

Interim report

1 Jan – 31 Mar 2012

1 JANUARY – 31 MARCH 2012

- Net sales rose 9% during the quarter to SEK 1,982 million (1,816). The increase for comparable units was 6%.
- Operating profit before amortisation of intangible non-current assets (EBITA) attributable to acquisitions rose 5% to SEK 192 million (183), and the EBITA margin was 9.7% (10.1%).
- Profit after tax rose 9% to SEK 110 million (101).
- Earnings per share were SEK 2.75 (2.53).

FINANCIAL DEVELOPMENT

SEK million	2012 Jan-Mar	2011 Jan-Mar	Change	2011/12 Moving 12 mos	2011 Jan-Dec
Net Sales	1,982	1,816	9%	8,160	7,994
EBITA	192	183	5%	926	917
EBITA margin, %	9.7	10.1		11.3	11.5
Profit after financial items	146	137	7%	738	729
Net profit	110	101	9%	549	540
Earnings per share, SEK ¹⁾	2.75	2.53	9%	13.73	13.50
Return on operating capital, %	25	23		25	26

¹⁾ Attributable to equity holders of the parent company

CEO's message

Earnings rose during the first quarter even though we have not yet begun delivering the large orders we received from the energy sector last year. Order intake during the quarter was volatile, with a strong start and weaker finish. The market is showing a divergent demand situation. While the energy sector remains strong and the Finnish market is showing continued growth, customers in general have grown more cautious and are more uncertain about the future compared with a year ago. However, several major customers anticipate a stronger second half of 2012.



First quarter

Order intake during the quarter totalled SEK 2,255 million (2,068), with a favourable performance for the Flow Technology, Engineering & Equipment and Special Products business areas. Industrial Components, which supplies industrial consumables to a higher degree than the other business areas, had weaker performance. The tendency during the quarter was that the first two months were stronger than the third. Overall, the increase in order intake was 9%, of which acquisitions accounted for 3%.

Sales totalled SEK 1,982 million (1,816), an increase of 9%, of which 6% was organic. Order intake during the quarter thereby outpaced sales by 14%, which is positive for the future.

The general unease about the development of the global economy is causing many customers to be more cautious and to not order more than their short-term needs. Another sign of slower growth than previously is that among many suppliers, capacity is more in sync with needs now than in 2011, although there are still exceptions.

General engineering is the segment that is showing falling demand, which corresponds well to the picture communicated by many large engineering companies.

Flow Technology posted favourable invoicing but lower earnings, as the share of project orders with low margin was higher during the quarter than normal.

For Engineering & Equipment, which has its markets in Finland and the Baltic countries, the positive trend from last year continued.

The Group's largest business area, Special Products, had continued strong order intake from the energy sector during the quarter and will begin delivering for the high level of orders received toward the end of last year in the coming quarter.

Margin

The gross margin, at 33.9%, was marginally better than the corresponding period a year ago as well as the full year 2011. The differences between the quarters are due to changes in the product mix. The EBITA margin fell to 9.7% (10.1%), which is attributable to the product mix in Flow Technology and lower sales for Industrial Components.

Acquisitions

Indutrade carried out two small acquisitions during the quarter – one in Switzerland and one in Sweden – and two larger ones – Dasa Control in Sweden and Geotrim in Finland. After the end of the quarter, the company Rubin Medical was acquired in Sweden. Thus during the year to date, companies with combined annual sales of nearly SEK 300 million have been acquired.

Outlook

The energy sector will perform well during the year, and businesses in Flow Technology will also see stable demand. For our other business areas, it is not possible to make an accurate forecast. Several major customers have a positive outlook – above all for the latter part of the year – but I sense a high level of uncertainty. What's important for Indutrade's companies is to maintain a continued high level of cost flexibility.

Johnny Alvarsson, President and CEO

Group performance

ORDER INTAKE AND NET SALES

Order intake

Order intake during the period January–March amounted to SEK 2,255 million (2,068), an increase of 9%. For comparable units, order intake rose 6%, while acquired growth was 3%. Currency movements had a marginally positive effect on order intake, by SEK 8 million.

