no important events for the Group have occurred after the close of the financial year.

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 intercompany invoicing of services, amounted to SEK 4 million (4) for the year. The Parent Company's capital expenditures in financial assets, consisting mainly of company acquisitions, amounted to SEK 324 million (351). The Parent Company's capital expenditures in intangible non-current assets and in property, plant and equipment totalled SEK 0 million (0). The number of employees on 31 December was 10 (10).

RISKS AND UNCERTAINTIES

The Indutrade Group conducts business in 25 countries in four world regions, through some 160 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. Apart from the risks and uncertainties described in Indutrade's 2010 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 exposed to financing risk.

The Parent Company's other activities are not exposed to risks other than indirectly via subsidiaries. For a more detailed report on risks that affect the Group and Parent Company, please see the 2010 Annual Report.

RELATED PARTY TRANSACTIONS

No transactions took place during the year between Indutrade and related parties that 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. The Parent Company applies RFR 2. The same accounting principles and calculation methods are used in this report as those used in Indutrade's 2010 Annual Report.

There are no new IFRSs or IFRIC interpretations that have been adopted by the EU that will be applicable for Indutrade or that will have any material impact on the Group's result of operations or financial position in 2012.

DIVIDEND

The Board of Directors proposes a dividend of SEK 6.75 per share (5.10), for a total dividend payout of SEK 270 million. The proposed dividend is in line with Indutrade's dividend policy to distribute a minimum of 50% of profit after tax over time.

FINANCIAL CALENDAR

The 2011 Annual Report will be published in early April 2012. It will be available on Indutrade's website from the date of publication.

The interim report for the period 1 January–31 March 2012 will be released on 3 May 2012.

The Annual General Meeting will be held in Stockholm on 3 May 2012.

The interim report for the period 1 January–30 June 2012 will be released on 24 July 2012.

The interim report for the period 1 January–30 September 2012 will be released on 5 November 2012.

Stockholm, 14 February 2012

Indutrade AB (publ)

Johnny Alvarsson
President and CEO

REVIEW REPORT

Introduction

We have reviewed this report for the period 1 January to 31 December 2011 for Indutrade AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report 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 International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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, 14 February 2012

PricewaterhouseCoopers AB

Lennart Danielsson
Authorised Public Accountant
Auditor in charge

NOTE

The information provided herein is such that Indutrade AB (publ) is obligated to publish pursuant to the Securities Market Act, the Financial Instruments Trading Act, and/or in accordance with the Issuers Rules and Regulations for the Nasdaq OMX Stockholm. Submitted for publication at 9.30 a.m. on 14 February 2012.

FURTHER INFORMATION

For further information, please contact:
Johnny Alvarsson, President and CEO, Tel: +46 70 589 17 95.

The report will be commented upon as follows:

- via a conference call/webcast today at 3 p.m. at the following link:
<https://www.anywhereconference.com/?Conference=108266622&PIN=887629>
Participants are requested to call +46 8 566 363 52, +44 0 207 750 9950 or +1 866 676 5870
 - via a videotaped version at the following links:
<http://www.indutrade.se>
<http://www.playontv.se>
-

Indutrade consolidated income statement

- condensed

SEK million	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net Sales	2,158	1,764	7,994	6,745
Cost of goods sold	-1,427	-1,160	-5,268	-4,480
Gross profit	731	604	2,726	2,265
Development costs	-24	-13	-74	-48
Selling costs	-389	-339	-1,430	-1,224
Administrative expenses	-99	-110	-398	-376
Other operating income and expenses	7	0	-2	-3
Operating profit	226	142	822	614
Net financial items	-19	-18	-93	-61
Profit after financial items	207	124	729	553
Income Tax	-52	-37	-189	-148
Net profit for the period	155	87	540	405
<i>Net profit, attributable to:</i>				
Equity holders of the parent company	155	88	540	407
Non-controlling interests	0	-1	0	-2
	155	87	540	405
Earnings per share for the period, attributable to equity holders of the parent company 1)	3.88	2.20	13.50	10.18
EBITA	251	163	917	703
<i>Operating profit includes:</i>				
Amortisation of intangible assets	-27	-21	-104	-89
Depreciation of property, plant and equipment	-25	-24	-102	-98

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

Indutrade consolidated statement of comprehensive income

Net profit for the period	155	87	540	405
Other comprehensive income				
Fair value adjustments of hedge instruments	-7	18	-33	18
Tax attributable to fair value adjustments	2	-4	9	-4
Actuarial gains/losses	15	-35	15	-35
Tax on actuarial gains/losses	-5	9	-5	9
Exchange rate differences	-38	4	-2	-125
Other comprehensive income for the period, net of tax	-33	-8	-16	-137
Total comprehensive income for the period	122	79	524	268
<i>Net profit, attributable to:</i>				
Equity holders of the parent company	122	80	524	270
Non-controlling interests	0	-1	0	-2
	122	79	524	268

