

# INTERIM REPORT

1 JANUARY – 30 JUNE 2008



## 1 JANUARY–30 JUNE 2008 (COMPARED WITH SAME PERIOD A YEAR AGO)

- Net sales rose 18% during the period, to SEK 3,258 million [2,753]. The increase for comparable units was 5%.
- Operating profit before amortisation of intangible assets (EBITA) rose 30% to SEK 407 million [314], and the EBITA margin was 12.5% [11.4%].
- Profit after tax rose 28% to SEK 259 million [203].
- Earnings per share were SEK 6.48 [5.08] for the period.
- The return on operating capital for the last 12 months was 38.5% [37.2%].

## SECOND QUARTER 2008 (COMPARED WITH SAME PERIOD A YEAR AGO)

- Net sales rose 18% during the second quarter, to SEK 1,733 million [1,467]. The increase for comparable units was 6%.
- Operating profit before amortisation of intangible assets (EBITA) rose 33% to SEK 232 million [175], and the EBITA margin was 13.4% [11.9%].
- Profit after tax rose 32% to SEK 150 million [114].
- Earnings per share were SEK 3.75 [2.85] for the quarter.

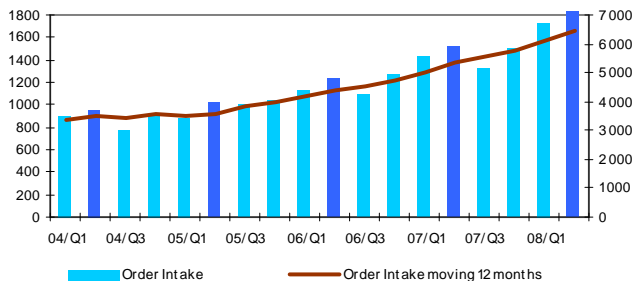
## FINANCIAL DEVELOPMENT

SEK million	2008 April-June	2007 April-June	Change	2008 Jan-June	2007 Jan-June	Change	2007/08 Moving 12 mos	2007 Jan-Dec
Net Sales	<b>1,733</b>	1	18.1%	<b>3,258</b>	2,753	18.3%	6,178	5,673
EBITA *)	<b>232</b>	175	32.6%	<b>407</b>	314	29.6%	743	650
EBITA margin, %	<b>13.4</b>	11.9		<b>12.5</b>	11.4		12.0	11.5
Profit after financial items	<b>207</b>	158	31.0%	<b>358</b>	282	27.0%	654	578
Net profit	<b>150</b>	114	31.6%	<b>259</b>	203	27.6%	475	419
Earnings per share, SEK	<b>3.75</b>	2.85	31.6%	<b>6.48</b>	5.08	27.6%	11.88	10.48
Return on operating capital, %	<b>38.5</b>	37.2		<b>38.5</b>	37.2			40.6

\*) Operating profit before amortization of intangible assets

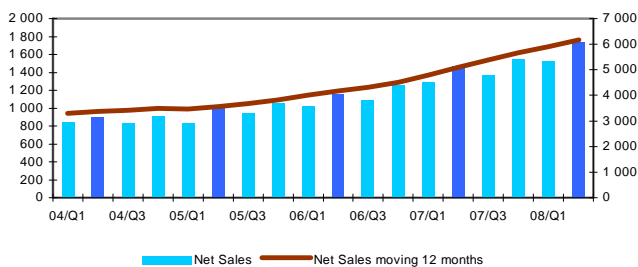
## ORDERINTAKE

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 3,630 million (2,948), an increase of 23%. For comparable units incoming orders rose 9%, while acquired growth was 13%. Currency movements affected order intake favourably by 1%. Order intake for the second quarter amounted to SEK 1,894 million (1,523), an increase of 24%. For comparable units incoming orders rose 12%, while acquired growth accounted for 11% and currency movements for 1%.

