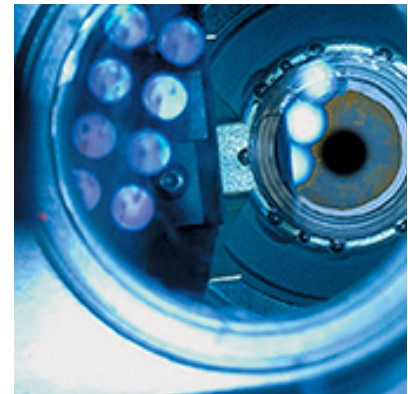


Interim report fourth quarter and Year-end report

1 Jan – 31 Dec 2014

Fourth quarter – Continued Earnings Growth

- Order intake rose 11% to SEK 2,579 million (2,317). For comparable units, order intake increased by 1%.
- Net sales rose 13% to SEK 2,654 million (2,352). For comparable units, net sales increased by 1%.
- Operating profit before amortisation of intangible non-current assets attributable to acquisitions (EBITA) rose 18% to SEK 334 million (283), corresponding to an EBITA margin of 12.6% (12.0%).
- Profit after tax rose 24% to SEK 220 million (178).
- Earnings per share grew 24% to SEK 5.50 (4.45).
- Cash flow from operating activities was SEK 378 million (407).



1 January – 31 December 2014

- Order intake rose 11% to SEK 10,000 million (9,014). For comparable units, order intake increased by 1%.
- Net sales rose 10% to SEK 9,746 million (8,831). For comparable units, the change was marginal.
- Operating profit before amortisation of intangible non-current assets attributable to acquisitions (EBITA) rose 15% to SEK 1,134 million (990), corresponding to an EBITA margin of 11.6% (11.2%).
- Profit after tax rose 20% to SEK 703 million (587).
- Earnings per share grew 20% to SEK 17.60 (14.68).
- Cash flow from operating activities was SEK 904 million (859).
- The Board proposes a dividend of SEK 7.75 per share (7.05).



Financial Development

SEK million	2014 Oct-Dec	2013 Oct-Dec	Change	2014 Jan-Dec	2013 Jan-Dec	Change
Net sales	2,654	2,352	13%	9,746	8,831	10%
EBITA	334	283	18%	1,134	990	15%
EBITA margin, %	12.6	12.0		11.6	11.2	
Profit after financial items	277	222	25%	895	756	18%
Net profit	220	178	24%	703	587	20%
Earnings per share, SEK	5.50	4.45	24%	17.60	14.68	20%
Return on operating capital, %	21	20		21	20	

Q4

CEO's message

In summing up 2014 we can affirm that Indutrade is once again reporting a successful year with growth in sales and earnings. Despite a challenging market situation, with low GDP growth in the countries in which our companies are active, we have achieved the overall financial target of growth in excess of 10%. Growth has been achieved largely through continued successful acquisitions, but also through favourable performance by existing companies on the whole.

In a market where demand has varied a lot from month to month as well as between customers, segments and countries, we have now reached a new level with order intake of SEK 10 billion for the full year. The trend in demand in the countries that are most important for Indutrade has been mixed – continued strong in the UK, at the same time that we have noted a continued negative trend in Finland. For other countries demand was relatively stable on a yearly basis.

Order intake in the energy segment improved gradually during the year after a weak start. Other segments related to the European process industry also had favourable development.

It is also gratifying to note that we succeeded in achieving continued profitable growth with improved margins and higher capital efficiency. This means that we exceeded Indutrade's overarching financial targets, which are essential for governance and monitoring of the companies in the Group.

Fourth quarter

As a whole the fourth quarter was our best ever, with sales and earnings reaching new record levels. Sales grew 13%, the EBITA margin was 12.6% (12.0%), earnings before tax rose 25%, and earnings per share rose 24%.

However, the variations were great between the different business areas. Flow Technology, Fluids & Mechanical Solutions and Special Products saw improved earnings at the same time that Engineering & Equipment, which operates mainly in Finland, continued to be hurt by weak demand. Industrial Components, whose companies are primarily in Sweden, showed poorer margins as a result of the weaker Swedish krona, as higher purchasing prices in foreign currency could not be compensated during the quarter.

Acquisitions

Growth – organic and through acquisitions – is a central concern for Indutrade. In all, twelve acquisitions were



carried out during the year, eleven of which possession was transferred in 2014. After the end of the quarter, in January 2015, an additional three acquisitions were carried out. Annual sales for these 15 companies amount to nearly SEK 1 billion. Most of the acquisitions were made outside Sweden, in companies with own production and proprietary brands, entailing continued expansion outside of the Nordic countries and a slight decrease in the share of traditional trading companies.

Outlook

At present I do not see any general change in the demand situation. Volatility in the market will remain, and our challenge is to capture market shares in a market with low organic growth.

Indutrade, whose companies are small, flexible and close to customers, can act swiftly and adapt to current demand. The companies that have the conditions to grow organically with higher or maintained profitability are challenged to do so. Companies with a high market share and that work in areas in which it is difficult to grow, such as traditional trading companies, are focusing on profitability and cash flow, which enables a continued high level of acquisition activity.

With this combination of strategies and a group of nearly 200 companies in a diversity of countries and segments, we have favourable prospects to create profitable growth also in the years ahead.

Johnny Alvarsson, President and CEO

Group performance

Order intake

Order intake during the fourth quarter totalled SEK 2,579 million (2,317), an increase of 11%. For comparable units, order intake increased by 1%, while acquired growth was 8%. Currency movements affected order intake by 2%.

Demand for Indutrade's companies rose slightly compared with previous quarters. This, together with a continued high pace of acquisitions and positive currency effects, has enabled Indutrade to once again report a record level of order intake during the period.

Order intake for the Group's companies continues to show great variation between months, segments and countries, and thus it is hard to see any clear trend in demand.

The business conditions for the Engineering & Equipment business area, with operations primarily in Finland, continued to be challenging. On the whole, however, demand in the Nordic countries was on par with the preceding quarters. As previously, countries like the UK, Benelex and Germany developed in a positive direction during the fourth quarter. For other countries and markets, the trend was unchanged.