Business area performance

	2011	2010	2011	2010
Net sales, SEK million	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Engineering & Equipment	438	380	1,627	1,409
Flow Technology	541	439	2,017	1,743
Industrial Components	427	398	1,580	1,455
Special Products	767	554	2,806	2,164
Parent company and Group items	-15	-7	-36	-26
	2,158	1,764	7,994	6,745
EBITA, SEK million	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Engineering & Equipment	36	24	128	100
Flow Technology	57	29	229	155
Industrial Components	47	35	183	140
Special Products	118	78	421	342
Parent company and Group items	-7	-3	-44	-34
	251	163	917	703
EBITA margin, %	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Engineering & Equipment	8.2	6.3	7.9	7.1
Flow Technology	10.5	6.6	11.4	8.9
Industrial Components	11.0	8.8	11.6	9.6
Special Products	15.4	14.1	15.0	15.8
	11.6	9.2	11.5	10.4

	2011				2010			
Net sales, SEK million	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	438	427	410	352	380	351	373	305
Flow Technology	541	531	499	446	439	475	446	383
Industrial Components	427	370	390	393	398	344	373	340
Special Products	767	684	722	633	554	568	537	505
Parent company and Group items	-15	-7	-6	-8	-7	-6	-7	-6
	2,158	2,005	2,015	1,816	1,764	1,732	1,722	1,527

	2011				2010			
EBITA, SEK million	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	36	41	32	19	24	32	30	14
Flow Technology	57	72	57	43	29	44	52	30
Industrial Components	47	42	46	48	35	40	37	28
Special Products	118	100	116	87	78	98	84	82
Parent company and Group items	-7	-10	-13	-14	-3	-9	-12	-10
	251	245	238	183	163	205	191	144

	2011				2010			
EBITA-margin, %	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	8.2	9.6	7.8	5.4	6.3	9.1	8.0	4.6
Flow Technology	10.5	13.6	11.4	9.6	6.6	9.3	11.7	7.8
Industrial Components	11.0	11.4	11.8	12.2	8.8	11.6	9.9	8.2
Special Products	15.4	14.6	16.1	13.7	14.1	17.3	15.6	16.2
	11.6	12.2	11.8	10.1	9.2	11.8	11.1	9.4

Indutrade consolidated balance sheet

- condensed

SEK million	2011 31 Dec	2010 31 Dec
Goodwill	822	712
Other intangible assets	888	761
Property, plant and equipment	706	657
Financial assets	45	50
Inventories	1,328	1,183
Accounts receivable, trade	1,263	1,047
Other receivables	149	164
Cash and cash equivalents	264	219
Total assets	5,465	4,793
Equity	2,064	1,744
Long-term borrowings and pension liabilities	745	893
Other non-current liabilities	347	277
Short-term borrowings	1,007	716
Accounts payable, trade	556	493
Other current liabilities	746	670
Total equity and liabilities	5,465	4,793

Indutrade change in group equity

- condensed

Attributable to equity holders of the parent company SEK million	2011 Jan-Dec	2010 jan-dec
Opening equity	1,742	1,644
Total comprehensive income for the period	524	270
Dividend	-204 ¹⁾	-172 ¹⁾
Closing equity	2,062	1,742
1) Dividend per share for 2010 is SEK 5.10 (4.30).		
<i>Equity, attributable to:</i>		
Equity holders of the parent company	2,062	1,742
Non-controlling interests	2	2
	2,064	1,744

Indutrade consolidated cash flow statement

- condensed

SEK million	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Cash flow from operating activities				
before change in working capital	223	131	764	616
Change in working capital	58	133	-55	40
Cash flow from operating activities	281	264	709	656
Net capital expenditures in non-current assets	-27	-40	-139	-111
Company acquisitions and divestments	-18	-35	-467	-684
Change in other financial assets	-1	0	13	0
Cash flow from investing activities	-46	-75	-593	-795
Net borrowings	-211	-210	134	321
Dividend paid out	-	-	-204	-172
Cash flow from financing activities	-211	-210	-70	149
Cash flow for the period	24	-21	46	10
Cash and cash equivalents at start of period	245	242	219	229
Exchange rate differences	-5	-2	-1	-20
Cash and cash equivalents at end of period	264	219	264	219

