

INTERIM REPORT

1 JANUARY – 30 SEPTEMBER 2010



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- Net sales for the period rose 5%, to SEK 4,981 million (4,746). For comparable units net sales were at an unchanged level compared with a year ago.
- Operating profit before amortisation of intangible assets (EBITA) rose 19% to SEK 540 (452) and the EBITA-margin was 10.8% (9.5%).
- Profit after tax rose 25% to SEK 318 million (255).
- Earnings per share were SEK 7.98 (6.38) for the period.

THIRD QUARTER 2010

- Net sales rose 21% during the third quarter, to SEK 1,732 million (1,426). For comparable units the increase was 13%.
- Operating profit before amortisation of intangible assets (EBITA) rose 38% to SEK 205 million (149) and the EBITA-margin was 11.8% (10.4%).
- Profit after tax rose 39% to SEK 117 million (84).
- Earnings per share were SEK 2.95 (2.10) for the quarter.

FINANCIAL DEVELOPMENT

| | 2010 | 2009 | | 2010 | 2009 | | 2009/10 | 2009 |
|--|--------------|---------|--------|--------------|---------|--------|---------------|---------|
| SEK million | Jul-Sep | Jul-Sep | Change | Jan-Sep | Jan-Sep | Change | Moving 12 mos | Jan-Dec |
| Net Sales | 1,732 | 1,426 | 21.5% | 4,981 | 4,746 | 5.0% | 6,506 | 6,271 |
| EBITA *) | 205 | 149 | 37.6% | 540 | 452 | 19.5% | 682 | 594 |
| EBITA margin, % | 11.8 | 10.4 | | 10.8 | 9.5 | | 10.5 | 9.5 |
| Profit after financial items | 157 | 116 | 35.3% | 429 | 349 | 22.9% | 541 | 461 |
| Net profit | 117 | 84 | 39.3% | 318 | 255 | 24.7% | 404 | 341 |
| Earnings per share, SEK | 2.95 | 2.10 | 39.3% | 7.98 | 6.38 | 24.7% | 10.13 | 8.53 |
| Return on operating capital, % (12 months) | 23.6 | 24.3 | | 23.6 | 24.3 | | 23.6 | 22.2 |

*) Operating profit before amortisation of intangible assets

CEO's message

Continued improved market climate

The Group's order intake for comparable units has now risen for two consecutive quarters. The business rebound came toward the end of the first quarter of 2010, and since then the general perception is that the recovery is gradually growing stronger and broader. Compared with the third quarter of 2009, order intake was up 21% overall and 15% for comparable units, which is the strongest growth we've seen since the third quarter of 2008. All business areas posted higher order intake for comparable units during the quarter than the same quarter a year ago.

It is pleasing to note that the trend from the end of the second quarter for the Engineering & Equipment business area is sustaining, with a continued rise in order intake driven by a recovery in the Finnish export industry.

The Industrial Components business area showed a further strengthening in performance during the quarter, with a 38% rise in invoicing. The Flow Technology business area, which was affected only to a limited degree by the general economic downturn in 2009, has had continued favourable growth in invoicing. In the Special Products business area, acquisitions along with organic growth generated a 42% rise in invoicing during the quarter.

Signals from the markets in which the Group is active continue to be positive, and at present we do not see any signs of a weakening. In most segments we are experiencing strong markets. The exceptions are investments in energy and marine newbuilding, where demand is still at a lower level than previously.

Earnings

The Group has demonstrated its strength once again through a very favourable gross margin, which improved further during the quarter. The EBITA margin was 11.8% for the quarter and 10.8% accumulated, which is higher than the Group's long-term target of a minimum of 10%.

Acquisitions

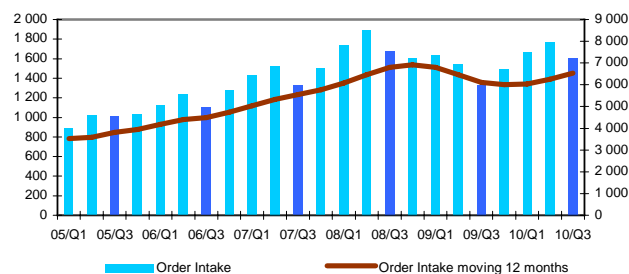
During the quarter we acquired Meson Group, which supplies valves under its own brand primarily for marine applications.

The long-term work on developing the Indutrade Group in accordance with our growth targets continues with undiminished strength.

Johnny Alvarsson, President and CEO

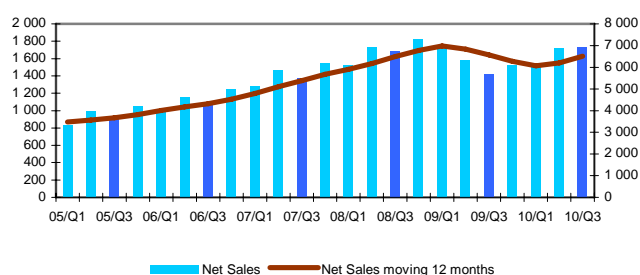
ORDER INTAKE

SEK million

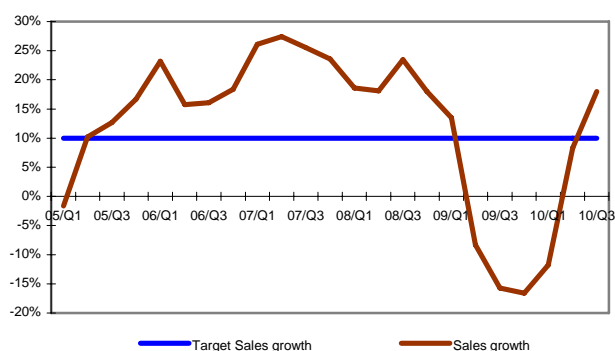


NET SALES

SEK million



SALES GROWTH



Group performance

ORDER INTAKE AND NET SALES

Order intake

Order intake during the period January–September amounted to SEK 5,040 million (4,509), an increase of 12%. For comparable units, order intake rose 8%, while acquired growth was 10%. Exchange rate changes in translation of foreign units had a negative effect on order intake, by 6%.