Following a strong start to the year, in line with the close of 2011, the latter part of the first quarter was characterised by a slower pace of growth and rising uncertainty. Order intake was the highest ever during a single quarter. As a whole, all business areas except Industrial Components noted an increase in order intake for comparable units during the quarter.

The positive trend from 2011, with favourable demand from the international industrial sector, continued into the first quarter of the current year. Demand softened somewhat for components for the general engineering industry and commercial vehicles, while most other segments experienced stable or rising demand.

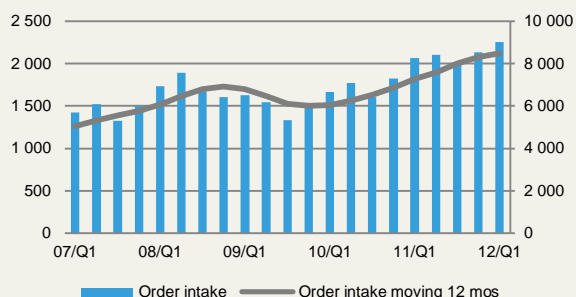
Net sales

Net sales for the quarter totalled SEK 1,982 million (1,816), an increase of 9%. For comparable units the increase was 6%, while acquired growth was 3%. Currency movements were marginally favourable and affected sales by SEK 7 million.

For Industrial Components, like-for-like net sales decreased slightly, while they rose for the other business areas by 7%–9%.