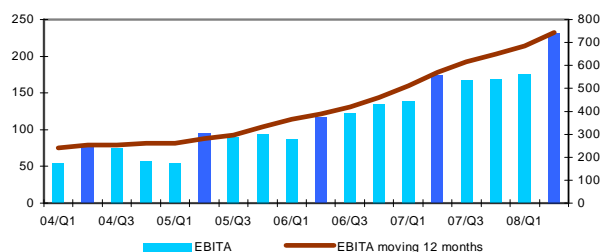
#### Net sales

Net sales grew 18% during the first six months of 2008, to SEK 3,258 million (2,753). For comparable units net sales rose 5%, while acquired growth was 12%. Favourable currency movements accounted for 1%. Net sales during the second quarter rose 18% to SEK 1,733 million (1,467). For comparable units net sales rose 6%, while acquired growth was 11%. Currency movements accounted for 1% of the increase in net sales for the quarter.

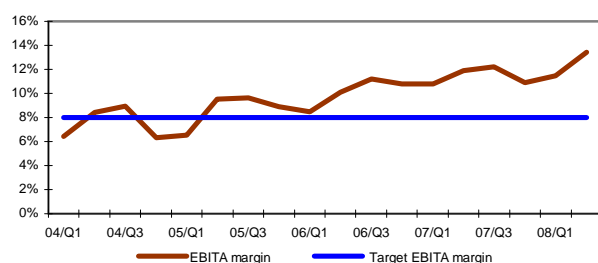
All business areas have shown favourable growth during the year to date. Industrial Components and Special Products were the business areas with the strongest growth, with an increase in net sales of 20%, mainly as an effect of acquired growth, but also as a result of stable organic growth.

## EBITA

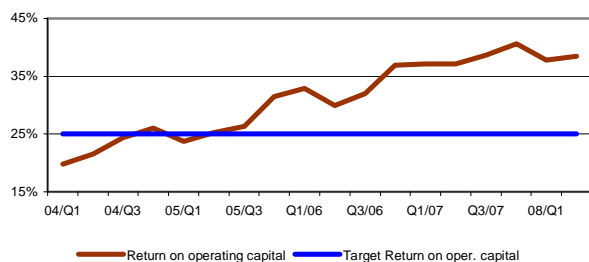
SEK million



## EBITA MARGIN



## RETURN



## EARNINGS AND RETURN

### Earnings

The gross margin increased during the period January–June by 1.0 percentage point, to 33.6%. During the second quarter, the gross margin was 33.9%, an increase of 1.6 percentage points. The improved gross profit margin can be credited in part to favourable volume development and in part to a greater share of product sales with a higher gross margin.

Operating profit before amortisation of intangible assets (EBITA) was SEK 407 million [314] for the period January–June, an increase of 30%. The operating margin before amortisation of intangible assets (the EBITA margin) increased to 12.5% [11.4%]. The improved EBITA margin during the period can mainly be credited to strong volume development and an improved gross margin.

Net financial items for the period January–June totalled SEK -21 million [-14], while tax on profit for the year is estimated at SEK -99 million [-79]. Profit after tax rose 28% to SEK 259 million [203]. Earnings per share were SEK 6.48 [5.08].

Operating profit before amortisation of intangible assets (EBITA) was SEK 232 million [175] for the second quarter, an increase of 33%, while the operating margin before amortisation of intangible assets (the EBITA margin) increased to 13.4% [11.9%].

Net financial items for the second quarter totalled SEK -10 million [-7] while tax on profit for the second quarter is estimated at SEK -57 million [-44]. Profit after tax rose 32% to SEK 150 million [114]. Earnings per share were SEK 3.75 [2.85].

### Return

The return on operating capital for the last 12 months increased to 38.5% [37.2%] on account of the higher EBITA margin.