For most industrial segments, demand was level with the preceding quarters. Parts of the energy segment,

medical technology and the marine segment are showing favourable performance, while demand in the mining industry remains at a low level.

Net sales exceeded order intake by 3% during the quarter.

Order intake during the period January–December amounted to SEK 10,000 million (9,014), an increase of 11%. For comparable units, order intake increased by 1%, while acquired growth was 7%. Currency movements had a positive impact on order intake by 3%.

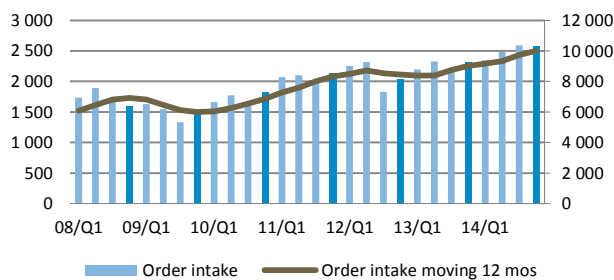
Net sales

Net sales during the fourth quarter rose 13% to SEK 2,654 million (2,352). For comparable units, net sales increased by 1%, while acquired growth was 9%. Currency movements had a positive impact on net sales, by 3%.

Net sales during the period January–December totalled SEK 9,746 million (8,831), an increase of 10%. For comparable units, the change was marginal, while acquired growth was 7%. Currency movements had a positive impact on net sales, by 3%.

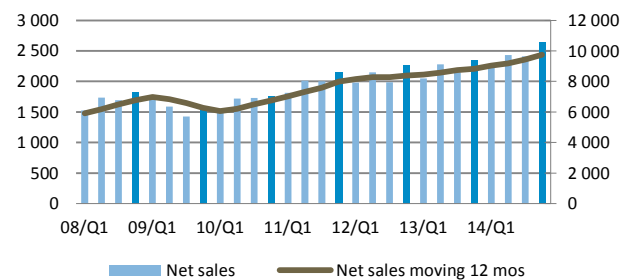
Order intake

SEK million

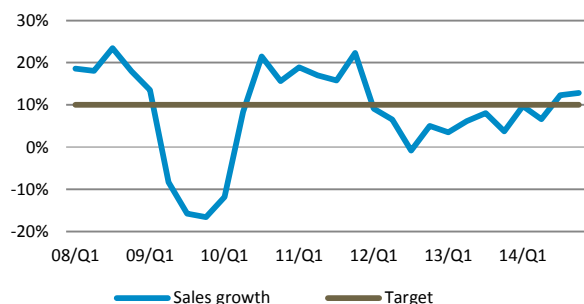


Net Sales

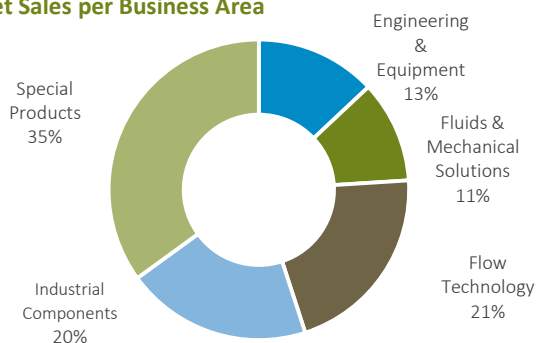
SEK million



Sales growth



Net Sales per Business Area



Q4

Earnings

Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) amounted to SEK 334 million (283) for the fourth quarter, an increase of 18%. The operating margin before amortisation of intangible assets (the EBITA margin) increased to 12.6% (12.0%).

The gross margin for the Group as a whole narrowed compared with the corresponding quarter a year ago, to 32.7% (34.7%). The gross margin for the period January–December was 33.7% (33.9%).

The earnings improvement is mainly attributable to the contribution made by acquisitions.

Earnings performance for the business areas was mixed. Special Products reported significantly higher earnings which, together with favourable performance for Flow Technology and Fluids & Mechanical Solutions, countered weaker earnings for Industrial Components and Engineering & Equipment.

During the fourth quarter, a decision was made on a new, long-term strategy for the group of companies that works with valves in the marine segment in the Flow Technology business area. As a result of this decision, impairment was recognised of assets, leading to a charge of SEK 88 million.

Contingent consideration totalling SEK 96 million for the quarter is not expected to be paid, and the amount has therefore been recognised as income, of which SEK 89

million in operating profit and SEK 7 million in net financial items.

Currency effects of translation of foreign units had a positive impact on EBITA by SEK 9 million, or 3%.

Net financial items amounted to SEK -16 million (-26), of which net interest expense was SEK -13 million (-22). Net interest expense was favourably affected by a lower average interest rate.

Tax on profit for the period was SEK -57 million (-44), corresponding to a tax charge of 21% (20%).

Profit after tax rose 24% to SEK 220 million (178). Earnings per share grew 24% to SEK 5.50 (4.45).

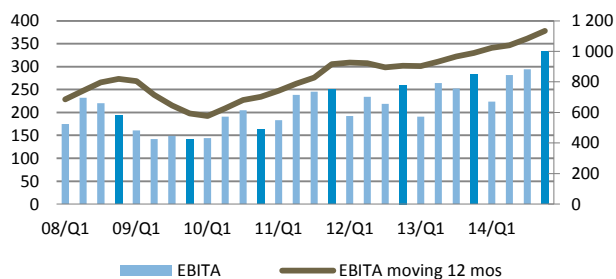
For the period January–December, operating profit before amortisation of intangible assets (EBITA) amounted to SEK 1,134 million (990), an increase of 15%. The EBITA margin was 11.6% (11.2%). Net financial items amounted to SEK -86 million (-100), of which net interest expense was SEK -75 million (-90). Tax on profit for the year was SEK -192 million (-169), corresponding to a tax charge of 21% (22%). Profit after tax totalled SEK 703 million (587). Earnings per share were SEK 17.60 (14.68).