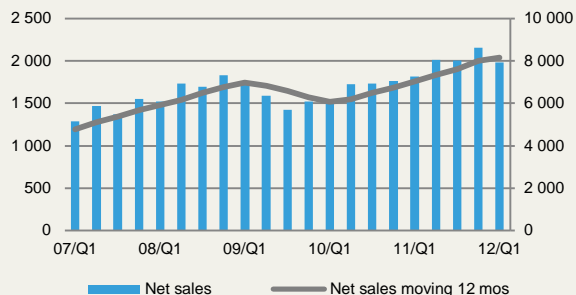
Order intake

SEK million

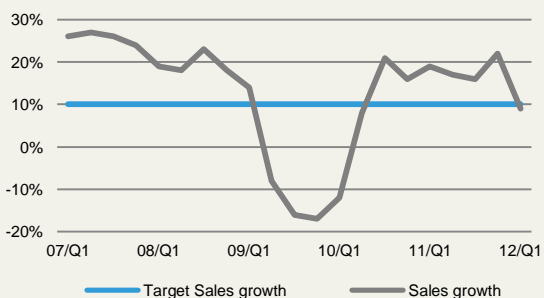


Net sales

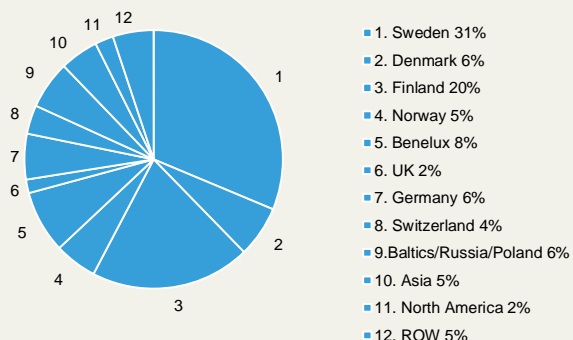
SEK million

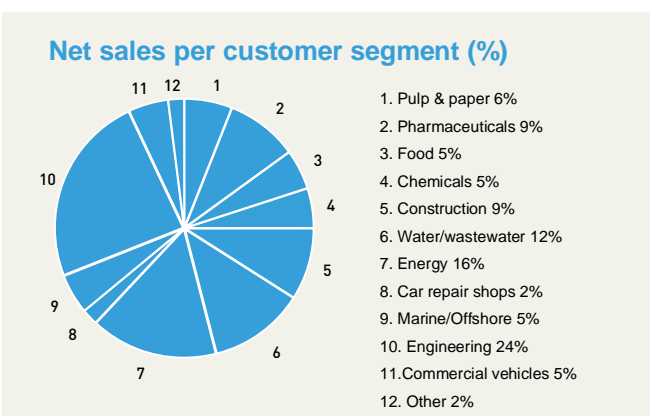
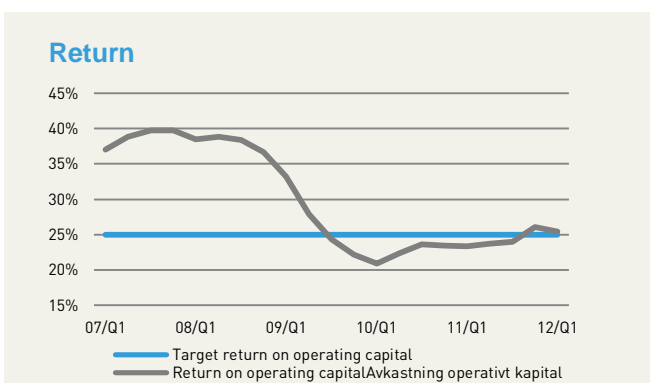
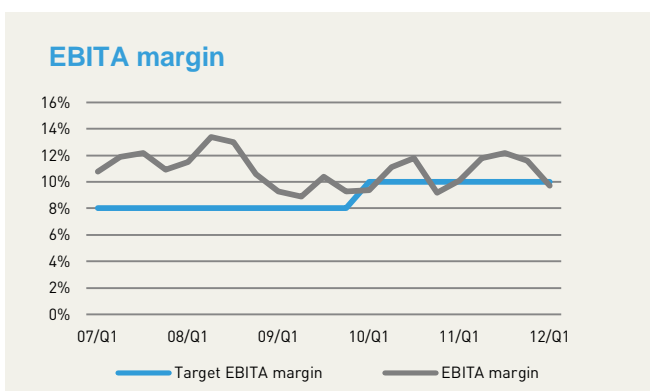
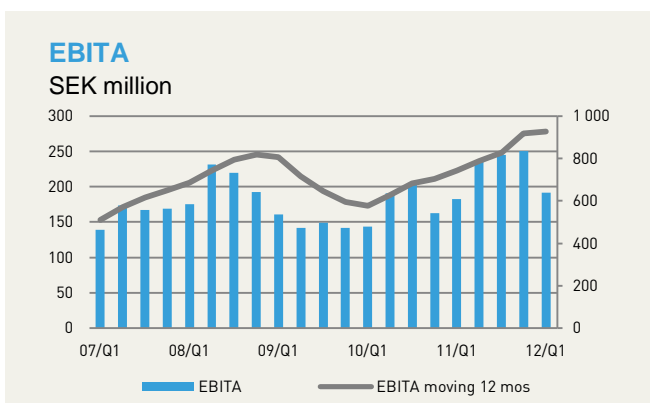


Sales growth



Net sales per market (%)





Earnings and return

EARNINGS

Operating profit before amortisation of intangible assets (EBITA) amounted to SEK 192 million (183) for the period, an increase of 5%. The operating margin before amortisation of intangible assets (the EBITA margin) was 9.7% (10.1%).

The gross margin was essentially unchanged, at 33.9% (34.0%).

The lower EBITA margin is attributable to a product mix with lower margin in the Flow Technology business area, lower sales in the Industrial Components business area, as well as strengthening of resources and higher costs for comparable units, resulting in a higher percentage of overheads.

Earnings and the EBITA margin rose for Engineering & Equipment and Special Products, while the opposite applied for Flow Technology and Industrial Components. Both acquired and comparable companies made a positive contribution to the earnings increase, and the EBITA margin for acquired companies was on a par with the Group average. Currency effects from translation of foreign units had no impact on profit for the period.

Net financial items amounted to SEK -21 million (-23), of which net interest expense was SEK -19 million (-21). Tax on profit for the period was SEK -36 million (-36), corresponding to a tax charge of 24.7% (26.3%). A small, one-time effect of a reduced tax rate in Finland lowered the tax charge during the quarter by 0.5 percentage point. Profit after tax rose 9% to SEK 110 million (101). Earnings per share increased to SEK 2.75 (2.53).