Order intake during the third quarter amounted to SEK 1,604 million (1,330), an increase of 21%. For comparable units, order intake rose 15%, while acquired growth was 11%. Currency movements had a negative effect on order intake, by 6%.

The growth in order intake for comparable units that was noted toward the end of the first quarter has subsequently intensified, and all business areas reported growth during the most recent quarter.

The business area that was affected the earliest in 2008 by the economic downturn was Industrial Components, which is now reporting a clear improvement in order intake. The Special Products business area has benefited from improved demand in the Swedish market, while the pace of order intake is lower for companies whose business is focused on energy projects. The lack of major energy projects has also had a damping effect on growth in order intake for the Flow Technology business area. In the Finnish market, where the Engineering & Equipment business area does most of its business, the business climate continues to improve, which resulted in growth in order intake during the quarter.

Net sales

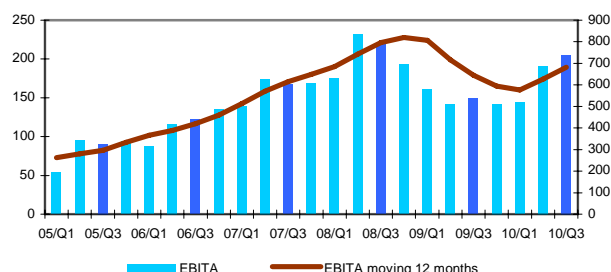
Net sales for the first nine months of the year amounted to SEK 4,981 million (4,746), an increase of 5% compared with the same period in 2009. For comparable units, net sales rose 1%, at the same time that acquired growth was 10%. The negative exchange rate effect was 6%.

During the third quarter, net sales rose 21% to SEK 1,732 million (1,426). For comparable units, net sales rose 13%, while acquired growth was 14%. Currency movements had a negative effect on net sales, by 6%.

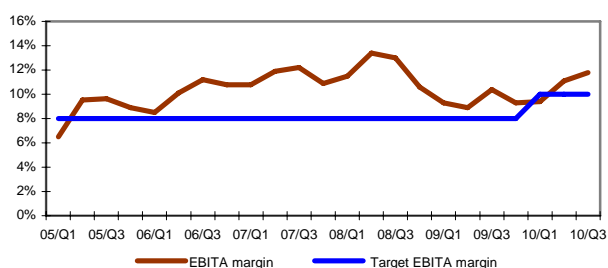
All business areas showed growth in net sales for comparable units during the third quarter, excluding exchange rate effects. The Industrial Components business area posted the strongest growth, with a 23% rise in net sales since the start of the year.

EBITA

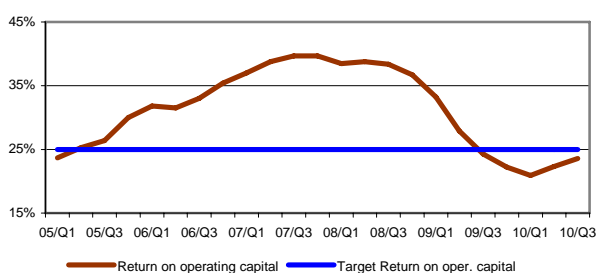
SEK million



EBITA-MARGIN



RETURN



EARNINGS AND RETURN

Earnings

The gross margin for the period January–September was 33.3% [32.7%], an improvement of 0.6 percentage points. The gross margin for the third quarter was at the same level as the same quarter a year ago, at 32.5% [32.4%]. Operating profit before amortisation of intangible assets (EBITA) rose 19% during the period January–September to SEK 540 million [452]. Profit for the period was charged with negative translation differences of SEK 29 million.

The operating margin before amortisation of intangible assets (the EBITA margin) was 10.8% [9.5%]. Measures taken in 2009 to reduce overheads, together with completed acquisitions and the improved gross margin, contributed to the higher EBITA margin.

Net financial items amounted to SEK -43 million [-51], of which net interest income/expense was SEK -44 million [-49]. The improvement in net interest income/expense is attributable to a lower average interest expense this year than last year. Tax on profit for the period is estimated at SEK -111 million [-94]. Profit after tax rose 25% to SEK 319 million [255]. Earnings per share increased by 25% to SEK 7.98 [6.38].

For the third quarter, operating profit before amortisation of intangible assets (EBITA) was SEK 205 million [149], an increase of 38%. The operating margin before amortisation of intangible assets (the EBITA margin) was 11.8% [10.4%]. The increase in net sales combined with cost adjustments made in 2009 are the main factors behind the improved EBITA margin.

Net financial items during the third quarter amounted to SEK -22 million [-16], of which net interest income/expense was SEK -17 million [-15]. Tax is estimated at SEK -40 million [-32]. Profit after tax rose 39% to SEK 117 million [84]. Earnings per share were SEK 2.95 [2.10].

Return

The return on operating capital for the last 12 months was 23.6% [24.3%].