Return

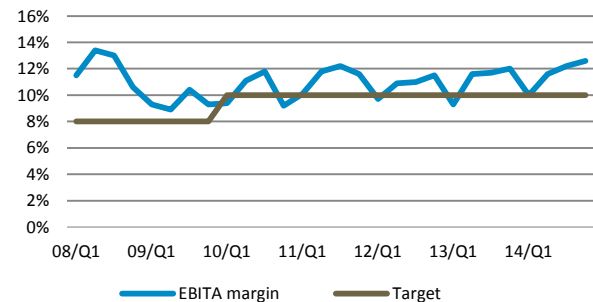
The return on operating capital was 21% (20%), and the return on equity was 25% (25%).

EBITA

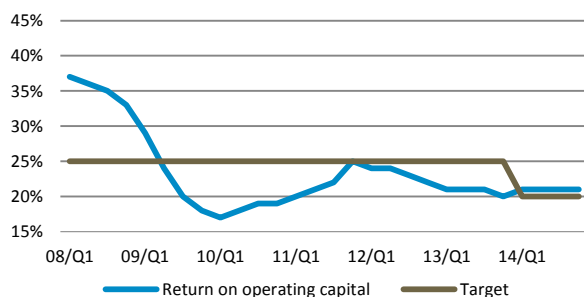
SEK million



EBITA margin

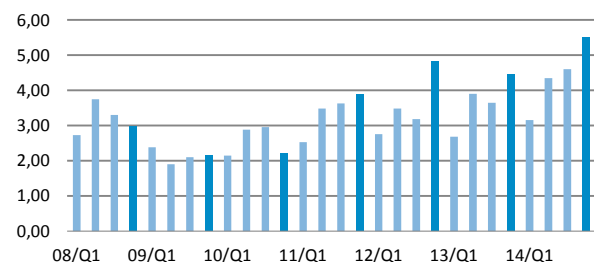


Return



Earnings per share

SEK



Business areas

Q4

Engineering & Equipment

Engineering & Equipment's operations involve sales of components as well as customisation, combinations and installations of products from various suppliers. Business is conducted mainly in Finland.

SEK million	2014 Oct-Dec	2013 Oct-Dec	Change	2014 Jan-Dec	2013 Jan-Dec	Change
Net sales	329	334	-1%	1,274	1,265	1%
EBITA	22	28	-21%	93	103	-10%
EBITA margin, %	6.7	8.4		7.3	8.1	

Net sales decreased by 1% during the fourth quarter, to SEK 329 million (334). For comparable units, the decrease was 6%, while currency movements had a positive impact on net sales, by 5%.

Despite continued weak demand in Finnish industry during the quarter, a number of the business area's companies performed well, with higher order intake and invoicing as a result.

Net sales exceeded order intake by 2% during the quarter.

EBITA for the quarter decreased by 21% to SEK 22 million (28), corresponding to an EBITA margin of 6.7% (8.4%). For comparable units, earnings decreased by 24%, while exchange rate differences had a favourable impact on earnings by 3%. The main reasons for the earnings decrease were the lower level of net sales and slightly higher costs during the quarter associated with continued cost adaptations to the challenging market situation.

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	2014 Oct-Dec	2013 Oct-Dec	Change	2014 Jan-Dec	2013 Jan-Dec	Change
Net sales	541	508	6%	2,073	1,979	5%
EBITA	50	39	28%	176	159	11%
EBITA margin, %	9.2	7.7		8.5	8.0	

Net sales rose 6% during the fourth quarter, to SEK 541 million (508). The increase for comparable units was 6%, while currency movements had a marginal impact.

The strong order intake during the first half of the year resulted in higher invoicing during the third and fourth quarters. The market is characterised by continued wide variation in demand between companies and segments.

Net sales exceeded order intake by 6% during the quarter.

EBITA for the quarter increased by 28% to SEK 50 million (39), and the EBITA margin reached 9.2% (7.7%). The increase for comparable units was 30%, while exchange rate differences had a negative impact, by -2%.

The earnings growth is mainly attributable to the increase in net sales.

During the fourth quarter a decision was made on a new, long-term strategy for the group of companies that work with valves in the marine segment. The focus of the strategy will be on more highly specified systems and valves for customers with high demands on quality, availability and documentation. As a result of this, impairment was recognised for assets, resulting in a charge of SEK 88 million. This one-time charge is reported in the Parent Company and Group items to facilitate comparisons over time for the business area.

Q4

Fluids & Mechanical Solutions

Fluids & Mechanical Solutions offers hydraulic and mechanical components to industries in the Nordic and Baltic countries. Key product areas are filters, hydraulics, tools & transmission, industrial springs, valves, compressors, product labelling and construction plastics.

SEK million	2014 Oct-Dec	2013 Oct-Dec	Change	2014 Jan-Dec	2013 Jan-Dec	Change
Net sales	289	258	12%	1,058	993	7%
EBITA	33	26	27%	127	110	15%
EBITA margin, %	11.4	10.1		12.0	11.1	

Net sales rose 12% during the fourth quarter, to SEK 289 million (258). The increase for comparable units was 2%. Acquisitions contributed 8%, while currency movements affected net sales by 2%.

Sales during the fourth quarter were favourably affected by a slightly improved market situation for the business area's companies, combined with the acquisition of Winab Vikdörrar AB, which was completed during the quarter.

Net sales exceeded order intake by 2% during the quarter.

EBITA for the quarter increased by 27% to SEK 33 million (26), and the EBITA margin reached 11.4% (10.1%). The increase for comparable units was 16%, while acquired growth accounted for 10% and exchange rate differences 1%.

Earnings and the margin improved as a result of the growth in net sales combined with a stronger gross margin.

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.

SEK million	2014 Oct-Dec	2013 Oct-Dec	Change	2014 Jan-Dec	2013 Jan-Dec	Change
Net sales	546	466	17%	1,925	1,717	12%
EBITA	56	64	-13%	226	212	7%
EBITA margin, %	10.3	13.7		11.7	12.3	

Net sales rose 17% during the fourth quarter, to SEK 546 million (466). The increase for comparable units was 5%. Acquisitions contributed 11%, while currency movements impacted sales by 1%.

Overall, the business area noted a slight improvement in demand during the period, although the variation between companies and segments continues to be large. Net sales exceeded order intake by 2% during the quarter.