Key data

	2011 31 Dec	2010 31 Dec	2009 31 Dec	2008 31 Dec
Net sales, SEK million	7,994	6,745	6,271	6,778
Sales growth, %	19	8	-8	20
EBITA, SEK million	917	703	594	820
EBITA margin, %	11.5	10.4	9.5	12.1
Operating capital, SEK million	3,552	3,134	2,584	2,569
Return on operating capital, %	26	23	22	37
Return on equity, %	29	24	21	38
Interest-bearing net debt, SEK million	1,488	1,390	940	972
Net debt/equity ratio, %	72	80	57	61
Net debt/EBITDA, times	1.4	1.7	1.4	1.1
Equity ratio, %	38	36	41	36
Average number of employees	3,778	3,420	3,122	2,728
Number of employees at the end of the period	3,807	3,444	3,040	3,269
<i>Attributable to equity holders of the parent company</i>				
<i>Key ratios per share ¹⁾</i>				
Earnings per share, SEK	13.50	10.18	8.53	12.75
Equity per share, SEK	51.55	43.55	41.10	39.93
Cash flow from operating activities per share, SEK	17.73	16.40	13.95	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 2011

All of the shares were acquired in the Abima Group's parent company, Aschera AG (name changed to Indutrade Switzerland); Hamberger Armaturen AG, Switzerland; Dantherm Filtration Oy (name changed to Tecalemit Filtration Oy), Finland; ATB Automation n.v.-s.a., Belgium; Mijnsbergen b.v., Alcatraz Interlocks BV and MW Instruments BV, the Netherlands; and Abelko Innovation AB, Torell Pump AB, AD MediCal AB and AG Johansons Metallfabrik AB, Sweden. In addition, the air treatment business of Enervent Oy, Finland, was acquired.

ENGINEERING & EQUIPMENT

Tecalemit Filtration Oy, with annual sales of approximately SEK 30 million, is consolidated in the Group as from 1 January 2011. The company specialises in air filtration and provides customised solutions and components to customers in the forestry, paper, metal and recycling industries, among others. In August, a business that manufactures automated air treatment systems, with annual sales of approximately SEK 17 million, was acquired from Enervent Oy in Finland.

FLOW TECHNOLOGY

Torell Pump AB, with annual sales of approximately SEK 40 million, is consolidated in the Group as from 1 June 2011. The company sells pumps, compressors and equipment for purification of municipal and industrial wastewater, process water and sewage. AG Johansons Metallfabrik AB, with annual sales of approximately SEK 12 million, is consolidated in the Group as from 1 October 2011. The company manufactures and markets valves and high-alloy stainless steel pipe components.

INDUSTRIAL COMPONENTS

AD MediCal AB, with annual sales of approximately SEK 30 million, is consolidated in the Group as from 1 October 2011. The company provides products, service and maintenance of advanced medical technology equipment.

SPECIAL PRODUCTS

The Swiss industrial group Abima, with annual sales of approximately SEK 400 million, is active in control and regulation of flows, insulation against cold, heat and sound, rust/corrosion prevention and fire safety. Mijnsbergen b.v. and ATB Automation n.v.-s.a., with combined annual sales of approximately SEK 60 million, deliver customised solutions with a broad range of products in power transmission and motion control. These companies are consolidated in the Indutrade Group as from 1 January 2011.

Abelko Innovation AB, with annual sales of approximately SEK 60 million, is consolidated in the Group as from 1 February 2011. The company offers specially adapted solutions for energy measurement, remote control, building automation, energy optimisation and operational monitoring.

Alcatraz Interlocks BV, with annual sales of approximately SEK 20 million, is consolidated in the Group as from 1 April 2011. The company designs and manufactures interlocking systems that secure critical installations. Its applications are used in the oil, gas, chemical and offshore industries, among others.

Hamberger Armaturen AG, with annual sales of approximately SEK 10 million, is consolidated in the Group as from 1 July 2011. The company is active in pumps and valves, among other areas.

MW-Instruments BV, with annual sales of approximately SEK 10 million, is consolidated in the Group as from 1 September 2011. The company is active in instrument service.

Acquired assets in Indutrade Switzerland AG, Tecalemit Filtration Oy, Mijnsbergen b.v., ATB Automation n.v.-s.a., Abelko Innovation AB, Alcatraz Interlock BV, Torell Pump AB, Hamberger Armaturen AG, MW-Instruments BV, AD MediCal AB, AG Johansons Metallfabrik AB and an air treatment business.

SEK million

Purchase price, incl. contingent earn-out payment totalling SEK 100 million			
	Book value	Fair value adjustment	Fair value
Acquired assets			
Goodwill	-	98	98
Agencies, trademarks, customer relations, licences, etc.	6	209	215
Property, plant and equipment	25	-	25
Financial assets	15	-	15
Inventories	78	-	78
Other current assets	176	-	176
Cash and cash equivalents	32	-	32
Deferred tax liability	-1	-50	-51
Interest-bearing loans and pension liabilities	-3	-7	-10
Other operating liabilities	-96	-	-96
	232	250	482

Agencies, customer relationships, licences, etc. are amortised over a 10-year period, while trademarks are assumed to have a perpetual lifetime. Trademarks are included in the amount of SEK 34 million.