## Business areas

### Engineering & Equipment

*Engineering & Equipment offers customised niche products, design solutions, aftermarket service and special processing. Products consist primarily of hydraulics, automotive workshop equipment, flow products and transmission products.*

	2008	2007	2007/08	2007
SEK million	Jan-June	Jan-June	Moving 12 mos	Jan-Dec
Net sales	1,099	939	2,128	1,968
EBITA	113	101	216	204
EBITA-marginal, %	10.3%	10.8%	10.2%	10.4%

Net sales rose 17% during the period January–June, to SEK 1,099 million (939). For comparable units net sales rose 7%, while acquired growth was 8%. Currency movements had a positive effect and accounted for 2%. EBITA was SEK 133 million (101) for the first two quarters, corresponding to an EBITA margin of 10.3% (10.8%). The lower EBITA margin is mainly attributable to the fact that higher overheads during the period due to decisions about future investments, were not fully compensated by a stronger gross margin and the increase in net sales.

The company KG Enterprise was acquired during the period.

### Flow Technology

*Flow Technology offers components and systems for the management, control and supervision of flows. Products consist primarily of valves, pumps, and measurement and analytical instruments.*

	2008	2007	2007/08	2007
SEK million	Jan-June	Jan-June	Moving 12 mos	Jan-Dec
Net sales	824	690	1,608	1,474
EBITA	93	66	172	145
EBITA-marginal, %	11.3%	9.6%	10.7%	9.8%

Net sales amounted to SEK 824 million (690) for the period, an increase of 19%. For comparable units net sales rose 3%, while acquired growth was 16%.

EBITA for the period totalled SEK 93 million (66), and the EBITA margin increased to 11.3% (9.6%). The increase in the EBITA margin is mainly attributable to a shift in net sales towards products with better gross margins.

### Industrial Components

*Industrial Components offers a wide range of technically advanced components and systems for production and maintenance. Products, consisting mainly of consumables for recurring needs, include fasteners, filters, adhesives and cutting tools.*

	2008	2007	2007/08	2007
SEK million	Jan-June	Jan-June	Moving 12 mos	Jan-Dec
Net sales	564	470	1,034	940
EBITA	67	53	117	103
EBITA-marginal, %	11.9%	11.3%	11.3%	10.9%

Net sales during the period January–June rose 20% to SEK 564 million (470). For comparable units net sales rose 9%, while acquired growth was 10%. Currency movements accounted for a 1% increase in net sales for the period. EBITA for the period totalled SEK 67 million (53), corresponding to an EBITA margin of 11.9% (11.3%).

A changed product mix, with a subsequent improvement in the gross margin, contributed to the improved EBITA margin.

The company EssMed was acquired during the period.

## Special Products

*Special Products offers specially manufactured niche products, design solutions, aftermarket service and assembly, and special processing. Products include temperature sensors, special plastics, tool holders, electrical components, industrial springs and high pressure valves.*

SEK million	2008 Jan-June	2007 Jan-June	2007/08 Moving 12 mos	2007 Jan-Dec
Net sales	800	668	1,454	1,322
EBITA	155	115	274	234
EBITA-marginal, %	19.4%	17.2	18.8%	17.7%

Net sales rose 20% during the period, to SEK 800 million (668). For comparable units net sales rose 5%, while acquired growth accounted for 14%. Currency movements accounted for 1% of the increase in net sales. EBITA totalled SEK 155 million (115), and the EBITA margin was 19.4% (17.2%). The margin improvement is partly attributable to volume growth with a limited cost in overheads, and in part to a shift towards a greater share of product sales with higher gross margins.

The companies Ammertech, Precision Products and Douwes International were acquired during the period.



## Other financial information

### FINANCIAL POSITION

Shareholders' equity amounted to SEK 1,224 million (956), and the equity ratio was 34% (33%).

Cash and cash equivalents amounted to SEK 147 million (125). In addition, the Company has SEK 255 million (199) in unutilised credit facilities. Interest-bearing net debt after deducting cash and cash equivalents amounted to SEK 958 million (720).

