

# INTERIM REPORT

## 1 JANUARY – 30 JUNE 2011



### 1 JANUARY – 30 JUNE 2011

- Net sales rose 18% during the period to SEK 3,831 million (3,249). The increase for comparable units was 11%.
- Operating profit before amortisation of intangible assets attributable to acquisitions (EBITA) rose 26% to SEK 421 million (335), and the EBITA margin was 11.0% (10.3%).
- Profit after tax rose 19% to SEK 240 million (201).
- Earnings per share for the period were SEK 6.00 (5.03). Earnings per share for the last twelve-month period were SEK 11.15.

### SECOND QUARTER 2011

- Net sales rose 17% during the second quarter to SEK 2,015 million (1,722). The increase for comparable units was 10%.
- Operating profit before amortisation of intangible non-current assets attributable to acquisitions (EBITA) rose 25% to SEK 238 million (191), and the EBITA margin was 11.8% (11.1%).
- Profit after tax rose 21% to SEK 139 million (115).
- Earnings per share for the second quarter were SEK 3.48 (2.88).

## FINANCIAL DEVELOPMENT

SEK million	2011 Apr-Jun	2010 Apr-Jun	Change	2011 Jan-Jun	2010 Jan-Jun	Change	2010/11 Moving 12 mos	2010 Jan-Dec
Net Sales	<b>2,015</b>	1,722	17%	<b>3,831</b>	3,249	18%	7,327	6,745
EBITA	<b>238</b>	191	25%	<b>421</b>	335	26%	789	703
EBITA margin, %	<b>11.8</b>	11.1		<b>11.0</b>	10.3		10.8	10.4
Profit after financial items	<b>189</b>	156	21%	<b>326</b>	272	20%	607	553
Net profit	<b>139</b>	115	21%	<b>240</b>	201	19%	446	407
Earnings per share, SEK	<b>3.48</b>	2.88	21%	<b>6.00</b>	5.03	19%	11.15	10.18
Return on operating capital, % (12 months)	<b>24</b>	22		<b>24</b>	22		24	23

## CEO's message

### Continued growth

During the second quarter the Group's invoicing exceeded SEK 2 billion for the first time in Indutrade's history. Order intake during the quarter reached SEK 2.1 billion, growing by 24% after adjusted currency effects compared with the corresponding period in 2010.

The previous tendency for production volumes in the Swedish engineering industry to plane out at a high level was verified during the quarter. In the Finnish market we are seeing continued growth, which is also the case in Germany. For our activities in Benelux we see a slight upswing.

I am pleased to note that order intake as well as invoicing are now rising in the international energy sector, in line with our previous expectations.

Order intake for the Group as a whole was 4% higher than invoicing during the second quarter, which indicates continued growth in the coming quarter.

The gross margin is a measure of the companies' ability to maintain a relevant price level, among other things. During the quarter it grew to 35%, which is a good indication of the companies' ability to sell not on price, but on product features and service, which make our customers more profitable over the long term. Historically, Indutrade has always been good at maintaining its gross margin. One of the reasons for this is our decentralised organisation, where our employees see a clear connection between pricing and profitability.

### Acquisitions

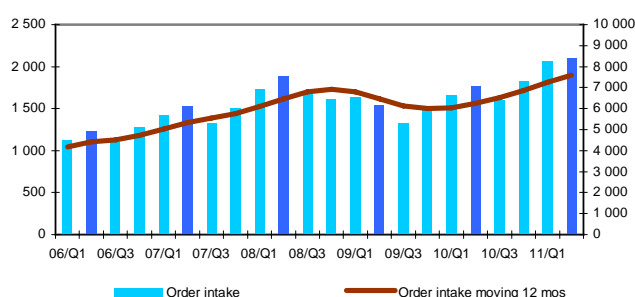
Three acquisitions were made during the quarter – one in the Netherlands on 1 April, one in Sweden in June and one in Switzerland, with possession taking place on 1 July 2011. The acquisition in Switzerland is fundamentally important, since it is the first to be made by the Switzerland-based Abima Group which was acquired in January 2011 and name changed to Indutrade Switzerland AG.

I believe our opportunities for further acquisitions during the autumn are favourable.