RETURN

The return on operating capital was 25% (23%), and the return on equity was 28% (25%).

Business areas¹

ENGINEERING & EQUIPMENT

Engineering & Equipment's operations involve sales of components 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	2012 Jan-Mar	2011 Jan-Mar	2011/12 Moving 12 mos	2011 Jan-Dec
Net sales	380	339	1,601	1,560
EBITA	27	19	129	121
EBITA margin, %	7.1	5.6	8.1	7.8

Net sales rose 12% during the quarter, to SEK 380 million (339). The increase for comparable units was 9%. Acquisitions contributed 3%, while currency movements had no effect on net sales.

At the end of 2011, demand in the Finnish market, where the business area conducts most of its business, remained favourable during the first quarter, but with a slightly slower pace of growth. Activity in the water/wastewater segment, which usually experiences a seasonal increase after the winter, got off to a late start this year. Demand from the engineering and chemical industries was stable, while activity in the pulp & paper and construction industries was dampened somewhat.

EBITA for the period rose 42% to SEK 27 million (19), corresponding to an EBITA margin of 7.1% (5.6%).

In early March the company Geotrim Oy was acquired, with annual sales of SEK 100 million.

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	2012 Jan-Mar	2011 Jan-Mar	2011/12 Moving 12 mos	2011 Jan-Dec
Net sales	479	423	1,986	1,930
EBITA	38	42	217	221
EBITA margin, %	7.9	9.9	10.9	11.5

Net sales totalled SEK 479 million (423) during the quarter, an increase of 13%. The increase for comparable units was 9%, while acquired growth was 4%. Currency movements had no effect on net sales.

Demand developed well during the start of the year, albeit with a slightly slower pace of growth towards the end of the quarter. Among the more important customer segments, energy and water/wastewater were stable, while business in the marine segment was slow due to a decrease in newbuilding activity, although with favourable order intake from the aftermarket. Offshore activity did well primarily in Norway, while the chemicals segment was stable, including international projects.

EBITA for the period decreased by 9% to SEK 38 million (42), and the EBITA margin was 7.9% (9.9%). The lower EBITA margin is attributable in part to a lower gross margin resulting from a high share of projects during the period with low gross margins and in part to a strengthening of resources in some parts of the business area.

In January the company Rostfria VA-system i Storfors AB was acquired, with annual sales of SEK 15 million.

¹ Comparative figures for the business areas in 2011 have been changed as a result of the transfer of companies between the various business areas. For further details, see separate press release issued on 27 April 2012.

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 customer's production processes and needs.

SEK million	2012 Jan-Mar	2011 Jan-Mar	2011/12 Moving 12 mos	2011 Jan-Dec
Net sales	366	371	1,483	1,488
EBITA	35	44	158	167
EBITA margin, %	9.6	11.9	10.7	11.2

Net sales decreased by 1% during the quarter, to SEK 366 million (371). The decrease for comparable units was 3%. Acquisitions contributed 2%, while currency movements had no effect on net sales.

Like the trend towards the end of 2011, a slight softening was noted in demand for certain components for the engineering industry and commercial vehicles at the same time that demand for investment goods remained favourable. Demand levelled out somewhat towards the end of the quarter.

EBITA for the period decreased by 20% to SEK 35 million (44), corresponding to an EBITA margin of 9.6% (11.9%). The drop in earnings and margin is attributable to slightly lower sales combined with higher costs.

In April the company Rubin Medical AB was acquired, with annual sales of approximately SEK 100 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	2012 Jan-Mar	2011 Jan-Mar	2011/12 Moving 12 mos	2011 Jan-Dec
Net sales	773	691	3,134	3,052
EBITA	104	92	464	452
EBITA margin, %	13.5	13.3	14.8	14.8

Net sales rose 12% during the quarter, to SEK 773 million (691), of which sales for comparable units rose 7%. Acquired growth was 4%, while currency movements affected net sales by 1%.