The net debt/equity ratio was 78% (75%) at the end of the period. The increases in net debt and in the debt/equity ratio are mainly attributable to completed acquisitions.

### CASH FLOW

Cash flow from operating activities was SEK 92 million (77) and was affected by a greater need for working capital as a result of growth in business volume. Cash flow after net capital expenditures in property, plant and equipment (excluding company acquisitions) was SEK 50 million (48).

### CAPITAL EXPENDITURES AND DEPRECIATION

The Group's net capital expenditures (excluding company acquisitions) totalled SEK 42 million (29).

Depreciation of property, plant and equipment totalled SEK 36 million (29). Capital expenditures in company acquisitions amounted to SEK 129 million (104).

### EMPLOYEES

The number of employees was 2,251 (1,945) at the end of the period, of whom approximately 107 were added through acquired companies.

### ACQUISITIONS

The Group has completed the following company acquisitions, which are being consolidated in 2008 for the first time.

Month acquired	Acquisition	Business are	Sales/SEK million <sup>4</sup>	No. of employees <sup>4</sup>
January	Ammertech BV	Special Products	60	25
	Precision Products Ltd	Special Products	70	56
February	Douwes Internationl BV	Special Products	34	14
March	KG Enterprise Oy	Engineering & Equipment	8	2
	EssMed AB	Industrial Components	60	10
			232	107

<sup>4</sup>Estimated annual sales and number of employees at the time of acquisition.

Further information on completed company acquisitions can be found on page 12 of this interim report.

### ACQUISITIONS AFTER THE END OF THE REPORTING PERIOD

Indutrade has acquired all of the shares in Flintec Group AB, with possession taking place on 1 July 2008. The Flintec Group has sales of approximately SEK 275 million and approximately 1,000 employees, of whom most (approx. 800) are at Flintec's two manufacturing units in Sri Lanka. In addition, the company has sales and design companies in the USA and UK, and sales companies in Sweden and Germany.

Flintec manufactures and markets measurement technology products. Customers work in a range of market segments, primarily weighing, automation, medicine, testing and measurement systems, transport and agriculture. The company will be included in the Special Products business area.

### PARENT COMPANY

The main function of Indutrade AB is 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 million (0) during the first six months of the year. The Parent Company's capital expenditures in financial assets, consisting of acquisitions of subsidiaries, amounted to SEK 106 million (60), and capital expenditures in property, plant and equipment totalled SEK 0 million (1). The number of employees on 30 June was 8 (8).

## RISKS AND UNCERTAINTIES

The Indutrade Group conducts business in 12 countries in northern Europe through some 90 companies. This spread, together with a large customer base in various industries and a large number of suppliers, mitigates the business and financial risks. In addition to the risks and uncertainties that are described in Indutrade's 2007 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 subject to financing risk. The Parent Company's other activities are not subject to risks other than indirectly via subsidiaries. For a more detailed report on risks that affect the Group and Parent Company, please see the 2007 Annual Report.

## RELATED-PARTY TRANSACTIONS

No transactions between Indutrade and related parties, which have significantly affected the Company's position and earnings, took place during the period.

## 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 1.1. The Parent Company applies RFR 2.1. The same accounting principles and calculation methods are used in this report as those used in Indutrade's 2007 Annual Report and described under the section "Accounting principles and notes".

Indutrade has not begun applying any new IFRS recommendations in 2008. Nor has the new IFRIC 11 interpretation had any impact on Indutrade's earnings or financial position. IFRIC 12, 13 and 14 are expected to be approved by the EU in 2008, at which time they will be applied. However, IFRIC 12 and 13 are not relevant for Indutrade, and IFRIC 14 is not judged to have any impact on Indutrade's earnings or financial position upon application.

## FINANCIAL CALENDAR

The interim report for the period January–September 2008 will be published on 4 November 2008.

The year-end report for 2008 will be published on 12 February 2009.