*Johnny Alvarsson, President and CEO*

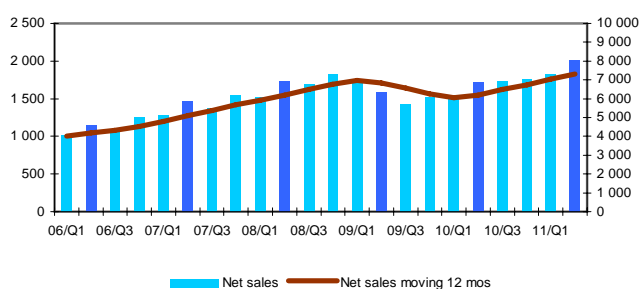
## ORDER INTAKE

SEK million

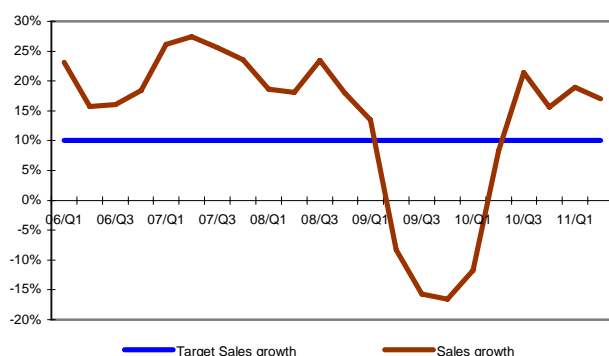


## NET SALES

SEK million



## SALES GROWTH



## Group performance

### ORDER INTAKE AND NET SALES

#### Order intake

Order intake during the period January–June amounted to SEK 4,171 million (3,436), an increase of 21%. For comparable units, order intake rose 12%, while acquired growth was 15%. Currency movements affected order intake negatively by 6%, or SEK 198 million.

Order intake during the second quarter amounted to SEK 2,103 million (1,772), an increase of 19%. For comparable units, order intake rose 10%, while acquired growth was 14%. Currency movements affected order intake negatively by 5%, or SEK 82 million.

The positive trend in the business climate continued into the second quarter. The improvement is broad-based and covers most of the business areas and geographic markets in which the Group is active. During the second quarter, demand increased for products in the international energy sector and activities in the Benelux countries improved slightly. In the marine sector no clear signs of an upswing have been noted yet.

All business areas except for Industrial Components noted like for like growth during the quarter. For Industrial Components, which derives a substantial portion of its sales from the automotive and general engineering industries – especially in Sweden – demand has stabilised at a high level.

#### Net sales

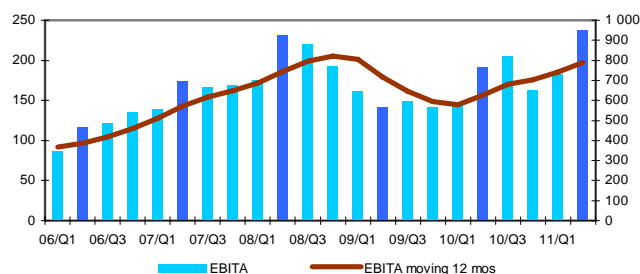
Net sales during the period January–June amounted to SEK 3,831 million (3,249), an increase of 18%. For comparable units the increase was 11%, while acquired growth was 13%. The negative currency effect was 6%, corresponding to an impact on sales of SEK -187 million.

During the second quarter of the year, net sales rose 17% to SEK 2,015 million (1,722). The increase for comparable units was 11%, while acquired growth was also 11%. Currency movements had a negative effect on net sales by 5%, or SEK 83 million.

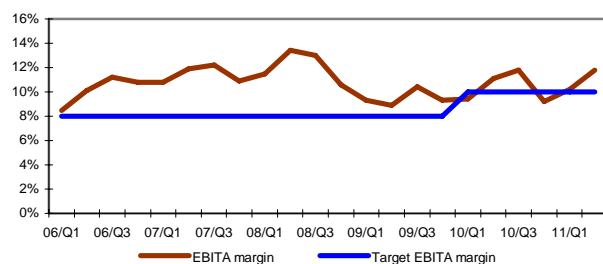
The strong business climate is reflected in net sales for the Group's business areas, which reported increases for comparable units in the interval of 4%–16% for the second quarter and 5%–19% for the first half of the year.

## EBITA

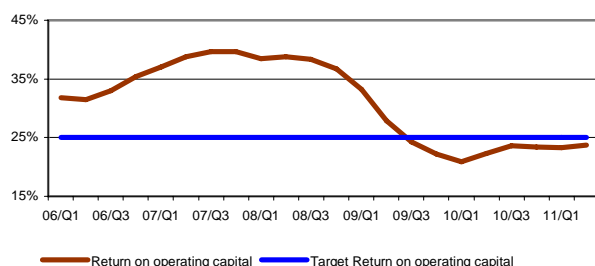
SEK million



## EBITA-MARGIN



## RETURN



## EARNINGS AND RETURN

### Earnings

Operating profit before amortisation of intangible assets (EBITA) amounted to SEK 421 million (335) for the period January–June, an increase of 26%. The operating margin before amortisation of intangible assets (the EBITA margin) was 11.0% (10.3%).