The business area experienced continued strong demand at the start of the year from the international energy market. A large share of deliveries of orders received at the end of 2011 and start of 2012 in this segment will be made in the coming quarter. In measurement technology, demand from the wind power segment was also favourable during the period. Aside from the energy sector, the engineering industry is the business area's most important customer segment, where demand on the whole is somewhat dampened.

EBITA increased by 13% to SEK 104 million (92), and the EBITA margin was 13.5% (13.3%).

In January, the company Dasa Control System AB was acquired, with annual sales of approximately SEK 50 million, and in March the Swiss company Eco Analytics AG was acquired, with annual sales of SEK 22 million.

Other financial information

FINANCIAL POSITION

Shareholders' equity amounted to SEK 2,155 million (1,816), and the equity ratio was 37% (33%).

Cash and cash equivalents amounted to SEK 245 million (319). In addition to this, the Group had unutilised credit promises of SEK 1,007 million (769). Interest-bearing net debt amounted to SEK 1,594 million (1,712). The net debt/equity ratio at the end of the period was 74% (94%).

CASH FLOW

Cash flow from operating activities was SEK 73 million (97). Cash flow after net capital expenditures in property, plant and equipment (excluding company acquisitions) was SEK 38 million (57).

CAPITAL EXPENDITURES AND DEPRECIATION

The Group's net capital expenditures (excluding company acquisitions) amounted to SEK 35 million (40).

Depreciation of property, plant and equipment amounted to SEK 26 million (24). Investments in company acquisitions amounted to SEK 136 million (386), of which earn-out payments pertaining to previous years' acquisitions amounted to SEK 30 million (107).

EMPLOYEES

The number of employees was 3,860 at the end of the period (3,807 at start of year). Seventy employees were added through acquisitions.

ACQUISITIONS

The Group has acquired the following companies, which are consolidated for the first time in 2012.

Month acquired	Acquisitions	Business area	Net sales/ SEK m*	No. of employees*
January	Rostfria VA-system i Storfors AB	Flow Technology	15	5
	Dasa Control System AB	Special Products	50	27
March	Geotrim Oy	Engineering & Equipment	100	30
	Eco Analytics AG	Special Products	22	8
			187	70

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

Further information about company acquisitions can be found on page 13 in this interim report.

EVENTS AFTER THE END OF THE REPORTING PERIOD

In April the Industrial Components business area acquired all of the shares in Rubin Medical AB, with annual sales of approximately SEK 100 million. Rubin Medical supplies medical technology products with a focus on diabetes therapy in Scandinavia. The main products are insulin pumps, infusion sets and other devices. The company also has a unique service concept featuring 24-hour customer support.

In other respects, no important events for the Group have occurred after the end of the reporting period.

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 0 million (0) during the period. The Parent Company's investments in financial assets, consisting mainly of company acquisitions, amounted to SEK 34 million (309). 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 March was 10 (9).

RISKS AND UNCERTAINTIES

The Indutrade Group conducts business in 23 countries in four world regions, through some 160 companies. This diversification, 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 2011 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 2011 Annual Report.

RELATED PARTY TRANSACTIONS

No transactions took place during the period 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 interim 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 2011 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.

FINANCIAL CALENDAR

- The interim report 1 January-30 June 2012 will be released on 24 July 2012.
- The interim report 1 January-30 September 2012 will be released on 5 November 2012.

Stockholm, 3 May 2012

Indutrade AB (publ)

Johnny Alvarsson
President and CEO

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 2 p.m. on 3 May 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=108269921&PIN=488835>
Participants are requested to call +46 (08) 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	2012 Jan-Mar	2011 Jan-Mar	2011/12 Moving 12 mos	2011 Jan-Dec
Net Sales	1,982	1,816	8,160	7,994
Cost of goods sold	-1,311	-1,198	-5,381	-5,268
Gross profit	671	618	2,779	2,726
Development costs	-24	-15	-83	-74
Selling costs	-374	-341	-1,463	-1,430
Administrative expenses	-107	-102	-403	-398
Other operating income and expenses	1	0	-1	-2
Operating profit	167	160	829	822
Net financial items	-21	-23	-91	-93
Profit after financial items	146	137	738	729
Income Tax	-36	-36	-189	-189
Net profit for the period	110	101	549	540
<i>Net profit, attributable to:</i>				
Equity holders of the parent company	110	101	549	540
Non-controlling interests	0	0	0	0
	110	101	549	540
Earnings per share for the period, attributable to equity holders of the parent company ¹⁾	2.75	2.53	13.73	13.50
EBITA	192	183	926	917
<i>Operating profit includes:</i>				
Amortisation of intangible assets	-27	-25	-106	-104
Depreciation of property, plant and equipment	-26	-24	-104	-102