Indutrade normally uses an acquisition structure entailing a base level of consideration plus a contingent earn-out payment. Initially, earn-out payments are valued at the present value of the likely outcome, which for the acquisitions made during the year amounted to SEK 100 million. The earn-out payments fall due for payment within one to four years and can amount to a maximum of SEK 111 million. If the conditions are not met for the maximum earn-out payment, the outcome may be SEK 0.

Transaction costs for the acquisitions carried out during the year amounted to SEK 2 million and are included in "Other income and expenses" in the income statement. No revaluation of conditional earn-out payments has been made.

Cash flow impact

Purchase price, incl. contingent earn-out payment	482
Contingent earn-out payments not paid out	-100
Cash and cash equivalents in acquired companies	-32
Contingent earn-out payments pertaining to previous years' acquisitions	117
Total cash flow impact	467

EFFECTS OF ACQUISITIONS CARRIED OUT IN 2010 AND 2011

SEK million Business area	Net sales		EBITA	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Engineering & Equipment	7	46	0	2
Flow Technology	16	133	5	19
Industrial Components	8	8	0	0
Special Products	175	611	26	68
Effect on Group	206	798	31	89
Acquisitions carried out in 2010	0	143	0	17
Acquisitions carried out in 2011	206	655	31	72
Effect on Group	206	798	31	89

If all of the acquired units had been consolidated as from 1 January 2011, net sales for the year would have amounted to SEK 8,058 million and EBITA would have amounted to SEK 924 million.

ACQUISITIONS AFTER THE END OF THE REPORTING PERIOD

Two acquisitions were carried out in January 2012.

Rostfria VA-system i Storfors AB, with annual sales of approximately SEK 15 million, supplies pump stations and pipe systems to water treatment plants. The company is part of the Flow Technology business area.

Dasa Control Systems AB, with annual sales of approximately SEK 50 million, supplies internally developed, advanced control and communication systems for heavy vehicles. The company is part of the Special Products business area.

Parent company income statement

- condensed

SEK million	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales	4	4	4	4
Gross profit	4	4	4	4
Administrative expenses	-10	-13	-47	-44
Other income and expenses	0	1	0	-1
Operating profit	-6	-8	-43	-41
Financial income/expenses	-9	-8	-39	-14
Profit from participation in Group companies	501	267	767	628
Profit after financial items	486	251	685	573
Appropriations	-106	-53	-106	-53
Income Tax	-99	-54	-82	-45
Net profit for the period	281	144	497	475
Depreciation of property, plant and equipment	-1	-1	-1	-1

Parent company balance sheet

- condensed

SEK million	2011 31 Dec	2010 31 Dec
Intangible assets	1	2
Property, plant and equipment	1	1
Financial assets	2,002	1,678
Current receivables	1,323	1,083
Cash and cash equivalent	7	5
Total assets	3,334	2,769
Equity	1,477	1,184
Untaxed reserves	160	54
Non-current liabilities	472	475
Non-current provisions	59	8
Current provisions	29	121
Current interest-bearing liabilities	1,068	866
Current noninterest-bearing liabilities	69	61
Total equity and liabilities	3,334	2,769

Definitions

Earnings per share	Net profit for the period divided by the average number of shares outstanding.
EBITA	Operating profit before amortisation of intangible assets arising in connection with company acquisitions (Earnings Before Interest, Tax and Amortisation).
EBITA margin	EBITA as a percentage of net sales for the period.
EBITDA	Operating profit before depreciation and amortisation (Earnings Before Interest, Tax, Depreciation and Amortisation).
Equity per share	Equity divided by the number of shares outstanding.
Equity ratio	Shareholders' equity as a percentage of total assets.
Gross margin	Gross profit divided by net sales.
Intangible non-current assets	Goodwill, agencies, customer relationships, trademarks, software, licenses and other intangible non-current assets.
Interest-bearing net debt	Borrowings including Pension liability, less cash and cash equivalents.
Net capital expenditures	Purchases less sales of intangible assets, and of property, plant and equipment, excluding those included in acquisitions and divestments of subsidiaries and operations.
Net debt/equity ratio	Interest-bearing net debt divided by shareholders' equity.
Operating capital	Interest-bearing net debt and shareholders' equity.
Property, plant and equipment	Buildings, land, machinery and equipment.
Return on equity	Net profit for the period divided by average equity per quarter.
Return on operating capital	EBITA as a percentage of average operating capital per quarter.

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 well 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 (per year across a business cycle) are to grow by 10%, to attain a minimum EBITA margin of 10% and a return on operating capital exceeding 25%.