Business areas

Engineering & Equipment

Engineering & Equipment offers customised niche products, design solutions, aftermarket service and special processing. The main product areas are hydraulics and pneumatics, industrial equipment, flow products, transmissions and measuring instruments.

| SEK million | 2010 | 2009 | 2009/10 | 2009 |
|-----------------|--------------|---------|---------------|---------|
| | Jan-Sep | Jan-Sep | Moving 12 mos | Jan-Dec |
| Net sales | 1,029 | 1,222 | 1,376 | 1,569 |
| EBITA | 76 | 72 | 87 | 83 |
| EBITA-margin, % | 7.4% | 5.9% | 6.3% | 5.3% |

Net sales decreased by 16% during the period January–September, to SEK 1,029 million (1,222). For comparable units, net sales decreased by 7% for the period as a whole, while they increased by 5% during the third quarter. Exchange rate movements affected net sales on an accumulated basis by -9%. Demand in the market segments in Finland in which the business area is active showed continued signs of improvement during the third quarter.

EBITA for the period was SEK 76 million (72), corresponding to an EBITA margin of 7.4% (5.9%). The improved margin is mainly a result of cost adjustments carried out in 2009.

During the period, Indutrade acquired the pump business of A-Vacuum Oy.

Flow Technology

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

| SEK million | 2010 | 2009 | 2009/10 | 2009 |
|-----------------|--------------|---------|---------------|---------|
| | Jan-Sep | Jan-Sep | Moving 12 mos | Jan-Dec |
| Net sales | 1,304 | 1,251 | 1,742 | 1,689 |
| EBITA | 126 | 142 | 170 | 186 |
| EBITA-margin, % | 9.7% | 11.4% | 9.8% | 11.0% |

Net sales for the period amounted to SEK 1,304 million (1,251), an increase of 4%. For comparable units, net sales were unchanged since the start of the year, but 4% higher for the quarter. Acquired growth was 6% for the period January–September. Currency movements had a negative effect on net sales, by 2%. During the period, lower activity in markets in Norway and Denmark was compensated by improved demand in other markets.

EBITA for the period was SEK 126 million (142), and the EBITA margin was 9.7% (11.4%). The lower EBITA margin is an effect of a slightly higher level of overheads combined with a shift in the product mix to business with a slightly lower gross margin.

The companies Corona Control AB and Meson AB were acquired during the period.

Industrial Components

Industrial Components offers a wide range of technically advanced components and systems for production and maintenance. The main product areas are fasteners, mechanical components, pumps, lubrications, rust proofing, cutting tools, adhesives and chemical technology, transmission and automation, filters and process technology, and medical technical technology.

| SEK million | 2010 | 2009 | 2009/10 | 2009 |
|-----------------|--------------|---------|---------------|---------|
| | Jan-Sep | Jan-Sep | Moving 12 mos | Jan-Dec |
| Net sales | 1,057 | 857 | 1,363 | 1,163 |
| EBITA | 105 | 53 | 124 | 72 |
| EBITA-margin, % | 9.9% | 6.2% | 9.1% | 6.2% |

Net sales increased during the period by 23% to SEK 1,057 million (857). For comparable units, net sales rose 13%, while acquired growth was also 13%. Currency movements had a negative effect on net sales, by 3%. During the third quarter, net sales for comparable units rose 26%. Growth for the period was mainly attributable to higher demand for products for commercial vehicles. Higher activity was also noted for products for the steel and mining industries.

EBITA for the period was SEK 105 million (53), corresponding to an EBITA margin of 9.9% (6.2%). The EBITA margin was favourably affected by a higher volume of deliveries, with limited cost increases owing to cost-cutting programmes carried out in 2009.

During the period, the companies Techno Skruv i Värnamo AB (Sweden) and AxMediTec Sp. z o.o. (Poland) were acquired.

Special Products

Special Products offers specially manufactured niche products, design solutions, aftermarket service and assembly, and special processing. The main product areas are valves, electrical components, glass, technical ceramics, measuring technology, special plastics, filters and process technology, industrial springs, piston rings and hydraulic couplings.

| SEK million | 2010 | 2009 | 2009/10 | 2009 |
|-----------------|--------------|---------|---------------|---------|
| | Jan-Sep | Jan-Sep | Moving 12 mos | Jan-Dec |
| Net sales | 1,610 | 1,437 | 2,050 | 1,877 |
| EBITA | 264 | 214 | 338 | 288 |
| EBITA-margin, % | 16.4% | 14.9% | 16.5% | 15.3% |

Net sales amounted to SEK 1,610 million (1,437). For comparable units, net sales rose 20% during the quarter, while net sales for the entire period were down 1%. Acquired growth on an accumulated basis was 20%, while currency movements affected net sales negatively by 7%. During the period, most of the business area's Swedish companies were favourably affected by improved demand, while companies with products for the international energy sector noted continued weak demand.

EBITA was SEK 264 million (214), and the EBITA margin was 16.4% (14.9%). The improved EBITA margin was partly attributable to an improved gross margin resulting from a changed product mix, and partly to a slightly higher level of overheads.

During the period, Lekang Group (with companies in Norway, Sweden and Denmark), Stålprofil PK AB, and a construction plastics business were acquired.

Other financial information

FINANCIAL POSITION

Equity amounted to SEK 1,678 million (1,529), and the equity ratio was 34% (37%).

Cash and cash equivalents amounted to SEK 242 million (212). In addition to this are unutilised overdraft facilities of SEK 565 million (548). Interest-bearing net debt amounted to SEK 1,537 million (1,083). The net debt/equity ratio was 92% (71%) at the end of the period.

CASH FLOW

Cash flow from operating activities amounted to SEK 392 million (311). Cash flow after net capital expenditures in property, plant and equipment, excluding company acquisitions, amounted to SEK 321 (245). Higher earnings improved cash flow compared with the same period a year ago.