The gross margin at the start of the year was slightly higher than during the corresponding period a year ago, at 34.6% (33.8%). Currency movements compared with the preceding year, with a stronger Swedish krona, had a marginally positive effect on parts of the Group's operations in Sweden. Added to this, the share of large projects was slightly lower than a year ago. The rising business volume also led to 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 -48 million (-21), of which net interest expense amounted to SEK -44 million (-26). 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 period was SEK -86 million (-71), corresponding to a tax charge of 26.4% (26.1). Profit after tax rose 19% to SEK 240 million (201). Earnings per share increased to SEK 6.00 (5.03).

Operating profit before amortisation of intangible assets (EBITA) amounted to SEK 238 million (191) for the second quarter, an increase of 25%. The operating margin before amortisation of intangible assets (the EBITA margin) was 11.8% (11.1%).

Net financial items for the second quarter amounted to SEK -26 million (-13), of which net interest expense accounted for SEK -23 million (-13). Tax on profit for the period totalled SEK -50 million (-41). Profit after tax rose 21% to SEK 139 million (115). Earnings per share were SEK 3.48 (2.88).

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

All business areas contributed to the higher earnings during the period January–June as well as the second quarter. 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 21 million during the first half of the year and by SEK 12 million during the second quarter.

### Return

The return on operating capital was 24% (22%), and the return on equity was 26% (20%).

## Business areas

### 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 of a slightly higher degree of investment goods.*

	<b>2011</b>	2010	<b>2011</b>	2010	2010/11	2010
<b>SEK million</b>	<b>Apr-Jun</b>	Apr-Jun	<b>Jan-Jun</b>	Jan-Jun	Moving 12 mos	Jan-Dec
Net sales	<b>410</b>	373	<b>762</b>	678	1,493	1,409
EBITA	<b>32</b>	30	<b>51</b>	44	105	100
EBITA-margin, %	<b>7.8%</b>	8.0%	<b>6.7%</b>	6.5%	7.2%	7.1%

Net sales rose 12% during the period January–June, to SEK 762 million (678). The increase for comparable units was 19%. Acquisitions contributed 3%, while currency movements had a negative effect on net sales, by 10%.

Demand in the Finnish market, where the business area has most of its business, remained favourable and has grown increasingly broader. This favourable trend applies for most segments of importance for the business area, such as the export-oriented engineering industry, domestic and international projects in pulp and paper, construction and maintenance, and investments in infrastructure, such as water and sewage.

EBITA for the period rose 16% to SEK 51 million (44), corresponding to an EBITA margin of 6.7% (6.5%). Some resource strengthening has been conducted in certain product areas of interest within the business area, which dampened the earnings contribution and margin strengthening of the increase in net sales.

In early January the company Dantherm Filtration Oy was acquired, with annual sales of SEK 30 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.*

	<b>2011</b>	2010	<b>2011</b>	2010	2010/11	2010
<b>SEK million</b>	<b>Apr-Jun</b>	Apr-Jun	<b>Jan-Jun</b>	Jan-Jun	Moving 12 mos	Jan-Dec
Net sales	<b>499</b>	446	<b>945</b>	829	1,859	1,743
EBITA	<b>57</b>	52	<b>100</b>	82	173	155
EBITA-margin, %	<b>11.4%</b>	11.7%	<b>10.6%</b>	9.9%	9.3%	8.9%

Net sales for the period January–June amounted to SEK 945 million (829), an increase of 14%. The increase for comparable units was 5%, while acquired growth was 13%. Currency movements from translation of foreign units had a negative effect on net sales by 4%.

Demand remained good from segments such as pulp and paper, chemicals, water/wastewater and energy. Activity increased in Norway and Denmark, where the market climate was previously somewhat dampened. In the marine sector, demand has not yet shown any clear signs of improvement.

EBITA for the period rose 22% to SEK 100 million (82), and the EBITA margin reached 10.6% (9.9%). Apart from the earnings contribution from acquisitions, the earnings improvement is attributable to the increase in net sales and a slight strengthening in the gross margin for comparable units.