EBITA for the quarter decreased by 13% compared with a strong comparison period, to SEK 56 million (64), corresponding to an EBITA margin of 10.3% (13.7%). For

comparable units, earnings decreased by 22%, which was countered by a 9% contribution from completed acquisitions, while exchange rate movements had a marginal impact.

The weaker Swedish krona had a negative impact on gross margins for the business area, which has a relatively high share of sales in Sweden, as higher purchasing prices in foreign currency could not be compensated during the period. This, together with a changed mix, is the main reason for the earnings decline during the fourth quarter.

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	2014 Oct-Dec	2013 Oct-Dec	Change	2014 Jan-Dec	2013 Jan-Dec	Change
Net sales	960	795	21%	3,463	2,920	19%
EBITA	173	122	42%	553	443	25%
EBITA margin, %	18.0	15.3		16.0	15.2	

Net sales rose 21% during the fourth quarter, to SEK 960 million (795). For comparable units, net sales decreased by 1%. Acquired growth was 16%, while currency movements had a positive impact on net sales, by 6%.

Order intake and sales developed favourably for most companies in the business area during the quarter, including completed acquisitions. The variation in order intake remains large in the business area, which is particularly evident for companies involved in large project deals. In addition, a few of these companies had lower invoicing during the fourth quarter compared with the same quarter a year ago.

Net sales exceeded order intake by 3% during the quarter.

EBITA increased by 42% during the quarter, to SEK 173 million (122), and the EBITA margin was 18.0% (15.3%).

The earnings increase is mainly attributable to completed acquisitions, which accounted for 26% of the increase. Earnings for comparable units rose 9%, related to the higher level of net sales during the quarter. Currency movements had a positive impact on profit, by 7%.

During the fourth quarter, contingent consideration for companies in the business area was restated, resulting in other operating income of SEK 88 million. The item is reported in the Parent Company and Group items to enable comparisons over time for the business area.

Q4

Other financial information

Financial position

Shareholders' equity amounted to SEK 3,162 million (2,626), and the equity ratio was 39% (38%).

Cash and cash equivalents amounted to SEK 357 million (261). In addition to this, the Group had unutilised credit promises of SEK 1,858 million (1,233). Interest-bearing net debt amounted to SEK 2,494 million (2,321). During the first quarter Indutrade established a commercial paper programme with a framework of SEK 1.5 billion. At the close of the quarter the outstanding programme amounted to SEK 855 million.

The net debt/equity ratio was 79% at end of the period (88%).

Cash flow, Capital expenditures and Depreciation

Cash flow from operating activities was SEK 904 million (859) for the financial year. Cash flow after net capital expenditures in intangible non-current assets and in property, plant and equipment (excluding company acquisitions) was SEK 780 million (653). Capital

expenditures in non-current assets were lower than in the corresponding period a year ago.

The Group's net capital expenditures, excluding company acquisitions, totalled SEK 124 million (206). Depreciation of property, plant and equipment amounted to SEK 127 million (114). Investments in company acquisitions amounted to SEK 512 million (335). In addition, earn-out payments for previous years' acquisitions amounted to SEK 73 million (128).

Employees

The number of employees was 4,578 at the end of the period (4,218 at year-end 2013). A total of 361 employees were added through acquisitions.

Company acquisitions

The Group has acquired the following companies, which are consolidated for the first time in 2014.

Month acquired	Acquisitions	Business area	Net Sales/SEK m*	No. of employees*
January	AP Tobler AG	Special Products	37	35
March	Svenska Geotech AB	Industrial Components	40	6
May	Corrosion Resistant Products Ltd	Special Products	110	58
June	Micro Spring and Presswork Ltd	Special Products	40	45
June	Birmingham Specialities Ltd	Special Products	60	58
June	ALH Systems Ltd	Special Products	60	46
August	Bailey Morris Ltd	Special Products	70	38
September	BL Products AB	Industrial Components	20	6
October	Gelins-KGK AB	Industrial Components	110	22
October	Winab Vikväggar AB	Fluids & Mechanical Solutions	90	39
December	Verbeeck Packaging Group BV	Special Products	45	8
Total			682	361

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

Further information about completed company acquisitions can be found on page 18 of this interim report.

Events after the end of the reporting period

Effective 1 January 2015 the Indutrade Group is organised in six business areas, instead of five as previously. The change has been carried out by breaking away companies active in measurement and sensor technology from the Special Products business area into the newly formed Measurement & Sensor Technology business area. The aim of the change is to strengthen focus and thereby the conditions for continued growth in the Group. Pro forma figures for the 2014 and 2013 financial years according to the new structure are provided on page 22 of this report.

Four company acquisitions were carried out in January. For further information on these acquisitions, see the section "Acquisitions" on page 19.

On 1 January Patrik Stolpe took office as President of the new Measurement & Sensor Technology business area. He joins Indutrade from a position within the Xylem Group. Patrik Stolpe, together with Susann Nyberg, Head of Group Finance, are new members of Indutrade's executive management as from 1 January 2015.

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

Incentive programme

The Annual General Meeting of Indutrade AB resolved in April 2014 to introduce a long-term incentive programme, LTI 2014, comprising a combined maximum of 460,000 warrants in two series for senior executives and other key persons in the Indutrade Group.

Within the framework of Series I, which was directed at 135 individuals, the participants subscribed for a total of 257,500 warrants for a combined total of SEK 3,914,000. The price per warrant was SEK 15.20, which corresponds to the market price. The subscription price for buying Indutrade shares under the warrants has been set at SEK 356.30 per share.

Within the framework of Series II, which was directed at 13 individuals, a total of 27,500 warrants were subscribed for a combined total of SEK 319,000. The price per warrant was SEK 11.60, which corresponds to the market price. The subscription price for buying Indutrade shares under the warrants has been set at SEK 350.00 per share.

Shares can be purchased during specially stipulated subscription periods through Friday, 18 May 2018. Upon full exercise, the number of shares outstanding will increase by 285,000, corresponding to 0.7% of the total number of shares and votes.

The dilutive effect during the reporting period was 0%.

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 (3) during the period January–December. The Parent Company's financial assets consist mainly of shares in subsidiaries. During the period, the Parent Company acquired shares in twelve new companies. The Parent Company did not make any major investments in intangible non-current assets or in property, plant and equipment. The number of employees on 31 December was 10 (10).