CAPITAL EXPENDITURES AND DEPRECIATION

The Group's net capital expenditures, excluding company acquisitions, amounted to SEK 71 million (66). Depreciation of property, plant and equipment totalled SEK 74 million (66). Capital expenditures in company acquisitions amounted to SEK 649 million (126), of which earn-out payments for previous years' acquisitions amounted to SEK 88 million (119).

EMPLOYEES

The number of employees was 3,394 (3,049) at the end of the period, of whom 252 were added through company acquisitions.

ACQUISITIONS

The Group acquired the following companies, which are consolidated for the first time in 2010.

| Month acquired | Acquisitions | Business area | Sales/SEK million* | No. of employees* |
|----------------|---------------------------|-----------------------|--------------------|-------------------|
| January | Techno Skruv i Värnamo AB | Industrial Components | 70 | 14 |
| | Corona Control AB | Flow Technology | 50 | 12 |
| | AxMediTec Sp.Z o.o | Industrial Components | 70 | 52 |
| February | Lekang Group | Special Products | 200 | 56 |
| March | Stålprofil PK AB | Special Products | 70 | 18 |
| July | Meson Group | Flow Technology | 500 | 100 |
| | | | 960 | 252 |

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

In addition the construction plastics business was acquired from Metallcenter Sverige AB with annual sales of approximately SEK 6 million and the pump business from A-Vacuum Oy in Finland with annual sales of approximately SEK 12 million. The businesses are part of the Special Products business area and the Engineering & Equipment business area respectively.

Further information about company acquisitions can be found on page 15 in this interim report.

SUBSEQUENT EVENTS

Indutrade's subsidiary Oy Lining Ab acquired all of the shares in Flowtech Finland Oy with annual sales of about SEK 20 million. Flowtech Finland Oy, which develops and supplies waste water pumping stations and water pressure boosters for clean water, will be included in the Engineering & Equipment business area as from October 2010.

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 inter company invoicing of services, amounted to SEK 0 (0). The Parent Company's capital expenditures in property, plant and equipment totalled SEK 0 (0) mkr. The number of employees on 30 September was 9 (8).

RISKS AND UNCERTAINTIES

The Indutrade Group conducts business in 23 countries on four continents, through some 140 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. In addition to the risks and uncertainties described in Indutrade's 2009 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 2009 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 1.3. The Parent Company applies RFR 2.3. The same accounting principles and calculation methods are used in this report as those used in Indutrade's 2009 Annual Report and described under the section "Accounting principles and notes".

Effective 1 January 2010 the Indutrade Group applies two revised standards: IAS 27R: Consolidated and Separate Financial Statements, and IFRS 3R: Business Combinations. The new rules apply for acquisitions completed after 1 January 2010. For Indutrade, these revisions entail that transaction costs may no longer be capitalised, but must be reported through profit or loss under Other income and expenses in the income statement. Any revaluations of conditional earn-out payments will be reported in the income statement for acquisitions carried out on 1 January 2010 and thereafter. The amendments to IFRS 3 are in conflict with the Swedish Annual Accounts Act, which is why transaction costs will continue to be capitalised and be included in non-current assets in the Parent Company.

Apart from these two revised standards, there are no other IFRSs or IFRIC interpretations that will be applicable for Indutrade or have any material impact on the Group's result of operations or financial position.

INCENTIVE PROGRAMME

In connection with the Company's stock market introduction in late 2005, in collaboration with AB Industrivärden, senior executives were offered to participate in an incentive programme that expired in June this year. In May, AB Industrivärden repurchased all outstanding options from the participants.

The Board of Directors of Indutrade has, in collaboration with AB Industrivärden and after a decision by the Annual General Meeting, directed an offer to senior executives to participate in a new incentive programme. The aim of the programme is to promote management's long-term participation and involvement in the Company. The programme runs through 31 October 2013.

Forty-nine senior executives have acquired a total of 362,000 call options, issued by AB Industrivärden, and 10,000 shares. Indutrade is paying a subsidy of SEK 22 for each acquired call option and share, under the condition that the participants remain employed and keep their acquired call options/shares. The subsidy will be paid by the Company to the participants on two occasions and in two equal parts – in December 2011 and June 2013. The total cost for the Company will amount to approximately SEK 9 million, or approximately SEK 3 million per year.

NOMINATION COMMITTEE FOR ELECTION OF BOARD MEMBERS

At the Annual General Meeting on 24 May 2010, it was resolved that the Company's Nomination Committee shall consist of representatives for four of the largest shareholders as well as the Chairman of the Board. The member representing the largest shareholder shall serve as committee chair. In the event a member resigns from the Nomination Committee prior to the completion of its work, and if the Nomination Committee finds it suitable, a replacement shall be appointed from the same shareholder or, if such shareholder is no longer one of the largest shareholders, from the shareholder that is next in turn in terms of size. The composition of the Nomination Committee ahead of the 2011 Annual General Meeting shall be based on shareholder information as per 31 August 2010, and shall be announced as soon as the members are appointed, but not later than six months prior to the Annual General Meeting. The Nomination Committee's mandate period continues until the composition of the subsequent Nomination Committee has been made public.

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

Information on how to submit nominations to the Nomination Committee is provided on Indutrade's website: www.indutrade.se.

FINANCIAL CALENDAR

The year-end-report for 2010 will be published on 15 February 2011.

The 2010 Annual Report will be published in early April 2011. It will be available on Indutrade's website starting on the same date as publication of the printed report.

The Annual General Meeting will be held in Stockholm on 27 April 2011.