Stockholm, 4 August 2008

Indutrade AB (publ)

Bengt Kjell  
Chairman

Owe Andersson  
Director

Michael Bertorp  
Director

Gerald Engström  
Director

Eva Färnstrand  
Director

Mats Jansson  
Director

Ulf Lundahl  
Director

Johnny Alvarsson  
President and CEO,  
Director

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

## 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 10 a.m. on 4 August 2008.

## 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 presented in a conference call today at 2 p.m. and can be viewed on the Web at the following link:

<http://www.financialhearings.com/hearing/financia1.nsf/{recordednew}/8E791CB9D0A48D9DC125740800585783?OpenDocument>

Participants are welcome to call on tel. +46-8-5352 6440, +44 20 7138 0825 or +1 718 354 1361 US Toll.

## INDUTRADE CONSOLIDATED INCOME STATEMENT

– CONDENSED

SEK million	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007/08 roll 12 months	2007 Jan-Dec
Net Sales	1 733	1 467	3 258	2 753	6 178	5 673
Cost of goods sold	-1 146	-993	-2 162	-1 855	-4 133	-3 826
<b>Gross profit</b>	<b>587</b>	474	<b>1 096</b>	898	2 045	1 847
Development costs	-5	-6	-10	-10	-20	-20
Selling costs	-294	-242	-572	-466	-1 078	-972
Administrative expenses	-72	-62	-141	-125	-266	-250
Other operating income and expenses	1	1	6	-1	11	4
<b>Operating profit</b>	<b>217</b>	165	<b>379</b>	296	692	609
Net financial items	-10	-7	-21	-14	-38	-31
<b>Profit after financial items</b>	<b>207</b>	158	<b>358</b>	282	654	578
Income Tax	-57	-44	-99	-79	-179	-159
<b>Net profit for the period attributable to equity holders of the parent company</b>	<b>150</b>	114	<b>259</b>	203	475	419

*Operating profit includes:*

Amortisation of intangible assets	-15	-10	-28	-18	-51	-41
Depreciation of property, plant and equipment	-18	-15	-36	-29	-70	-63

Operating profit before amortisation/ impairment of intangible assets (EBITA)	232	175	407	314	743	650
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Earnings per share for the period <sup>1</sup>	3,75	2,85	6,48	5,08	11,88	10,48
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<sup>1</sup> Earnings for the period divides by 40,000,000 shares. There is no dilutive effect.

**Income and expenses reported  
directly against equity**

Actuarial gains/losses	-	-	-	-	6	6
Exchange rate differences on foreign operations	6	-5	-14	11	-1	24
Tax on items reported directly against equity	-	-	-	-	-2	-2
<b>Total income and expenses reported directly against equity</b>	<b>6</b>	-5	<b>-14</b>	<b>11</b>	<b>3</b>	<b>28</b>
Profit for the period	150	114	259	203	475	419
<b>Total reported income and expenses for the period</b>	<b>156</b>	109	<b>245</b>	<b>214</b>	<b>478</b>	<b>447</b>



## BUSINESS AREA PERFORMANCE

	2008	2007	2008	2007	2007/08	2007
<b>Net sales, SEK million</b>	<b>April-June</b>	April-June	<b>Jan-June</b>	Jan-June	Moving 12 mos	Jan-Dec
Engineering & Equipment	<b>584</b>	496	<b>1,099</b>	939	2,128	1,968
Flow Technology	<b>446</b>	372	<b>824</b>	690	1,608	1,474
Industrial Components	<b>303</b>	245	<b>564</b>	470	1,034	940
Special Products	<b>418</b>	361	<b>800</b>	668	1,454	1,322
Parent company and Group items	<b>-18</b>	-7	<b>-29</b>	-14	-46	-31
	<b>1,733</b>	1,467	<b>3,258</b>	2,753	6,178	5,673