In June the company Torell Pump AB was acquired, with annual sales of SEK 40 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.*

	<b>2011</b>	2010	<b>2011</b>	2010	2010/11	2010
<b>SEK million</b>	<b>Apr-Jun</b>	Apr-Jun	<b>Jan-Jun</b>	Jan-Jun	Moving 12 mos	Jan-Dec
Net sales	<b>390</b>	373	<b>783</b>	713	1,525	1,455
EBITA	<b>46</b>	37	<b>94</b>	65	169	140
EBITA-margin, %	<b>11.8%</b>	9.9%	<b>12.0%</b>	9.1%	11.1%	9.6%

Net sales rose 10% during the period January–June, to SEK 783 million (713). The increase for comparable units was 13%, while currency movements had a negative effect of 3%. Demand stabilised at a high level during the second quarter, with good demand for products for the general engineering industry and commercial vehicles. During the period, businesses focused on medical technology saw increased demand.

EBITA for the period rose 45% to SEK 94 million (65), corresponding to an EBITA margin of 12.0% (9.1%). The EBITA margin was also favourably affected by the increase in net sales with a limited increase in costs.

## 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.*

	<b>2011</b>	2010	<b>2011</b>	2010	2010/11	2010
<b>SEK million</b>	<b>Apr-Jun</b>	Apr-Jun	<b>Jan-Jun</b>	Jan-Jun	Moving 12 mos	Jan-Dec
Net sales	<b>722</b>	537	<b>1,355</b>	1,042	2,477	2,164
EBITA	<b>116</b>	84	<b>203</b>	166	379	342
EBITA-margin, %	<b>16.1%</b>	15.6%	<b>15.0%</b>	15.9%	15.3%	15.8%

Net sales for the period January–June rose 30% to SEK 1,355 million (1,042), including a 10% rise in sales for comparable units. This entails that overall growth was 35% during the second quarter, of which 16% for comparable units. Acquired growth for the period as a whole was 27%, while currency movements reduced net sales by 7%. During the second quarter, the business area's Swedish companies experienced continued favourable demand from the engineering and export industries. The same also applied for the business area's activities in the German market. The market climate in Benelux improved slightly during the second quarter. For companies focused on the international energy sector, the trend during the second quarter enabled them to recover a large share of the sales and earnings decline that they experienced a year ago. The level of activity has been higher in this segment for a few months, which has led to higher demand and gradually larger deliveries.

EBITA rose 22% to SEK 203 million (166), and the EBITA margin was 15.0% (15.9%). Apart from the earnings contribution from acquisitions, the earnings improvement is attributable to the increase in net sales that could be generated with limited increases in resources. The lower EBITA margin is mainly attributable to the fact that newly acquired units on the whole have lower margins than the business area's previous, average level.

During the period, 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 in early April the company Alcatraz Interlocks BV in the Netherlands. Annual sales of the acquired companies amount to approximately SEK 540 million.

## Other financial information

### FINANCIAL POSITION

Shareholders' equity amounted to SEK 1,794 million (1,618), and the equity ratio was 32% (35%).

Cash and cash equivalents amounted to SEK 212 million (208). In addition to this, the Group has unutilised credit promises of SEK 635 million (728). Interest-bearing net debt amounted to SEK 1,898 million (1,443). The net debt/equity ratio was 106% (89%) at the end of the period.

### CASH FLOW

Cash flow from operating activities was SEK 227 million (166). 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 146 million (118).

### CAPITAL EXPENDITURES AND DEPRECIATION

The Group's net capital expenditures (excluding company acquisitions) amounted to SEK 81 million (48). Depreciation of property, plant and equipment amounted to SEK 51 million (47). Investments in company acquisitions amounted to SEK 438 million (393), of which earn-out payments pertaining to previous years' acquisitions amounted to SEK 116 million (87).

### EMPLOYEES

The number of employees was 3,804 at the end of the period (compared with 3,444 at the start of the year), of whom 261 were added through acquisitions.

### ACQUISITIONS

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

Month acquired	Acquisitions	Business area	Sales/SEKm*	No. of employees*
January	Dantherm Filtration Oy	Engineering&Equipment	30	10
	(name changed to Tecalemit Filtration Oy)			
	Abima (name changed to Indutrade Switzerland AG)	Special Products	400	170
February	Mijnsbergen b.v. and ATB Automation n.v.-s.a.	Special Products	60	23
	Abelko Innovation AB	Special Products	60	44
April	Alcatraz Interlocks BV	Special Products	20	5
June	Torell Pump AB	Flow Technology	40	9
			<b>610</b>	<b>261</b>

\*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.