Risks and uncertainties

The Indutrade Group conducts business in 26 countries on four continents, through some 180 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 2013 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 account of risks that affect the Group and Parent Company, please see the 2013 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 2013 Annual Report.

No new IFRSs or IFRIC interpretations that have been endorsed by the EU are applicable for Indutrade or have had any material impact on the Group's result of operations or financial position in 2014.

Q4

Proposal to 2015 Annual General Meeting

The Annual General Meeting will be held in Stockholm on 29 April 2015.

The Board of Directors proposes a dividend of SEK 7.75 per share (7.05), corresponding to SEK 310 million (282). The proposed dividend is in line with Indutrade's dividend policy to distribute 30%-60% of net profit.

Financial calendar

- The 2014 Annual Report will be published in early April 2015.
- The interim report for the period 1 January–31 March 2015 will be published on 29 April 2015.
- The Annual General Meeting will be held in Stockholm on 29 April 2015.
- The interim report for the period 1 January–30 June 2015 will be published on 23 July 2015.
- The interim report for the period 1 January–30 September 2015 will be published on 29 October 2015.

Stockholm, 16 February 2015
Indutrade AB (publ)

Fredrik Lundberg
Chairman

Bengt Kjell
Vice chairman

Eva Färnstrand
Director

Martin Lindqvist
Director

Ulf Lundahl
Director

Krister Mellvé
Director

Lars Petterson
Director

Johnny Alvarsson
Director, President

Note

The information provided in this report is published in accordance with the Securities Market Act, the Financial Instruments Trading Act, and/or the Issuers Rules and Regulations for NASDAQ OMX Stockholm. Submitted for publication at 11.15 a.m. on 16 February 2015.

Further information

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

This report will be commented upon as follows:

Through a conference call/webcast today at 3 p.m. (CET) under the following link:

<http://event.onlineseminarsolutions.com/r.htm?e=928133&s=1&k=0E3B583159BF3A9B5625730EBE1D79BD>

To participate, please call

SE: +46 8 566 426 61

UK: +44 203 428 14 00

US: +1 646 502 51 16

AUDITOR'S REVIEW REPORT

We have reviewed the condensed interim financial information (interim report) of Indutrade AB (publ) as of 31 December 2014 and the twelve-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information 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.

We conducted our review in accordance with the International Standard on Review Engagements ISRE 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.

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, 16 February 2015

PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant
Auditor in charge

Q4 Indutrade consolidated income statement – condensed

SEK million	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Net sales	2,654	2,352	9,746	8,831
Cost of goods sold	-1,786	-1,537	-6,464	-5,833
Gross profit	868	815	3,282	2,998
Development costs	-28	-29	-107	-110
Selling costs	-448	-439	-1,708	-1,601
Administrative expenses	-149	-120	-535	-449
Other operating income and expenses	50	21	49	18
Operating profit	293	248	981	856
Net financial items	-16	-26	-86	-100
Profit after financial items	277	222	895	756
Income Tax	-57	-44	-192	-169
Net profit for the period	220	178	703	587
<i>Net profit, attributable to:</i>				
Equity holders of the parent company	220	178	704	587
Non-controlling interests	0	0	-1	0
	220	178	703	587
Earnings per share for the period, attributable to equity holders of the parent company 1)	5.50	4.45	17.60	14.68
EBITA	334	283	1,134	990
<i>Operating profit includes:</i>				
Amortisation of intangible assets ²⁾	-47	-39	-171	-148
<i>of which attributable to acquisitions</i>	<i>-41</i>	<i>-35</i>	<i>-153</i>	<i>-134</i>
Depreciation of property, plant and equipment	-32	-31	-127	-114

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

²⁾ Excluding write-downs

Indutrade consolidated statement of comprehensive income

SEK million	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Net profit for the period	220	178	703	587
Other comprehensive income				
Items that can be reversed into income statement:				
Fair value adjustment of hedge instruments	-3	-10	-27	3
Tax attributable to fair value adjustments	1	2	7	-1
Exchange rate differences	61	45	172	22
Items that cannot be reversed into income statement:				
Actuarial gains/losses	-51	9	-51	9
Tax on actuarial gains/losses	11	-2	11	-2
Other comprehensive income for the period, net of tax	19	44	112	31
Total comprehensive income for the period	239	222	815	618
<i>Total comprehensive income, attributable to:</i>				
Equity holders of the parent company	239	221	816	617
Non-controlling interests	0	1	-1	1
	239	222	815	618

Business area performance

Q4

	2014	2013	2014	2013
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales, SEK million				
Engineering & Equipment	329	334	1,274	1,265
Flow Technology	541	508	2,073	1,979
Fluids & Mechanical Solutions	289	258	1,058	993
Industrial Components	546	466	1,925	1,717
Special Products	960	795	3,463	2,920
Parent company and Group items	-11	-9	-47	-43
	2,654	2,352	9,746	8,831
EBITA, SEK million				
Engineering & Equipment	22	28	93	103
Flow Technology	50	39	176	159
Fluids & Mechanical Solutions	33	26	127	110
Industrial Components	56	64	226	212
Special Products	173	122	553	443
Parent company and Group items	0	4	-41	-37
	334	283	1,134	990
EBITA margin, %				
Engineering & Equipment	6.7	8.4	7.3	8.1
Flow Technology	9.2	7.7	8.5	8.0
Fluids & Mechanical Solutions	11.4	10.1	12.0	11.1
Industrial Components	10.3	13.7	11.7	12.3
Special Products	18.0	15.3	16.0	15.2
	12.6	12.0	11.6	11.2

Q4

Net sales, SEK million	2014				2013			
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	329	319	332	294	334	301	331	299
Flow Technology	541	533	547	452	508	471	531	469
Fluids & Mechanical Solutions	289	252	266	251	258	234	258	243
Industrial Components	546	437	495	447	466	409	438	404
Special Products	960	887	802	814	795	741	730	654
Parent company and Group items	-11	-16	-12	-8	-9	-8	-8	-18
	2,654	2,412	2,430	2,250	2,352	2,148	2,280	2,051