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	110	101	549	540
Other comprehensive income				
Fair value adjustments of hedge instruments	12	6	-27	-33
Tax attributable to fair value adjustments	-3	-1	7	9
Actuarial gains/losses	-	-	15	15
Tax on actuarial gains/losses	-	-	-5	-5
Exchange rate differences	-28	-34	4	-2
Other comprehensive income for the period, net of tax	-19	-29	-6	-16
Total comprehensive income for the period	91	72	543	524
<i>Net profit, attributable to:</i>				
Equity holders of the parent company	91	72	543	524
Non-controlling interests	0	0	0	0
	91	72	543	524

Business area performance

	2012	2011	2011/12	2011
Net sales, SEK million	Jan-Mar	Jan-Mar	Moving 12 mos	Jan-Dec
Engineering & Equipment	380	339	1,601	1,560
Flow Technology	479	423	1,986	1,930
Industrial Components	366	371	1,483	1,488
Special Products	773	691	3,134	3,052
Parent company and Group items	-16	-8	-44	-36
	1,982	1,816	8,160	7,994
EBITA, SEK million	Jan-Mar	Jan-Mar	Moving 12 mos	Jan-Dec
Engineering & Equipment	27	19	129	121
Flow Technology	38	42	217	221
Industrial Components	35	44	158	167
Special Products	104	92	464	452
Parent company and Group items	-12	-14	-42	-44
	192	183	926	917
EBITA margin, %	Jan-Mar	Jan-Mar	Moving 12 mos	Jan-Dec
Engineering & Equipment	7.1	5.6	8.1	7.8
Flow Technology	7.9	9.9	10.9	11.5
Industrial Components	9.6	11.9	10.7	11.2
Special Products	13.5	13.3	14.8	14.8
	9.7	10.1	11.3	11.5

	2012	2011			
Net sales, SEK million	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	380	424	409	388	339
Flow Technology	479	515	513	479	423
Industrial Components	366	401	350	366	371
Special Products	773	833	740	788	691
Parent company and Group items	-16	-15	-7	-6	-8
	1,982	2,158	2,005	2,015	1,816
EBITA, SEK million	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	27	34	39	29	19
Flow Technology	38	52	71	56	42
Industrial Components	35	43	38	42	44
Special Products	104	129	107	124	92
Parent company and Group items	-12	-7	-10	-13	-14
	192	251	245	238	183
EBITA margin, %	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	7.1	8.0	9.5	7.5	5.6
Flow Technology	7.9	10.1	13.8	11.7	9.9
Industrial Components	9.6	10.7	10.9	11.5	11.9
Special Products	13.5	15.5	14.5	15.7	13.3
	9.7	11.6	12.2	11.8	10.1

Indutrade consolidated balance sheet

- condensed

SEK million	2012 31 Mar	2011 31 Mar	2011 31 Dec
Goodwill	870	752	822
Other intangible assets	918	880	888
Property, plant and equipment	723	680	706
Financial assets	51	51	45
Inventories	1,413	1,253	1,328
Accounts receivable, trade	1,323	1,233	1,263
Other receivables	218	259	149
Cash and cash equivalents	245	319	264
Total assets	5,761	5,427	5,465
Equity	2,155	1,816	2,064
Long-term borrowings and pension liabilities	1,045	1,272	745
Other non-current liabilities	367	364	347
Short-term borrowings	794	759	1,007
Accounts payable, trade	618	572	556
Other current liabilities	782	644	746
Total equity and liabilities	5,761	5,427	5,465