The interim report for the period 1 January - 31 March 2011 will be published on 27 April 2011.

The interim report for the period 1 January - 30 June 2011 will be published on 3 August 2011.

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

Stockholm, 2 November 2010

Indutrade AB (publ)

Johnny Alvarsson

President and CEO

NOTE

The information provided herein is such that Indutrade AB (publ) is obligated to disclose pursuant to the Securities and Clearing Operations Act (SFS 1992:543) and/or the Financial Instruments Trading Act (SFS 1991:980). Submitted for publication at 11.05 a.m. on 2 November 2010.

Further information

For further information, please contact:

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

This report will be commented upon as follows:

- at a conference call/audiocast at the following link:
[http://www.financialhearings.com/hearing/financia1.nsf/\[recordednew\]/89D3F2CABE337B93C12577B6004B073E?OpenDocument](http://www.financialhearings.com/hearing/financia1.nsf/[recordednew]/89D3F2CABE337B93C12577B6004B073E?OpenDocument)
 Participants call +46 (08) 5352 6440 or +44 (0) 20 7138 0824,
 Confirmation Code: 8308497
- through a film version at the following links:
<http://www.indutrade.se>
<http://www.stockontv.se>

AUDITORS' REVIEW REPORT

We have reviewed this report for Indutrade AB [publ] for the period 1 January 2010 to 30 September 2010. The Board of Directors and President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Stockholm, 2 November 2010

PricewaterhouseCoopers AB

Lennart Danielsson
Authorized Public Accountant
Auditor in charge

INDUTRADE CONSOLIDATED INCOME STATEMENT

- CONDENSED

| | 2010 | 2009 | 2010 | 2009 | 2009/10 | 2009 |
|--|------------|---------|--------------|---------|---------------|---------|
| SEK million | Jul-Sep | Jul-Sep | Jan-Sep | Jan-Sep | Moving 12 mos | Jan-Dec |
| Net Sales | 1,732 | 1,426 | 4,981 | 4,746 | 6,506 | 6,271 |
| Cost of goods sold | -1,169 | -964 | -3,320 | -3,196 | -4,331 | -4,207 |
| Gross profit | 563 | 462 | 1,661 | 1,550 | 2,175 | 2,064 |
| Development costs | -12 | -10 | -35 | -34 | -45 | -44 |
| Selling costs | -284 | -247 | -885 | -867 | -1,187 | -1,169 |
| Administrative expenses | -87 | -74 | -266 | -246 | -343 | -323 |
| Other operating income and expenses | -1 | 1 | -3 | -3 | -3 | -3 |
| Operating profit | 179 | 132 | 472 | 400 | 597 | 525 |
| Net financial items | -22 | -16 | -43 | -51 | -56 | -64 |
| Profit after financial items | 157 | 116 | 429 | 349 | 541 | 461 |
| Income Tax | -40 | -32 | -111 | -94 | -137 | -120 |
| Net profit for the period | 117 | 84 | 318 | 255 | 404 | 341 |
| Net profit, attributable to: | | | | | | |
| Equity holders of the parent company | 118 | 84 | 319 | 255 | 405 | 341 |
| Non-controlling interests | -1 | - | -1 | - | -1 | - |
| | 117 | 84 | 318 | 255 | 404 | 341 |
| <i>Operating profit includes:</i> | | | | | | |
| Amortisation of intangible assets | -26 | -17 | -68 | -52 | -85 | -69 |
| Depreciation of property, plant and equipment | -27 | -23 | -74 | -66 | -97 | -89 |
| Operating profit before amortisation/ impairment of intangible assets (EBITA) | 205 | 149 | 540 | 452 | 682 | 594 |
| Earnings per share for the period ¹⁾ | 2.95 | 2.10 | 7.98 | 6.38 | 10.13 | 8.53 |

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

INDUTRADE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | | | | | |
|--|------------|-----|-------------|-----|------|-----|
| Net profit for the period | 117 | 84 | 318 | 255 | 404 | 341 |
| Other comprehensive income | | | | | | |
| Actuarial gains/losses | - | - | - | - | 12 | 12 |
| Tax on actuarial gains/losses | - | - | - | - | -3 | -3 |
| Exchange rate differences | -74 | -82 | -129 | -67 | -109 | -47 |
| Other comprehensive income for the period, net of tax | -74 | -82 | -129 | -67 | -100 | -38 |
| Total comprehensive income for the period | 43 | 2 | 189 | 188 | 304 | 303 |
| Net profit, attributable to: | | | | | | |
| Equity holders of the parent company | 44 | 2 | 190 | 188 | 305 | 303 |
| Non-controlling interests | -1 | - | -1 | - | -1 | - |
| | 43 | 2 | 189 | 188 | 304 | 303 |

BUSINESS AREA PERFORMANCE

| | 2010 | 2009 | 2010 | 2009 | 2009/10 | 2009 |
|--------------------------------|----------------|---------|----------------|---------|---------------|---------|
| Net sales, SEK million | Jul-Sep | Jul-Sep | Jan-Sep | Jan-Sep | Moving 12 mos | Jan-Dec |
| Engineering & Equipment | 351 | 370 | 1,029 | 1,222 | 1,376 | 1,569 |
| Flow Technology | 475 | 413 | 1,304 | 1,251 | 1,742 | 1,689 |
| Industrial Components | 344 | 250 | 1,057 | 857 | 1,363 | 1,163 |
| Special Products | 568 | 400 | 1,610 | 1,437 | 2,050 | 1,877 |
| Parent company and Group items | -6 | -7 | -19 | -21 | -25 | -27 |
| | 1,732 | 1,426 | 4,981 | 4,746 | 6,506 | 6,271 |