EBITA, SEK million	2014				2013			
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	22	31	25	15	28	25	30	20
Flow Technology	50	47	52	27	39	40	54	26
Fluids & Mechanical Solutions	33	29	34	31	26	25	29	30
Industrial Components	56	52	69	49	64	55	53	40
Special Products	173	150	113	117	122	120	110	91
Parent company and Group items	0	-15	-11	-15	4	-13	-12	-16
	334	294	282	224	283	252	264	191

EBITA margin, %	2014				2013			
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	6.7	9.7	7.5	5.1	8.4	8.3	9.1	6.7
Flow Technology	9.2	8.8	9.5	6.0	7.7	8.5	10.2	5.5
Fluids & Mechanical Solutions	11.4	11.5	12.8	12.4	10.1	10.7	11.2	12.3
Industrial Components	10.3	11.9	13.9	11.0	13.7	13.4	12.1	9.9
Special Products	18.0	16.9	14.1	14.4	15.3	16.2	15.1	13.9
	12.6	12.2	11.6	10.0	12.0	11.7	11.6	9.3

Indutrade consolidated balance sheet – condensed

Q4

SEK million	2014 31 Dec	2013 31 Dec
Goodwill	1,572	1,308
Other intangible assets	1,445	1,286
Property, plant and equipment	971	849
Financial assets	87	61
Inventories	1,617	1,546
Accounts receivable, trade	1,702	1,435
Other receivables	336	208
Cash and cash equivalents	357	261
Total assets	8,087	6,954
Equity	3,162	2,626
Non-current interest-bearing liabilities and pension liabilities	1,216	2,201
Other non-current liabilities and provisions	412	353
Current interest-bearing liabilities	1,635	381
Accounts payable, trade	763	602
Other current liabilities	899	791
Total equity and liabilities	8,087	6,954

Indutrade consolidated statement of changes in equity – condensed

Attributable to equity holders of the parent company SEK million	2014 31 Dec	2013 31 Dec
Opening equity	2,623	2,288
Total comprehensive income for the period	816	617
Payment for issued warrants	4	-
Dividend	-282 ¹⁾	-282 ¹⁾
Acquisition of non-controlling interests	-1	-
Closing equity	3,160	2,623

¹⁾ Dividend per share 2013 was SEK 7.05 (7.05)

Equity, attributable to:	2014 31 Dec	2013 31 Dec
Equity holders of the parent company	3,160	2,623
Non-controlling interests	2	3
	3,162	2,626

Q4

Indutrade consolidated cash flow statement – condensed

SEK million	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Operating profit	293	248	981	856
Non-cash items	71	48	293	252
Interests and other financial items, net	-12	-21	-76	-18
Paid tax	-32	-35	-228	-237
Change in working capital	58	167	-66	69
Cash flow from operating activities	378	407	904	859
Net capital expenditures in non-current assets	-12	-54	-124	-206
Company acquisitions and divestments	-171	-106	-585	-444
Change in other financial assets	0	0	3	1
Cash flow from investing activities	-183	-160	-706	-649
Net borrowings	-122	-232	165	88
Dividend paid out	-	-	-282	-282
Cash flow from financial activities	-122	-232	-117	-194
Cash flow for the period	73	15	81	16
Cash and cash equivalents at start of period	279	244	261	243
Exchange rate differences	5	2	15	2
Cash and cash equivalents at end of period	357	261	357	261

Indutrade changes in interest-bearing net debt

SEK million	2014 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Beginning of period	-2,672	-2,321	-2,339
Cash flow from operating activities	378	904	859
Net capital expenditures in non-current assets	-12	-124	-206
Company acquisitions and divestments	-189	-627	-414
Dividend paid out	-	-282	-282
Other changes *)	1	-44	61
Total changes	178	-173	18
End of period	-2,494	-2,494	-2,321

*) Other changes relate to adjustment of earn-outs from acquisitions, revaluation of pension liability and currency effects among others.

Key data

Q4

Moving 12 mos	2014 31 Dec	2013 31 Dec	2012 31 Dec	2011 31 Dec
Net sales, SEK million	9,746	8,831	8,384	7,994
Sales growth, %	10	5	5	19
EBITA, SEK million	1,134	990	905	917
EBITA margin, %	11.6	11.2	10.8	11.5
Operating capital, SEK million	5,656	4,947	4,629	3,720
Return on operating capital, %	21	20	22	25
Return on equity, %	25	25	27	29
Interest-bearing net debt, SEK million	2,494	2,321	2,339	1,656
Net debt/equity ratio, %	79	88	102	80
Net debt/EBITDA, times	1.9	2.1	2.3	1.6
Equity ratio, %	39	38	35	38
Average number of employees	4,418	4,151	3,939	3,778
Number of employees at end of the period	4,578	4,218	4,086	3,807
<i>Attributable to equity holders of the parent company</i>				
<i>Key ratios per share ¹⁾</i>				
Earnings per share, SEK	17.60	14.68	14.23	13.50
Equity per share, SEK	79.00	65.58	57.20	51.55
Cash flow from operating activities per share, SEK	22.60	21.48	12.98	17.73

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.

Q4 Acquisitions

Acquisitions 2014

All of the shares were acquired in AP Tobler AG (Switzerland), Svenska Geotech AB (Sweden), Corrosion Resistant Products Ltd (UK), Micro Spring and Presswork Ltd (UK), Birmingham Specialities Ltd (UK), ALH Systems Ltd (UK), Bailey Morris Ltd (UK), BL Products AB (Sweden), Winab Vikväggar AB (Sweden), Gelins-KGK AB (Sweden), and Verbeeck Packaging Group B.V. (Netherlands).

Industrial Components

Svenska Geotech AB, with annual sales of SEK 40 million, imports and supplies building site preparation and civil engineering products to companies in the infrastructure segment. The company is consolidated in the Group as from 17 March 2014. BL Products AB, with annual sales of SEK 20 million, sells and installs packaging machinery. The company is consolidated in the Group as from 22 September 2014. Gelins-KGK AB, with annual sales of SEK 110 million, is a technology sales company that supplies industrial components to Swedish industry and farm equipment. The company is consolidated in the Group as from 20 October 2014.