On 1 July 2011, the Swiss company Hamberger Armaturen AG was acquired in the Special Products business area. The company is active in pumps and valves, among other things, with annual sales of slightly more than SEK 10 million.

In other respects, no important events 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 capital expenditures in intangible assets and in property, plant and equipment totalled SEK 0 million (0). The number of employees on 30 June was 9 (9).

## RISKS AND UNCERTAINTIES

The Indutrade Group conducts business in 25 countries in four world regions, through some 150 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 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 2010 Annual Report and described under the section "Accounting principles and notes".

There are no new IFRS standards 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 2011.

## FUTURE REPORTING DATES

The interim report for the period 1 January–30 September 2011 will be published on 1 November 2011.

The year-end report for the period 1 January–31 December 2011 will be published on 14 February 2012.



## THE BOARD'S ASSURANCE

The Board of Directors and President certify that the half-year interim report gives a true and fair view of the Company's and Group's operations, position and result of operations, and describes material risks and uncertainties facing the Company and companies included in the Group.

Stockholm, 3 August 2011

Indutrade AB (publ)

Bengt Kjell  
Chairman

Michael Bertorp  
Director

Eva Färnstrand  
Director

Martin Lindqvist  
Director

Ulf Lundahl  
Director

Mats Olsson  
Director

Johnny Alvarsson  
Director, President and CEO

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

---

## NOTE

This information is disclosed in accordance with the Swedish Securities Markets Act, the Swedish Financial Instruments Trading Act and/or the regulations of NASDAQ OMX Stockholm. The information was submitted for publication on 3 August 2011 at 10.00 a.m. (CET).

---

## Further information

For further information, please contact:

Johnny Alvarsson, President and CEO, Tel: +46 70 589 17 95.

Comments on the report will be provided in the following ways:

- In a conference call/audiocast today at 2 p.m. at the following link:  
<http://www.financialhearings.com/hearing/financia1.nsf/{recordednew}/61CEE374643BECCAC12577B6004B6801?OpenDocument>  
Participants are instructed to call +46 (08) 5051 3786 or +44 (0) 3367 9433, code: 2070479
- Through a film version that is available at the following links:  
<http://www.indutrade.se>  
<http://www.stockontv.se>

## INDUTRADE CONSOLIDATED INCOME STATEMENT

## - CONDENSED

<b>SEK million</b>	<b>2011</b>	2010	<b>2011</b>	2010	2010/11	2010
	<b>Apr-Jun</b>	Apr-Jun	<b>Jan-Jun</b>	Jan-Jun	Moving 12 mos	Jan-Dec
Net Sales	<b>2,015</b>	1,722	<b>3,831</b>	3,249	7,327	6,745
Cost of goods sold	<b>-1,308</b>	-1,139	<b>-2,506</b>	-2,151	-4,835	-4,480
<b>Gross profit</b>	<b>707</b>	583	<b>1,325</b>	1,098	2,492	2,265
Development costs	<b>-18</b>	-12	<b>-33</b>	-23	-58	-48
Selling costs	<b>-364</b>	-307	<b>-705</b>	-601	-1,328	-1,224
Administrative expenses	<b>-103</b>	-91	<b>-205</b>	-179	-402	-376
Other operating income and expenses	<b>-8</b>	-4	<b>-8</b>	-2	-9	-3
<b>Operating profit</b>	<b>214</b>	169	<b>374</b>	293	695	614
Net financial items	<b>-25</b>	-13	<b>-48</b>	-21	-88	-61
<b>Profit after financial items</b>	<b>189</b>	156	<b>326</b>	272	607	553
Income Tax	<b>-50</b>	-41	<b>-86</b>	-71	-163	-148
<b>Net profit for the period</b>	<b>139</b>	115	<b>240</b>	201	444	405
<b>Net profit, attributable to:</b>						
<b>Equity holders of the parent company</b>	<b>139</b>	115	<b>240</b>	201	446	407
<b>Non-controlling interests</b>	<b>0</b>	-	<b>0</b>	-	-2	-2
	<b>139</b>	115	<b>240</b>	201	444	405
Earnings per share for the period, attributable to equity holders of the parent company <sup>1)</sup>	<b>3.48</b>	2.88	<b>6.00</b>	5.03	11.15	10.18
<b>EBITA</b>	<b>238</b>	191	<b>421</b>	335	789	703
<i>Operating profit includes:</i>						
Amortisation of intangible assets	<b>-26</b>	-22	<b>-51</b>	-42	-98	-89
Depreciation of property, plant and equipment	<b>-27</b>	-24	<b>-51</b>	-47	-102	-98