	2008	2007	2008	2007	2007/08	2007
<b>EBITA, SEK million</b>	<b>April-June</b>	April-June	<b>Jan-June</b>	Jan-June	Moving 12 mos	Jan-Dec
Engineering & Equipment	<b>67</b>	53	<b>113</b>	101	216	204
Flow Technology	<b>57</b>	39	<b>93</b>	66	172	145
Industrial Components	<b>38</b>	27	<b>67</b>	53	117	103
Special Products	<b>80</b>	65	<b>155</b>	115	274	234
Parent company and Group items	<b>-10</b>	-9	<b>-21</b>	-21	-36	-36
	<b>232</b>	175	<b>407</b>	314	743	650

	2008	2007	2008	2007	2007/08	2007
<b>EBITA margin, %</b>	<b>April-June</b>	April-June	<b>Jan-June</b>	Jan-June	Moving 12 mos	Jan-Dec
Engineering & Equipment	<b>11.5%</b>	10.7%	<b>10.3%</b>	10.8%	10.2%	10.4%
Flow Technology	<b>12.8%</b>	10.5%	<b>11.3%</b>	9.6%	10.7%	9.8%
Industrial Components	<b>12.5%</b>	11.0%	<b>11.9%</b>	11.3%	11.3%	10.9%
Special Products	<b>19.1%</b>	18.0%	<b>19.4%</b>	17.2%	18.8%	17.7%
	<b>13.4%</b>	11.9%	<b>12.5%</b>	11.4%	12.0%	11.5%

## INDUTRADE CONSOLIDATED BALANCE SHEET

– CONDENSED

<b>SEK million</b>	<b>2008</b>	2007	2007
	<b>30 June</b>	30 June	31 Dec
Goodwill	414	296	378
Other intangible assets	404	268	364
Property, plant and equipment	423	360	388
Financial assets	40	37	43
Inventories	1,000	845	936
Accounts receivable, trade	1,030	875	859
Other receivables	177	134	100
Cash and cash equivalents	147	125	203
<b>Total assets</b>	<b>3,635</b>	2,940	3,271
Equity	1,224	956	1,189
Long-term borrowings and pension liabilities	561	460	470
Other non-current liabilities	196	178	198
Short-term borrowings	544	385	383
Accounts payable, trade	497	470	470
Other current liabilities	613	491	561
<b>Total equity and liabilities</b>	<b>3,635</b>	2,940	3,271

## CHANGE IN GROUP EQUITY

<b>SEK million</b>	<b>2008</b>	2007	2007
	<b>Jan-June</b>	Jan-June	Jan-Dec
<b>Opening equity</b>	<b>1,189</b>	<b>892</b>	<b>892</b>
Translation effects	-14	11	24
Actuarial pension effects	-	-	6
Tax effect on actuarial pension effects	-	-	-2
Net profit for the period	259	203	419
Dividend 1)	-210 <sup>1)</sup>	-150 <sup>1)</sup>	-150 <sup>1)</sup>
<b>Closing equity</b>	<b>1,224</b>	<b>956</b>	<b>1,189</b>

<sup>1)</sup> SEK 5.25 (3.75) per share

## INDUTRADE CONSOLIDATED CASH FLOW STATEMENT

– CONDENSED

SEK million	2008 Jan-June	2007 Jan-June	2007/08 Moving 12 mos	2007 Jan-Dec
Cash flow from operating activities				
before change in working capital	306	246	586	526
Change in working capital	-214	-169	-172	-127
<b>Cash flow from operating activities</b>	<b>92</b>	<b>77</b>	<b>414</b>	<b>399</b>
Net capital expenditures in non-current assets	-42	-29	-80	-67
Company acquisitions and divestments	-129	-104	-332	-307
Change in other financial assets	0	-	1	1
<b>Cash flow from investing activities</b>	<b>-171</b>	<b>-133</b>	<b>-411</b>	<b>-373</b>
Net borrowings	235	210	228	203
Dividend paid out	-210	-150	-210	-150
<b>Cash flow from financing activities</b>	<b>25</b>	<b>60</b>	<b>18</b>	<b>53</b>
Cash flow for the period	-54	4	21	79
Cash and cash equivalents at start of period	203	119	125	119
Exchange rate differences	-2	2	1	5
<b>Cash and cash equivalents at end of period</b>	<b>147</b>	<b>125</b>	<b>147</b>	<b>203</b>