Indutrade change in group equity

- condensed

Attributable to equity holders of the parent company SEK million	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Opening equity	2,062	1,742	1,742
Total comprehensive income for the period	91	72	524
Dividend	- ¹⁾	-	-204 ²⁾
Closing equity	2,153	1,814	2,062
¹⁾ The proposed dividend per share 2011 is SEK 6.75			
²⁾ Dividend per share 2010 was SEK 5.10			
<i>Equity, attributable to:</i>			
Equity holders of the parent company	2,153	1,814	2,062
Non-controlling interests	2	2	2
	2,155	1,816	2,064

Indutrade consolidated cash flow statement

- condensed

SEK million	2012 Jan-Mar	2011 Jan-Mar	2011/12 Moving 12 mos	2011 Jan-Dec
Cash flow from operating activities				
before change in working capital	154	123	795	764
Change in working capital	-81	-26	-110	-55
Cash flow from operating activities	73	97	685	709
Net capital expenditures in non-current assets	-35	-40	-134	-139
Company acquisitions and divestments	-136	-386	-217	-467
Change in other financial assets	-1	14	-2	13
Cash flow from investing activities	-172	-412	-353	-593
Net borrowings	85	418	-199	134
Dividend paid out	-	-	-204	-204
Cash flow from financing activities	85	418	-403	-70
Cash flow for the period	-14	103	-71	46
Cash and cash equivalents at start of period	264	219	319	219
Exchange rate differences	-5	-3	-3	-1
Cash and cash equivalents at end of period	245	319	245	264

Key data

Moving 12 mos	2012 31 Mar	2011 31 Dec	2011 31 Mar	2010 31 Dec	2009 31 Dec
Net sales, SEK million	8,160	7,994	7,034	6,745	6,271
Sales growth, %	16	19	16	8	-8
EBITA, SEK million	926	917	742	703	594
EBITA margin, %	11.3	11.5	10.5	10.4	9.5
Operating capital, SEK million	3,749	3,552	3,528	3,134	2,584
Return on operating capital, %	25	26	23	23	22
Return on equity, %	28	29	25	24	21
Interest-bearing net debt, SEK million	1,594	1,488	1,712	1,390	940
Net debt/equity ratio, %	74	72	94	80	57
Net debt/EBITDA, times	1.5	1.4	2.0	1.7	1.4
Equity ratio, %	37	38	33	36	41
Average number of employees	3,802	3,778	3,438	3,420	3,122
Number of employees at the end of the period	3,860	3,807	3,717	3,444	3,040
<i>Attributable to equity holders of the parent company</i>					
<i>Key ratios per share ¹⁾</i>					
Earnings per share, SEK	13.73	13.50	10.55	10.18	8.53
Equity per share, SEK	53.83	51.55	45.35	43.55	41.10
Cash flow from operating activities per share, SEK	17.13	17.73	17.40	16.40	13.95

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 2012

All of the shares have been acquired in Rostfria VA-system i Storfors AB and Dasa Control Systems AB (Sweden), Eco Analytics AG (Switzerland), and in Geotrim Oy (Finland).

ENGINEERING & EQUIPMENT

Geotrim Oy, in Helsinki, Finland, supplies instruments, systems and software for geospatial solutions in qualified, satellite-based positioning. The company provides own networks with coverage throughout Finland. Geotrim Oy has annual sales of approximately SEK 100 million and is consolidated in the Group as from 1 March 2012.

FLOW TECHNOLOGY

Rostria VA-system i Storfors AB, with annual sales of approximately SEK 15 million, is consolidated in the Group as from 1 January 2012. The company supplies pump stations and pipe systems to water treatment plants.

SPECIAL PRODUCTS

Dasa Control System AB, with annual sales of approximately SEK 50 million, supplies proprietary advanced control and communication systems for heavy vehicles. The company is consolidated in the Group as from 1 January 2012. Eco Analytics AG, with annual sales of approximately SEK 22 million, is active in gas and water analysis and offers a comprehensive production programme of gas meters for toxic or explosive gases. Eco Analytics AG is consolidated in the Group as from 1 March 2012.