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

## INDUTRADE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<b>Net profit for the period</b>	<b>139</b>	115	<b>240</b>	201	444	405
<b>Other comprehensive income</b>						
Fair value adjustments of hedge instruments	<b>-5</b>	-	<b>1</b>	-	19	18
Tax attributable to fair value adjustments	<b>1</b>	-	<b>0</b>	-	-4	-4
Actuarial gains/losses	-	-	-	-	-35	-35
Tax on actuarial gains/losses	-	-	-	-	9	9
Exchange rate differences	<b>47</b>	0	<b>13</b>	-55	-57	-125
<b>Other comprehensive income for the period, net of tax</b>	<b>43</b>	0	<b>14</b>	-55	-68	-137
<b>Total comprehensive income for the period</b>	<b>182</b>	115	<b>254</b>	146	376	268
<b>Net profit, attributable to:</b>						
<b>Equity holders of the parent company</b>	<b>182</b>	115	<b>254</b>	146	378	270
<b>Non-controlling interests</b>	<b>0</b>	-	<b>0</b>	-	-2	-2
	<b>182</b>	115	<b>254</b>	146	376	268

## BUSINESS AREA PERFORMANCE

	2011		2010		2010/11 Moving 12 mos	2010 Jan-Dec
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun		
<b>Net sales, SEK million</b>						
Engineering & Equipment	410	373	762	678	1,493	1,409
Flow Technology	499	446	945	829	1,859	1,743
Industrial Components	390	373	783	713	1,525	1,455
Special Products	722	537	1,355	1,042	2,477	2,164
Parent company and Group items	-6	-7	-14	-13	-27	-26
	<b>2,015</b>	1,722	<b>3,831</b>	3,249	7,327	6,745

	2011		2010		2010/11 Moving 12 mos	2010 Jan-Dec
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun		
<b>EBITA, SEK million</b>						
Engineering & Equipment	32	30	51	44	107	100
Flow Technology	57	52	100	82	173	155
Industrial Components	46	37	94	65	169	140
Special Products	116	84	203	166	379	342
Parent company and Group items	-13	-12	-27	-22	-39	-34
	<b>238</b>	191	<b>421</b>	335	789	703

	2011		2010		2010/11 Moving 12 mos	2010 Jan-Dec
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun		
<b>EBITA margin, %</b>						
Engineering & Equipment	7.8%	8.0%	6.7%	6.5%	7.2%	7.1%
Flow Technology	11.4%	11.7%	10.6%	9.9%	9.3%	8.9%
Industrial Components	11.8%	9.9%	12.0%	9.1%	11.1%	9.6%
Special Products	16.1%	15.6%	15.0%	15.9%	15.3%	15.8%
	<b>11.8%</b>	11.1%	<b>11.0%</b>	10.3%	10.8%	10.4%

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

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

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

## INDUTRADE CONSOLIDATED BALANCE SHEET

## - CONDENSED

	2011	2010	2010
SEK million	30 Jun	30 Jun	31 Dec
Goodwill	800	681	712
Other intangible assets	920	683	761
Property, plant and equipment	705	615	657
Financial assets	53	44	50
Inventories	1,306	1,097	1,183
Accounts receivable, trade	1,285	1,140	1,047
Other receivables	310	211	164
Cash and cash equivalents	212	208	219
<b>Total assets</b>	<b>5,591</b>	<b>4,679</b>	<b>4,793</b>
Equity	1,794	1,618	1,744
Long-term borrowings and pension liabilities	1,122	973	893
Other non-current liabilities	380	183	277
Short-term borrowings	988	678	716
Accounts payable, trade	548	543	493
Other current liabilities	759	684	670
<b>Total equity and liabilities</b>	<b>5,591</b>	<b>4,679</b>	<b>4,793</b>

## INDUTRADE CHANGE IN GROUP EQUITY

## - CONDENSED

Attributable to equity holders of the parent company	2011	2010	2010
SEK million	Jan-Jun	Jan-Jun	Jan-Dec
Opening equity	1,742	1,644	1,644
Total comprehensive income for the period	254	146	270
Dividend	-204 <sup>1)</sup>	-172 <sup>1)</sup>	-172 <sup>1)</sup>
<b>Closing equity</b>	<b>1,792</b>	<b>1,618</b>	<b>1,742</b>

<sup>1)</sup> Dividend per share for 2010 is SEK 5.10 (4.30).