| | 2010 | 2009 | 2010 | 2009 | 2009/10 | 2009 |
|--------------------------------|----------------|---------|----------------|---------|---------------|---------|
| EBITA, SEK million | Jul-Sep | Jul-Sep | Jan-Sep | Jan-Sep | Moving 12 mos | Jan-Dec |
| Engineering & Equipment | 32 | 27 | 76 | 72 | 87 | 83 |
| Flow Technology | 44 | 52 | 126 | 142 | 170 | 186 |
| Industrial Components | 40 | 21 | 105 | 53 | 124 | 72 |
| Special Products | 98 | 57 | 264 | 214 | 338 | 288 |
| Parent company and Group items | -9 | -8 | -31 | -29 | -37 | -35 |
| | 205 | 149 | 540 | 452 | 682 | 594 |

| | 2010 | 2009 | 2010 | 2009 | 2009/10 | 2009 |
|-------------------------|----------------|---------|----------------|---------|---------------|---------|
| EBITA margin, % | Jul-Sep | Jul-Sep | Jan-Sep | Jan-Sep | Moving 12 mos | Jan-Dec |
| Engineering & Equipment | 9.1% | 7.3% | 7.4% | 5.9% | 6.3% | 5.3% |
| Flow Technology | 9.3% | 12.6% | 9.7% | 11.4% | 9.8% | 11.0% |
| Industrial Components | 11.6% | 8.4% | 9.9% | 6.2% | 9.1% | 6.2% |
| Special Products | 17.3% | 14.3% | 16.4% | 14.9% | 16.5% | 15.3% |
| | 11.8% | 10.4% | 10.8% | 9.5% | 10.5% | 9.5% |

INDUTRADE CONSOLIDATED BALANCE SHEET

- CONDENSED

| SEK million | 2010 30 Sep | 2009 30 Sep | 2009 31 Dec |
|--|------------------------|----------------|----------------|
| Goodwill | 764 | 561 | 514 |
| Other intangible assets | 714 | 557 | 555 |
| Property, plant and equipment | 647 | 525 | 563 |
| Financial assets | 43 | 50 | 48 |
| Inventories | 1,154 | 1,051 | 1,064 |
| Accounts receivable, trade | 1,171 | 948 | 901 |
| Other receivables | 208 | 186 | 125 |
| Cash and cash equivalents | 242 | 212 | 229 |
| Total assets | 4,943 | 4,090 | 3,999 |
| Equity | 1,678 | 1,529 | 1,644 |
| Long-term borrowings and pension liabilities | 1,147 | 781 | 794 |
| Other non-current liabilities | 250 | 256 | 224 |
| Short-term borrowings | 632 | 514 | 375 |
| Accounts payable, trade | 485 | 376 | 424 |
| Other current liabilities | 751 | 634 | 538 |
| Total equity and liabilities | 4,943 | 4,090 | 3,999 |

INDUTRADE CHANGE IN GROUP EQUITY

- CONDENSED

| Attributable to equity holders of the parent company SEK million | 2010 Jan-Sep | 2009 Jan-Sep | 2009 Jan-Dec |
|---|-------------------------|--------------------|--------------------|
| Opening equity | 1,644 | 1,597 | 1,597 |
| Total comprehensive income for the period | 190 | 188 | 303 |
| Dividend | -172 ¹⁾ | -256 ¹⁾ | -256 ¹⁾ |
| Closing equity | 1,622 | 1,529 | 1,644 |
| ¹⁾ SEK 4.30 (6.40) per share. | | | |
| Equity, attributable to: | | | |
| Equity holders of the parent company | 1,622 | 1,529 | 1,644 |
| Non-controlling interests | 16 | - | - |
| | 1,678 | 1,529 | 1,644 |

INDUTRADE CONSOLIDATED CASH FLOW STATEMENT

- CONDENSED

| SEK million | 2010 Jan-Sep | 2009 Jan-Sep | 2009/10 Moving 12 mos | 2009 Jan-Dec |
|---|-----------------|-----------------|--------------------------|-----------------|
| Cash flow from operating activities | | | | |
| before change in working capital | 485 | 308 | 615 | 438 |
| Change in working capital | -93 | 3 | 24 | 120 |
| Cash flow from operating activities | 392 | 311 | 639 | 558 |
| Net capital expenditures in non-current assets | -71 | -66 | -95 | -90 |
| Company acquisitions and divestments | -649 | -126 | -711 | -188 |
| Change in other financial assets | 0 | 0 | 0 | 0 |
| Cash flow from investing activities | -720 | -192 | -806 | -278 |
| Net borrowings | 531 | 136 | 383 | -12 |
| Dividend paid out | -172 | -256 | -172 | -256 |
| Cash flow from financing activities | 359 | -120 | 211 | -268 |
| Cash flow for the period | 31 | -1 | 44 | 12 |
| Cash and cash equivalents at start of period | 229 | 223 | 212 | 223 |
| Exchange rate differences | -18 | -10 | -14 | -6 |
| Cash and cash equivalents at end of period | 242 | 212 | 242 | 229 |