Fluids & Mechanical Solutions

Winab Vikväggar AB, with annual sales of SEK 90 million, is a leading manufacturer of folding partitions and partition walls for customers in the private and public sectors. The company is consolidated in the Group as from 1 October 2014.

Special Products

AP Tobler AG specialises in surface treatment of stainless steel and aluminium equipment for the pharmaceutical industry, with annual sales of approximately SEK 37 million. The company is consolidated in the Group as from 1 January 2014. Corrosion Resistant Products Ltd manufactures and supplies corrosion-resistant piping, valves and expansion bellows, and has annual sales of SEK 110 million. The company is consolidated in the Group as from 13 May 2014. Micro Spring and Presswork Ltd manufactures industrial springs and stampings, and has annual sales of SEK 40 million. The company is consolidated in the Group as from 17 June 2014. Birmingham Specialities Ltd is a specialist manufacturer of industrial components, with annual sales of SEK 60 million. The company is consolidated in the Group as from 18 June 2014. ALH Systems Ltd specialises in the manufacture and sale of encapsulants, sealants and adhesives, with annual sales of SEK 60 million. The company is consolidated in the Group as from 26 June 2014. Bailey Morris manufactures drive shafts, propshafts and special components. The company has annual

sales of SEK 70 million and is consolidated in the Group as from 15 August 2014. Verbeeck Packaging Group B.V. specialises in packaging solutions for the cosmetics, pharmaceutical, food and household sectors. The company has annual sales of SEK 45 million and is consolidated in the Group as from 10 December 2014.

Acquired assets in AP Tobler AG, Svenska Geotech AB, Corrosion Resistant Products Ltd, Micro Spring and Presswork Ltd, Birmingham Specialities Ltd, ALH Systems Ltd, Bailey Morris Ltd, BL Products AB, Winab Vikväggar AB, Gelins-KGK AB and Verbeeck Packaging Group B.V.

Preliminary purchase price allocation

SEK million

Purchase price, incl. contingent earn-out payment totalling SEK 115 million	735
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Acquired assets	Book Value	Fair value adjustment	Fair value
Goodwill	-	247	247
Agencies, customer relations, licences, etc.	1	257	258
Property, plant and equipment	70	5	75
Financial assets	0	-	0
Inventories	108	-	108
Other current assets ¹⁾	154	-	154
Cash and cash equivalents	108	-	108
Deferred tax liability	-10	-54	-64
Provisions including pension liabilities	-7		-7
Other operating liabilities	-144	-	-144
	280	455	735

¹⁾ Mainly trade accounts receivable

Agencies, customer relations, licences, etc. will be amortised over a period of 10 years.

Indutrade normally uses an acquisition structure entailing a base level of consideration plus a contingent earn-out payment. Initially, the contingent earn-out payments are valued at the present value of the likely outcome, which for the acquisitions made during the year amount to SEK 115 million. These contingent earn-out payments fall due for payment within 4 years and can amount to a maximum of SEK 123 million. If the conditions are not met, the outcome can be in the range of SEK 0–123 million.

Transaction costs for the acquisitions carried out during the period totalled SEK 5 million (6) and are included in Other income and expenses in the income statement. Contingent earn-out payments have been restated in the amount of SEK 101 million (89), of which SEK 96 million (91) during the fourth quarter. Of the resulting income, SEK 94 million is reported in the income statement under Other income and expenses, and SEK 7 million is reported under Net financial items. In connection with a new assessment of contingent earn-out payments, the need to recognise impairment of goodwill in these companies has also been tested. As a result of this impairment testing, an impairment loss of SEK 3 million has been recognised in the Group. Performance is positive for most of these operations, but not at the level required for payment of the contingent consideration. The expense is reported in the income statement under Other income and expenses.

The purchase price allocation calculations for Medexa Diagnostisk Service AB, Kin Pompentechnik B.V. and Verplas Ltd, which were acquired in October and November 2013, have now been finalised. No significant adjustments have been made to the calculations. For other acquisitions, the purchase price allocation calculations are preliminary. Indutrade regards the calculations as preliminary during the time that uncertainty exists with respect to, for example, the outcome of guarantees in the acquisition agreements concerning inventories and trade accounts receivable.

Cash flow impact

SEK million

Purchase price, incl. contingent earn-out payment	735
Purchase price not paid out	-115
Cash and cash equivalents in acquired companies	-108
Payments pertaining to previous years' acquisitions	73
Total cash flow impact	585

Effects of acquisitions carried out in 2013 and 2014

SEK million Business area	Net sales		EBITA	
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Engineering & Equipment	-	-	-	-
Flow Technology	-	-	-	-
Fluids & Mechanical Solutions	21	21	3	3
Industrial Components	50	109	5	19
Special Products	130	468	32	92
Effect on Group	201	598	40	114
Acquisitions carried out in 2013	18	251	3	44
Acquisitions carried out in 2014	183	347	37	70
Effect on Group	201	598	40	114

If all acquired units had been consolidated as from 1 January 2014, net sales for the year would have amounted to SEK 10,135 million, and EBITA would have totalled SEK 1,188 million.

Acquisitions after the end of the reporting period

In early January the acquisition of Flowtec Industrietechnik GmbH (Austria) was completed. Flowtec, with annual sales of SEK 80 million, is a technology sales company that sells industrial components in Austria and Eastern Europe. The company is included in the Special Products business area as from 1 January 2015.

On 9 January Indutrade acquired Adaero Precision Components Ltd (UK), with annual sales of SEK 50 million. The company manufactures customised high precision industrial components and is included in the Special Products business area.

On 9 January Indutrade also acquired Cepro International BV (Netherlands), with annual sales of SEK 70 million. Cepro manufactures products for welding and grinding work stations, and is included in the Special Products business area.

On 22 January Indutrade acquired Sepab Fordonsprodukter AB (Sweden), with annual sales of SEK 50 million. With focus on commercial vehicles, Sepab develops products for safety, national adaptation, efficiency and comfort. Sepab is included in the Measurement & Sensor Technology business area.

Preliminary purchase price allocation calculations will be presented in the first quarter interim report for 2015.