## Equity, attributable to:

Equity holders of the parent company	1,792	1,618	1,742
Non-controlling interests	2	-	2
	<b>1,794</b>	<b>1,618</b>	<b>1,744</b>

## INDUTRADE CONSOLIDATED CASH FLOW STATEMENT

- CONDENSED

SEK million	2011	2010	2011	2010	2010/11	2010
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Moving 12 mos	Jan-Dec
Cash flow from operating activities						
before change in working capital	<b>187</b>	149	<b>310</b>	264	662	616
Change in working capital	<b>-57</b>	-40	<b>-83</b>	-98	55	40
<b>Cash flow from operating activities</b>	<b>130</b>	109	<b>227</b>	166	717	656
Net capital expenditures in non-current assets	<b>-41</b>	-32	<b>-81</b>	-48	-144	-111
Company acquisitions and divestments	<b>-52</b>	-28	<b>-438</b>	-393	-729	-684
Change in other financial assets	<b>0</b>	1	<b>14</b>	1	13	0
<b>Cash flow from investing activities</b>	<b>-93</b>	-59	<b>-505</b>	-440	-860	-795
Net borrowings	<b>56</b>	88	<b>474</b>	432	363	321
Dividend paid out	<b>-204</b>	-172	<b>-204</b>	-172	-204	-172
<b>Cash flow from financing activities</b>	<b>-148</b>	-84	<b>270</b>	260	159	149
Cash flow for the period	<b>-111</b>	-34	<b>-8</b>	-14	16	10
Cash and cash equivalents at start of period	<b>319</b>	241	<b>219</b>	229	208	229
Exchange rate differences	<b>4</b>	1	<b>1</b>	-7	-12	-20
<b>Cash and cash equivalents at end of period</b>	<b>212</b>	208	<b>212</b>	208	212	219

## KEY DATA

	Moving 12 months				
	2011	2010	2010	2009	2008
	30 Jun	31 Dec	30 Jun	31 Dec	31 Dec
Net sales, SEK million	<b>7,327</b>	6,745	6,200	6,271	6,778
Sales growth, %	<b>18</b>	8	-9	-8	20
EBITA, SEK million	<b>789</b>	703	626	594	820
EBITA margin, %	<b>10.8</b>	10.4	10.1	9.5	12.1
Operating capital, SEK million	<b>3,692</b>	3,134	3,061	2,584	2,569
Return on operating capital, %	<b>24</b>	23	22	22	37
Return on equity, %	<b>26</b>	24	20	21	38
Interest-bearing net debt, SEK million	<b>1,898</b>	1,390	1,443	940	972
Net debt/equity ratio, %	<b>106</b>	80	89	57	61
Net debt/EBITDA, times	<b>2.1</b>	1.7	2.0	1.4	1.1
Equity ratio, %	<b>32</b>	36	35	41	36
Average number of employees	<b>3,575</b>	3,420	3,111	3,122	2,728
Number of employees at the end of the period	<b>3,804</b>	3,444	3,245	3,040	3,269

## Attributable to equity holders of the parent company

Key ratios per share <sup>1)</sup>					
Earnings per share, SEK	<b>11.15</b>	10.18	9.28	8.53	12.75
Equity per share, SEK	<b>44.80</b>	43.55	40.45	41.10	39.93
Cash flow from operating activities per share, SEK	<b>17.93</b>	16.40	15.10	13.95	12.25

<sup>1)</sup>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 have been acquired in the Abima Group's parent company Aschera AG (name changed to Indutrade Switzerland), Switzerland; Dantherm Filtration Oy (name changed to Tecalemit Filtration Oy), Finland; Mijnsbergen b.v., the Netherlands; ATB Automation n.v.-s.a., Belgium; Abelko Innovation AB, Sweden; Alcatraz Interlocks BV, the Netherlands; and Torell Pump AB, Sweden.

### 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.

### 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 cleaning municipal and industrial raw water, process water and wastewater.

### 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. Abelko offers specially adapted solutions for energy measurement, remote control, building automation, energy optimisation and operational monitoring.

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

### Acquired assets in Indutrade Switzerland AG, Tecalemit Filtration Oy, Mijnsbergen b.v. and ATB Automation s.n.-s.a., Abelko Innovation AB, Alcatraz Interlock BV and Torell Pump AB.