KEY DATA

| | 2010 Jan-Mar | 2010 Apr-Jun | 2010 Jul-Sep | 2010 Jan-Sep | 2009 Jan-Sep | 2009/10 Moving 12 mos | 2009 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------|-----------------|
| Net sales, SEK million | 1,527 | 1,722 | 1,732 | 4,981 | 4,746 | 6,506 | 6,271 |
| Sales growth, % | -11.8 | 8.4 | 21.5 | 5.0 | -4.1 | -1.0 | -7.5 |
| EBITA, SEK million | 144 | 191 | 205 | 540 | 452 | 682 | 594 |
| EBITA margin, % | 9.4 | 11.1 | 11.8 | 10.8 | 9.5 | 10.5 | 9.5 |
| Operating capital, SEK million | 3,004 | 3,061 | 3,215 | 3,215 | 2,612 | 3,215 | 2,584 |
| Return on operating capital, % (12 months) | 20.9 | 22.3 | 23.6 | 23.6 | 24.3 | 23.6 | 22.2 |
| Interest-bearing net debt, SEK million | 1,329 | 1,443 | 1,537 | 1,537 | 1,083 | 1,537 | 940 |
| Net debt/equity ratio, % | 79.3 | 89.2 | 91.6 | 91.6 | 70.8 | 91.6 | 57.2 |
| Equity ratio, % | 36.5 | 34.6 | 33.9 | 33.9 | 37.4 | 33.9 | 41.1 |
| Attributable to equity holders of the parent company | | | | | | | |
| Key ratios per share¹⁾ | | | | | | | |
| Earnings per share, SEK | 2.15 | 2.88 | 2.95 | 7.98 | 6.38 | 10.13 | 8.53 |
| Equity per share, SEK | 41.88 | 40.45 | 41.55 | 41.55 | 38.23 | 41.55 | 41.10 |
| Cash flow from operating activities per share, SEK | 1.43 | 2.72 | 5.65 | 9.80 | 7.78 | 15.98 | 13.95 |

¹⁾Based on 40,000,000 shares which corresponds to the number of shares outstanding during all periods in the table. There is no dilutive effect.

ACQUISITIONS

Acquisitions 2010

All of the shares have been acquired in Techno Skruv i Värnamo AB, Corona Control AB, AxMediTec Sp. z o.o., Poland, Lekang Group (Filtarteknik Sverige AB, Lekang Maskin AS, Norway, Filtarteknik A/S, Denmark), Stålfprofil PK AB, Stålfprofil PK Invest AB, and Meson AB. In addition, a construction plastics business was acquired from Metallcenter Sverige AB and a pump business from A-Vacuum Oy, Finland.

Engineering & Equipment

The pump business acquired from A-Vacuum Oy consists mainly of sales of vacuum pumps and associated components, and has annual sales of approximately SEK 12 million. The business is consolidated in Indutrade as from 1 June 2010.

Flow Technology

Corona Control AB, with companies in Sweden and Norway and annual sales of approximately SEK 50 million, is a total supplier of solutions for industrial valves. Customers are in the petrochemical, offshore, chemical, energy, pulp and paper, steel, food and pharmaceutical industries, among others. The company is consolidated in the Group as from 1 January 2010. The Meson Group supplies valves and couplings to the international shipbuilding and shipping industries as well as to refineries and the mining industry. Annual sales for 2009 amounted to approximately SEK 500 million, including some larger deliveries for newbuilding of ships. The Meson Group currently has approximately 100 employees at its offices in Sweden, Denmark, Norway, Germany, Spain, Romania, India, Dubai, Shanghai and Singapore. The Meson Group is consolidated in Indutrade as from 1 July 2010.

Industrial Components

Techno Skruv i Värnamo AB, with annual sales of approximately SEK 70 million, has a strong market position in customer-specific fasteners and mechanical components. Customers are in the engineering, energy and automotive industries. The company is consolidated in the Group as from 1 January 2010.

AxMediTec Sp. Z o.o., with annual sales of approximately SEK 70 million, specialises in sales of medical technology equipment used for healthcare applications in operating rooms, intensive care wards, emergency wards, and cardio and neonatal units. The company is consolidated in Indutrade as from 1 January 2010.

Special Products

The Lekang Group, with annual sales of approximately SEK 200 million, specialises in products and services primarily involving filtration of fluids for all types of industrial companies in the Nordic region. The Group is consolidated in Indutrade as from 1 February 2010. Stålfprofil PK AB, with annual sales of approximately SEK 70 million, is a system supplier of profile systems for glazed door, window and wall sections with high standards for fire safety, bullet-proofing, burglary protection and energy optimisation. The products are sold mainly in Scandinavia, but also in Europe, the USA and Russia. The company is consolidated in Indutrade as from 1 March 2010. The construction plastics business involves the sale of semi-finished products primarily to customers in the pharmaceutical, energy and engineering industries. The business has annual sales of approximately SEK 6 million and is consolidated in Indutrade as from 1 January 2010.

Acquired assets in Techno Skruv i Värnamo AB, Corona Control AB, AxMediTec Sp. Z o.o, Lekang Group, Stålfprofil PK AB, Stålfprofil PK Invest AB and Meson AB.

Preliminary purchase price allocation

SEK million

| Purchase price, incl. earn-out payment | | | 728 |
|--|---------------|--------------------------|------------|
| Acquired assets | Book value | Fair value adjustment | Fair value |
| Goodwill | - | 234 | 234 |
| Agencies, trademarks, customer relations, licences, etc. | - | 288 | 288 |
| Property, plant and equipment | 116 | - | 116 |
| Financial assets | 1 | - | 1 |
| Inventories | 223 | - | 223 |
| Other current assets | 163 | - | 163 |
| Cash and cash equivalents | 78 | - | 78 |
| Non-controlling interests | -16 | - | -16 |
| Deferred tax liability | -22 | -75 | -97 |
| Interest-bearing loans and pension liabilities | -116 | - | -116 |
| Other operating liabilities | -146 | - | -146 |
| | 281 | 447 | 728 |

Agencies, customer relations, licenses, 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 59 million.