## KEY DATA

	2008 Jan-June	2008 Jan-March	2008 April-June	2007 Jan-June	2007/08 Moving 12 mos	2007 Jan-Dec
Net sales, SEK million	3,258	1,525	1,733	2,753	6,178	5,673
Sales growth, %	18.3	18.6	18.1	26.8	21.2	25.6
EBITA, SEK million	407	175	232	314	743	650
EBITA margin, %	12.5	11.5	13.4	11.4	12.0	11.5
Operating capital, SEK million	2,182	2,090	2,182	1,676	2,182	1,839
Return on operating capital, % (12 months)	38.5	37.8	38.5	37.2	38.5	40.6
Interest-bearing net debt, SEK million	958	812	958	720	958	650
Net debt/equity ratio, %	78.3	63.5	78.3	75.3	78.3	54.7
Equity ratio, %	33.7	36.4	33.7	32.5	33.7	36.3
<b>Key ratios per share <sup>1)</sup></b>						
Earnings per share, SEK	6.48	2.73	3.75	5.08	11.88	10.48
Equity per share, SEK	30.60	31.95	30.60	23.9	30.60	19.73
Cash flow from operating activities per share, SEK	2.58	-0.28	2.30	1.93	10.35	9.98

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

## ACQUISITIONS

### Acquisitions during the first half of 2008

All of the shares were acquired in Ammertech BV and Douwes International BV (the Netherlands), in Precision Products Ltd (UK), in KG Enterprise Oy (Finland), and in EssMed AB, with operations in Sweden and Finland.

### Engineering & Equipment

KG Enterprise, with annual sales of approximately SEK 8 million, is a supplier of raw material and semi-finished products to the composite industry. The company is consolidated in the Group as from 1 March 2008.

### Industrial Components

EssMed markets ophthalmology products and technical service in Sweden and Finland. The company has annual sales of approximately SEK 60 million and is consolidated in the Group as from 1 March 2008.

### Special Products

Ammertech is a leading technology sales company in the Benelux market in the area of bearings and transmissions, with annual sales of approximately SEK 60 million. Douwes International is a technology sales company with products and specialist know-how in fasteners and assembly tools, with annual sales of approximately SEK 34 million. Precision Products is a well-established manufacturer of piston rings and a supplier to the international marine diesel engine industry as well as of products for other industrial applications in 48 countries. Annual sales amount to approximately SEK 70 million. Ammertech and Precision Products are consolidated in the Group as from 1 January 2008, and Douwes as from 1 February 2008.

### Acquired assets in Ammertech BV, Douwes International BV, Precision Products Ltd, KG Enterprise Oy and EssMed AB.

#### *Preliminary purchase price allocation* SEK million

Purchase price, incl. earn-out payment	<b>143</b>
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Acquired assets	Book value	Fair value adjustment	Fair value
Goodwill	-	39	39
Agencies, trademarks, customer lists, licences, etc.	-	69	69
Property, plant and equipment	31	-	31
Financial assets	1	-	1
Inventories	37	-	37
Other current assets	43	-	43
Cash and cash equivalents	6	-	6
Deferred tax liability	-3	-18	-21
Interest-bearing loans	-9	-	-9
Other operating liabilities	-53	-	-53
	<b>53</b>	<b>90</b>	<b>143</b>

Agencies, trademarks, customer lists, licences etc. will be amortised over a 10-year period.