#### *Preliminary purchase price allocation*

SEK million

	Book value	Fair value adjustment	Fair value
Purchase price, incl. earn-out payment SEK 79 million			<b>427</b>
Acquired assets			
Goodwill	-	74	74
Agencies, trademarks, customer relations, licences, etc.	6	189	195
Property, plant and equipment	20	-	20
Financial assets	15	-	15
Inventories	71	-	71
Other current assets	164	-	164
Cash and cash equivalents	26	-	26
Deferred tax liability	-3	-44	-47
Interest-bearing loans and pension liabilities	-3	-7	-10
Other operating liabilities	-81	-	-81
	<b>215</b>	<b>212</b>	<b>427</b>

Agencies, customer relationships, licences, etc. will be 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 conditional earn-out payment. Initially, the earn-out payment is valued at the present value of the most likely outcome, which for the acquisitions made during the year to date is SEK 79 million. The earn-out payments fall due for payment within one to four years and can amount to a maximum of SEK 91 million. If the conditions are not met for the maximum earn-out payment, the outcome may be SEK 0 million.

Transaction costs for the acquisitions carried out during the period amounted to SEK 1 million and are included in "Other income and expenses" in the income statement. No revaluation of conditional earn-out payments has been made to date.

#### Cash flow impact

Purchase price, incl. earn-out payment	427
Purchase price not paid out	-79
Cash and cash equivalents in acquired companies	-26
Earn-out payments pertaining to previous years' acquisitions	116
<b>Total cash flow impact</b>	<b>438</b>

#### Effects of acquisitions carried out in 2010 and 2011

SEK million Business area	Net sales		EBITA	
	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun
Engineering & Equipment	12	21	0	-1
Flow Technology	47	106	4	11
Industrial Components	-	-	-	-
Special Products	137	283	10	28
<b>Effect on Group</b>	<b>196</b>	<b>410</b>	<b>14</b>	<b>38</b>
Acquisitions carried out in 2010	48	139	3	17
Acquisitions carried out in 2011	148	271	11	21
<b>Effect on Group</b>	<b>196</b>	<b>410</b>	<b>14</b>	<b>38</b>

If the acquired units had been consolidated effective 1 January 2011, net sales for the period would have amounted to SEK 3,859 million, and EBITA would have amounted to SEK 426 million.

#### Acquisitions after the end of the reporting period

On 1 July 2011, the Swiss company Hamberger Armaturen AG was acquired in the Special Products business area. The company is active in pumps and valves, among other things, with annual sales of slightly more than SEK 10 million.

## PARENT COMPANY INCOME STATEMENT

## - CONDENSED

SEK million	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010/11 Moving 12 mos	2010 Jan-Dec
Net sales	0	0	0	0	4	4
<b>Gross profit</b>	<b>0</b>	0	<b>0</b>	0	4	4
Administrative expenses	-13	-12	-25	-22	-47	-44
Other income and expenses	-1	0	-1	0	-2	-1
<b>Operating profit</b>	<b>-14</b>	-12	<b>-26</b>	-22	-45	-41
Financial income/expenses	-12	-6	-21	1	-36	-14
Profit from participation in Group companies	266	361	266	361	533	628
<b>Profit after financial items</b>	<b>240</b>	343	<b>219</b>	340	452	573
Appropriations	-	-	-	-	-53	-53
Income Tax	7	4	12	4	-37	-45
<b>Net profit for the period</b>	<b>247</b>	347	<b>231</b>	344	362	475
Depreciation of property, plant and equipment	0	0	0	0	-1	-1

## PARENT COMPANY BALANCE SHEET

## - CONDENSED

SEK million	2011 30 Jun	2010 30 Jun	2010 31 Dec
Intangible assets	2	2	2
Property, plant and equipment	1	2	1
Financial assets	1,987	1,676	1,678
Current receivables	1,045	587	1,083
Cash and cash equivalent	6	38	5
<b>Total assets</b>	<b>3,041</b>	2,305	2,769
Equity	1,211	1,053	1,184
Untaxed reserves	54	1	54
Non-current liabilities	675	509	475
Non-current provisions	49	7	8
Current provisions	22	139	121
Current interest-bearing liabilities	1,004	586	866
Current noninterest-bearing liabilities	26	10	61
<b>Total equity and liabilities</b>	<b>3,041</b>	2,305	2,769



## DEFINITIONS

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

## Indutrade in brief

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

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

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

The Group is structured into four business areas:

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

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

Indutrade is listed on Nasdaq OMX Stockholm.