Indutrade normally uses an acquisition structure with 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 probable payment, which for the acquisitions made during the year to date is SEK 89 million. The earn-out payments fall due for payment within two years and can amount to a maximum of SEK 266 million. If the conditions are not met for the maximum earn-out payment, the outcome will be SEK 30 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 | 728 |
| Purchase price not paid out | -89 |
| Cash and cash equivalents in acquired companies | -78 |
| Earn-out payments pertaining to previous years' acquisitions | 88 |
| Total cash flow impact | 649 |

Effect of completed acquisitions 2009 and 2010

| SEK million | | Net sales | | EBITA | |
|----------------------------------|---|------------|------------|-----------|-----------|
| Business area | Company/Business | Jul-Sep | Jan-Sep | Jul-Sep | Jan-Sep |
| Engineering & Equipment | Pump business | 3 | 4 | 0 | 0 |
| Flow Technology | Ingenjörfirman Rossing & Jansson AB and Corona Control Group and Meson Group | 55 | 78 | -1 | 1 |
| Industrial Components | Dominator Pump AB, AxMediTec Group and Techno Skruv i Värnamo AB | 37 | 115 | 6 | 20 |
| Special Products | Flintec Brasil Ltda, Key Valve Technologies Ltd., Filtertechnik AB, Lekang AS, Filtertechnik A/S, Strålprofil PK Invest AB and Stålprofil PK AB | 125 | 294 | 25 | 57 |
| Effect on Group | | 220 | 491 | 30 | 78 |
| Acquisitions carried out in 2009 | | 67 | 135 | 13 | 24 |
| Acquisitions carried out in 2010 | | 153 | 356 | 17 | 54 |
| Effect on Group | | 220 | 491 | 30 | 78 |

If the acquired units had been consolidated as from 1 January 2010, net sales for the year would have amounted to SEK 5 150 million and EBITA would have been SEK 586 million.

ACQUISITIONS AFTER THE END OF THE REPORTING PERIOD

Indutrade's subsidiary Oy Lining Ab acquired all of the shares in Flowtech Finland Oy with annual sales of about SEK 20 million. Flowtech Finland Oy, which develops and supplies waste water pumping stations and water pressure boosters for clean water, will be included in the Engineering & Equipment business area as from October 2010.

Preliminary purchase price allocation will be presented in the Year-End Report 2010.

PARENT COMPANY INCOME STATEMENT

- CONDENSED

| SEK million | 2010 Jul-Sep | 2009 Jul-Sep | 2010 Jan-Sep | 2009 Jan-Sep | 2009/10 Moving 12 mos | 2009 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|--------------------------|-----------------|
| Net sales | 0 | 0 | 0 | 0 | 1 | 1 |
| Gross profit | 0 | 0 | 0 | 0 | 1 | 1 |
| Administrative expenses | -9 | -8 | -31 | -27 | -38 | -34 |
| Other income and expenses | -1 | 0 | -1 | -1 | -1 | -1 |
| Operating profit | -10 | -8 | -32 | -28 | -38 | -34 |
| Financial income/expenses | -7 | -6 | -6 | -22 | -12 | -28 |
| Profit from participation in Group companies | 0 | 0 | 361 | 198 | 541 | 378 |
| Profit after financial items | -17 | -14 | 323 | 148 | 491 | 316 |
| Appropriations | - | - | - | - | 13 | 13 |
| Income Tax | 5 | 3 | 9 | 11 | -42 | -40 |
| Net profit for the period | -12 | -11 | 332 | 159 | 462 | 289 |
| Depreciation of property, plant and equipment | 0 | 0 | 0 | 0 | -1 | -1 |

PARENT COMPANY BALANCE SHEET

- CONDENSED

| SEK million | 2010 30 Sep | 2009 30 Sep | 2009 31 Dec |
|---|----------------|----------------|----------------|
| Intangible assets | 2 | 1 | 2 |
| Property, plant and equipment | 2 | 2 | 2 |
| Financial assets | 1,676 | 1,393 | 1,332 |
| Current receivables | 849 | 549 | 655 |
| Cash and cash equivalent | 15 | 11 | 41 |
| Total assets | 2,544 | 1,956 | 2,032 |
| Equity | 1,041 | 750 | 881 |
| Untaxed reserves | 1 | 14 | 1 |
| Non-current liabilities | 699 | 448 | 420 |
| Non-current provisions | 7 | 116 | 83 |
| Current provisions | 141 | 91 | 68 |
| Current interest-bearing liabilities | 643 | 527 | 525 |
| Current noninterest-bearing liabilities | 12 | 10 | 54 |
| Total equity and liabilities | 2,544 | 1,956 | 2,032 |

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. |
| EBITA margin | EBITA as a percentage of net sales for the period. |
| Equity ratio | Shareholders' equity as a percentage of total assets. |
| Gross margin | Gross profit divided by net sales. |
| Intangible assets | Goodwill, agencies, trademarks, customer lists, licences and leaseholds. |
| Interest-bearing net debt | Interest-bearing liabilities, incl. Pension liability less cash and cash equivalents. |
| Net capital expenditures | Purchases less sales of intangible assets, and of property, plant and equipment, excluding those included in acquisitions and divestments of subsidiaries and operations. |
| Net debt/equity ratio | Interest-bearing net debt divided by shareholders' equity. |
| Operating capital | Interest-bearing net debt and shareholders' equity. |
| Property, plant and equipment | Buildings, land, machinery and equipment. |
| Return on operating capital | 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 of 25%.

Indutrade is listed on Nasdaq OMX Stockholm.