**Cash flow impact**

Purchase price, incl. earn-out payment	143
Purchase price not paid out	-18
Cash and cash equivalents in acquired	-5
Earn-out payments pertaining to previous years' acquisitions	9
<b>Total cash flow impact</b>	<b>129</b>

**Effect of completed acquisitions**

SEK million Company	Business area	Net sales		EBITA	
		Apr-June	Jan-June	Apr-June	Jan-June
Labkotec Oy, Elra AS, Recair Oy and KG Enterprise Oy	Engineering & Equipment	41	78	7	12
Axelvalves AB, SAV-Danmark Trading A/S, Sigurd Sørnum AS, MWS Ventil Service AB, Palmstierna Svenska AB and International Plastic System Ltd	Flow Technology	54	108	11	21
AluFlex System AB and EssMed AB	Industrial Components	24	48	3	5
Carrab Industri AB, Ammertech BV, Douwes International BV and Precision Products Ltd	Special Products	49	96	8	14
<b>Effect on Group</b>		<b>168</b>	<b>330</b>	<b>29</b>	<b>52</b>
Acquisitions carried out in 2007		105	221	19	36
Acquisitions carried out in 2008		63	109	10	16
<b>Effect on Group</b>		<b>168</b>	<b>330</b>	<b>29</b>	<b>52</b>

If the acquired units had been consolidated as from 1 January 2008, net sales for the period January–June would have amounted to SEK 3,275 million, and EBITA for the first six months would have been SEK 410 million.

**Acquisitions after the end of the reporting period**

Indutrade has acquired all of the shares in Flintec Group AB, with possession taking place on 1 July 2008. The Flintec Group has sales of approximately SEK 275 million and approximately 1,000 employees, of whom most (approx. 800) are at Flintec's two manufacturing units in Sri Lanka. In addition, the company has sales and design companies in the USA and UK, and sales companies in Sweden and Germany. The preliminary allocation of the purchase price will be accounted for in the interim report for the third quarter.

## PARENT COMPANY INCOME STATEMENT

– CONDENSED

SEK million	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007/08 Moving 12 mos	2007 Jan-Dec
Net sales	0	0	0	0	1	1
Gross profit	0	0	0	0	1	1
Administrative expenses	-11	-11	-21	-21	-39	-39
Other income and expenses	0	0	-1	0	0	1
<b>Operating profit</b>	<b>-11</b>	<b>-11</b>	<b>-22</b>	<b>-21</b>	<b>-38</b>	<b>-37</b>
Financial income/expenses	-1	1	-4	-1	-6	-3
Profit from participation in Group companies	161	149	161	149	439	427
<b>Profit after financial items</b>	<b>149</b>	<b>139</b>	<b>135</b>	<b>127</b>	<b>395</b>	<b>387</b>
Income Tax	7	3	7	6	-68	-69
<b>Net profit for the period</b>	<b>156</b>	<b>142</b>	<b>142</b>	<b>133</b>	<b>327</b>	<b>318</b>
Depreciation of property, plant and equipment	0	0	0	0	-1	-1

## PARENT COMPANY BALANCE SHEET

– CONDENSED

SEK million	2008 30 June	2007 30 June	2007 31 Dec
Property, plant and equipment	2	2	2
Financial assets	1,056	835	950
Current receivables	558	390	567
Cash and cash equivalent	12	5	9
<b>Total assets</b>	<b>1,628</b>	<b>1,232</b>	<b>1,528</b>
Equity	668	558	743
Non-current liabilities	375	287	296
Provisions	43	25	38
Current interest-bearing liabilities	512	351	378
Current noninterest-bearing liabilities	30	11	73
<b>Total equity and liabilities</b>	<b>1,628</b>	<b>1,232</b>	<b>1,528</b>

## 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, among other things.
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.

## 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 solidly 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 to grow 10%, reach an 8% EBITA margin and return on operating capital of 25% across a business cycle.

Indutrade is listed on the OMX Nordic Exchange Stockholm.