Acquired assets in Rostfria VA-system i Storfors AB, Dasa Control System AB, Eco Analytics AG and Geotrim Oy.

Preliminary purchase price allocation

SEK million

Purchase price, incl. contingent earn-out payment totalling SEK 18 million			187
Acquired assets	Book value	Fair value adjustment	Fair value
Goodwill	-	52	52
Agencies, trademarks, customer relations, licences, etc.	1	52	53
Property, plant and equipment	14	8	22
Financial assets	0	-	0
Inventories	35	-	35
Other current assets	25	-	25
Cash and cash equivalents	63	-	63
Deferred tax liability	0	-15	-15
Interest-bearing loans and pension liabilities	-	-	0
Other operating liabilities	-48	-	-48
	90	97	187

Agencies, customer relationships, licences, etc. are amortised over a 10-year period.

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 to date amounted to SEK 18 million. The earn-out payments fall due for payment within 1–2 years and can amount to a maximum of SEK 20 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 period amounted to SEK 2 million and are included in "Other income and expenses" in the income statement. Contingent earn-out payments for previous years' acquisitions have been revaluated by less than SEK 1 million. The revenue is reported in "Other income and expenses" in the income statement.

Cash flow impact

Purchase price, incl. contingent earn-out payment	187
Contingent earn-out payments not paid out	-18
Cash and cash equivalents in acquired companies	-63
Contingent earn-out payments pertaining to previous years' acquisitions	30
Total cash flow impact	136

EFFECTS OF ACQUISITIONS CARRIED OUT IN 2011 AND 2012

SEK million	Net sales	EBITA
Business area	Jan-Mar	Jan-Mar
Engineering & Equipment	12	1
Flow Technology	16	2
Industrial Components	5	0
Special Products	25	3
Effect on Group	58	6
Acquisitions carried out in 2011	30	3
Acquisitions carried out in 2012	28	3
Effect on Group	58	6

If all of the acquired units had been consolidated as from 1 January 2012, net sales for the period would have amounted to SEK 1,999 million and EBITA would have amounted to SEK 195 million.

ACQUISITIONS AFTER THE END OF THE REPORTING PERIOD

In April the Industrial Components business area acquired all of the shares in Rubin Medical AB, with annual sales of approximately SEK 100 million. Rubin Medical supplies medical technology products with a focus on diabetes therapy in Scandinavia. The main products are insulin pumps, infusion sets and other devices. A preliminary purchase price allocation will be presented in the interim report for the second quarter of 2012.

Parent company income statement

- condensed

SEK million	2012 Jan-Mar	2011 Jan-Mar	2011/12 Moving 12 mos	2011 Jan-Dec
Net sales	0	-	4	4
Gross profit	0	-	4	4
Administrative expenses	-13	-12	-48	-47
Other income and expenses	0	0	0	0
Operating profit	-13	-12	-44	-43
Financial income/expenses	-7	-9	-37	-39
Profit from participation in Group companies	-	-	767	767
Profit after financial items	-20	-21	686	685
Appropriations	-	-	-106	-106
Income Tax	5	5	-82	-82
Net profit for the period	-15	-16	498	497
Depreciation of property, plant and equipment	0	0	-1	-1

Parent company balance sheet

- condensed

SEK million	2012 31 Mar	2011 31 Mar	2011 31 Dec
Intangible assets	1	2	1
Property, plant and equipment	1	1	1
Financial assets	2,065	1,987	2,031
Current receivables	1,555	1,117	1,294
Cash and cash equivalent	0	14	7
Total assets	3,622	3,121	3,334
Equity	1,462	1,168	1,477
Untaxed reserves	160	54	160
Non-current liabilities	776	851	475
Non-current provisions	62	52	59
Current provisions	7	17	26
Current interest-bearing liabilities	1,072	918	1,068
Current noninterest-bearing liabilities	83	61	69
Total equity and liabilities	3,622	3,121	3,334

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%.