Q4

Fair value

The table below shows financial instruments at fair value, based on the classification of the fair value hierarchy. The various levels are defined as follows:

1. Quoted prices (unadjusted) in active markets for identical assets and liabilities [level 1]
2. Other observable data for assets and liabilities than quoted prices included in level 1, either directly (i.e., through price listings) or indirectly (i.e., stemming from price listings) [level 2]
3. Data for the assets or liabilities that is not based on observable market data (i.e., non-observable market data) [level 3]

The Group's assets and liabilities measured at fair value

SEK million	31 Dec 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets	-	-	4	4
Derivative instruments held for hedging purposes	-	14	-	14
Liabilities				
Derivative instruments held for hedging purposes	-	66	-	56
Contingent consideration	-	-	241	241

SEK million	31 dec 2013			
	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets	-	-	7	7
Derivative instruments held for hedging purposes	-	3	-	3
Liabilities				
Derivative instruments held for hedging purposes	-	27	-	27
Contingent consideration	-	-	268	268

Derivative instruments consist of currency forward contracts and interest rate swaps. No transfers were made between levels 2 and 3 during the period. Assets in level 3 consist essentially of holdings of shares and participations in unlisted companies. Fair value is considered to be equal to cost. Contingent earn-out payments have been discounted to present value using an interest rate that is judged to be in line with the market rate at the time of acquisition. Adjustments are not made on a regular basis for changes in the market interest rate, since the effects of these are judged to be negligible. Essentially all long- and short-term loans carry variable interest rates, which is why fair value is equal to the carrying amount. For the Group's other financial assets and liabilities, such as trade accounts receivable, cash and cash equivalents, and trade accounts payable, fair value is estimated to be equal to the carrying amount.

Contingent earn-out payments	2014	2013
SEK million	31 Dec	31 Dec
Opening book value	268	370
Acquisitions during the year	115	98
Consideration paid	-68	-128
Reclassified via income statement	-94	-89
Interest expenses	4	14
Exchange rate differences	16	3
Closing book value	241	268

Parent company income statement – condensed

Q4

SEK million	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Net sales	4	3	4	3
Gross profit	4	3	4	3
Administrative expenses	-16	-13	-62	-55
Other income and expenses	-1	2	5	5
Operating profit	-13	-8	-53	-47
Financial income/expenses	-2	-15	-47	-48
Profit from participation in Group companies	-18	-30	624	269
Profit after financial items	-33	-53	524	174
Appropriations	324	362	324	362
Income tax	-68	-76	-49	-62
Net profit for the period	223	233	799	474
Amortisation/depreciation of intangible assets and property, plant and equipment	0	0	-1	-1

Parent company balance sheet – condensed

SEK million	2014 31 Dec	2013 31 Dec
Intangible assets	0	0
Property, plant and equipment	1	1
Financial assets	3,521	2,954
Current receivables	2,480	2,105
Cash and cash equivalents	0	7
Total assets	6,002	5,067
Equity	2,356	1,867
Untaxed reserves	388	315
Non-current interest-bearing liabilities and pension liabilities	818	1,879
Other non-current liabilities and provisions	2	-
Current interest-bearing liabilities	2,267	911
Current noninterest-bearing liabilities	171	95
Total equity and liabilities	6,002	5,067
Pledged assets	8	6
Contingent liabilities	114	112

Pro forma Business Areas according to new structure valid from 1 Jan 2015

Net sales, SEK million	2014					2013				
	Total	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Total	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	1,274	329	319	332	294	1,265	334	301	331	299
Flow Technology	2,073	541	533	547	452	1,979	508	471	531	469
Fluids & Mechanical Solutions	1,058	289	252	266	251	993	258	234	258	243
Industrial Components	1,925	546	437	495	447	1,717	466	409	438	404
Measurement & Sensor Technology	753	207	190	193	163	704	183	174	186	161
Special Products	2,710	753	697	609	651	2,216	612	567	544	493
Parent company and Group items	-47	-11	-16	-12	-8	-43	-9	-8	-8	-18
	9,746	2,654	2,412	2,430	2,250	8,831	2,352	2,148	2,280	2,051

EBITA, SEK million	2014					2013				
	Total	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Total	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	93	22	31	25	15	103	28	25	30	20
Flow Technology	176	50	47	52	27	159	39	40	54	26
Fluids & Mechanical Solutions	127	33	29	34	31	110	26	25	29	30
Industrial Components	226	56	52	69	49	212	64	55	53	40
Measurement & Sensor Technology	135	40	43	32	20	110	29	32	33	16
Special Products	418	133	107	81	97	333	93	88	77	75
Parent company and Group items	-41	0	-15	-11	-15	-37	4	-13	-12	-16
	1,134	334	294	282	224	990	283	252	264	191

EBITA-margin, %	2014					2013				
	Total	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Total	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Engineering & Equipment	7.3	6.7	9.7	7.5	5.1	8.1	8.4	8.3	9.1	6.7
Flow Technology	8.5	9.2	8.8	9.5	6.0	8.0	7.7	8.5	10.2	5.5
Fluids & Mechanical Solutions	12.0	11.4	11.5	12.8	12.4	11.1	10.1	10.7	11.2	12.3
Industrial Components	11.7	10.3	11.9	13.9	11.0	12.3	13.7	13.4	12.1	9.9
Measurement & Sensor Technology	17.9	19.3	22.6	16.6	12.3	15.6	15.8	18.4	17.7	9.9
Special Products	15.4	17.7	15.4	13.3	14.9	15.0	15.2	15.5	14.2	15.2
	11.6	12.6	12.2	11.6	10.0	11.2	12.0	11.7	11.6	9.3

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 divided by net sales

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 divided by total assets.

Gross margin

Gross profit divided by net sales.

Interest-bearing net debt

Interest-bearing liabilities including pension liability and estimated earn-outs from acquisitions, 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.

Return on equity

Net profit for the period divided by average equity per month.

Return on operating capital

EBITA divided by average operating capital per month.

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

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The Group is structured into six business areas: Engineering & Equipment, Flow Technology, Fluids & Mechanical Solutions, Industrial Components, Measurement & Sensor Technology and Special Products.

The Group's financial targets (per year across a business cycle) are to grow by a minimum of 10%, to attain a minimum EBITA margin of 10% and a minimum return on operating capital of 20%.