

# YEAR-END REPORT

## 1 JANUARY – 31 DECEMBER 2008



### 1 JANUARY – 31 DECEMBER 2008 (COMPARED WITH SAME PERIOD A YEAR AGO)

- Net sales rose 19% during the period, to SEK 6,778 million (5,673). For comparable units the increase was 5%.
- Operating profit before amortisation of intangible assets (EBITA) rose 26% to SEK 820 million (650), and the EBITA margin was 12.1% (11.5%).
- Profit after tax rose 22% to SEK 510 million (419).
- Earnings per share were SEK 12.75 (10.48) for the period.
- The return on operating capital for the last 12 months was 36.7% (39.7%).
- The Board proposes a dividend of SEK 6.40 per share (5.25).

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

- Net sales rose 18% during the fourth quarter, to SEK 1,829 million (1,549). For comparable units the increase was 6%.
- Operating profit before amortisation of intangible assets (EBITA) rose 14% to SEK 193 million (169), and the EBITA margin was 10.6% (10.9%).
- Profit after tax rose 9% to SEK 119 million (109).
- Earnings per share were SEK 2.98 (2.73) for the quarter.

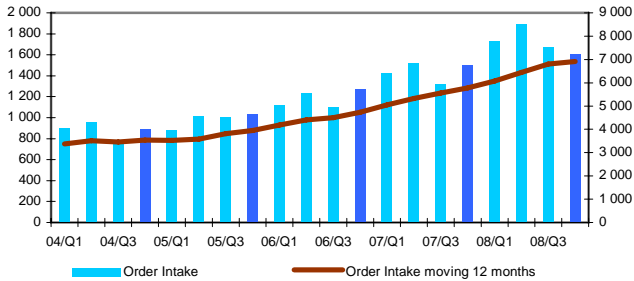
### FINANCIAL DEVELOPMENT

	2008	2007		2008	2007	
SEK million	Oct-Dec	Oct-Dec	Change	Jan-Dec	Jan-Dec	Change
Net Sales	<b>1,829</b>	1,549	18,1%	<b>6,778</b>	5,673	19,5%
EBITA *)	<b>193</b>	169	14,2%	<b>820</b>	650	26,2%
EBITA margin, %	<b>10.6</b>	10.9		<b>12.1</b>	11.5	
Profit after financial items	<b>155</b>	148	4,7%	<b>692</b>	578	19,7%
Net profit	<b>119</b>	109	9,2%	<b>510</b>	419	21,7%
Earnings per share, SEK	<b>2.98</b>	2.73	9,2%	<b>12.75</b>	10.48	21,7%
Return on operating capital, % (12 months)	<b>36.7</b>	39.7		<b>36.7</b>	39.7	

\*) Operating profit before amortization of intangible assets

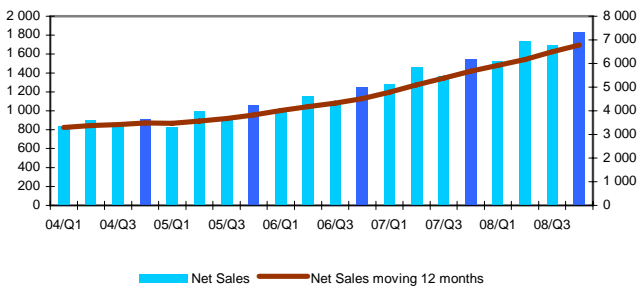
## ORDER INTAKE

SEK million



## NET SALES

SEK million



## SALES GROWTH



## Group performance

### ORDER INTAKE AND NET SALES

#### Order intake

Order intake for the period January–December amounted to SEK 6,911 million (5,771), an increase of 20%. For comparable units, order intake rose 6%, while acquired growth was 12%. Currency movements affected order intake favourably by 2%.

Order intake for the final quarter of the year increased by a total of 7% to SEK 1,605 million (1,499). For comparable units, order intake during the quarter decreased by 4%, while acquired growth was 10% and currency movements amounted to 1%.

#### Net sales

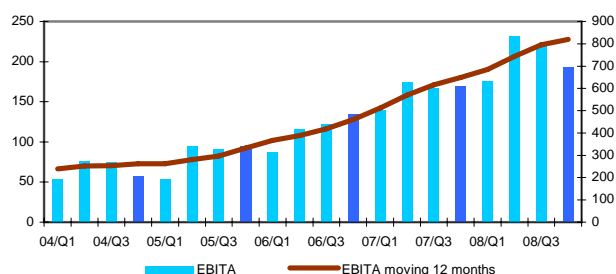
Net sales grew 19% for the year, to SEK 6,778 million (5,673). For comparable units, net sales rose 5%, while acquired growth was 12%. The positive currency effect was 2%.

Net sales during the fourth quarter rose 18% to SEK 1,829 million (1,549). For comparable units, net sales rose 6%, while acquired growth was 10%. Currency movements increased net sales during the quarter by 2%.

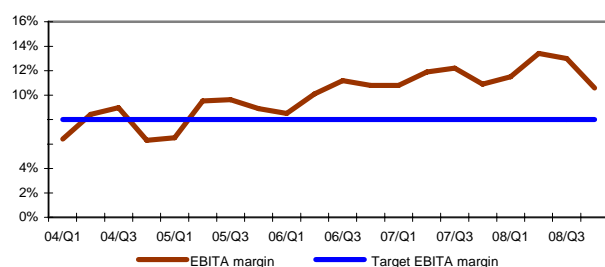
All business areas showed favourable growth for the year. Special Products and Flow Technology were the business areas with the strongest growth, with increases in net sales of 37% and 16%, respectively, mainly as an effect of acquired growth, but also as a result of stable organic growth.

## EBITA

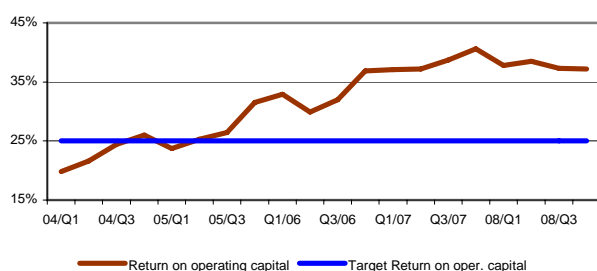
SEK million



## EBITA-MARGIN



## RETURN



## EARNINGS AND RETURN

### Earnings

The gross margin for the year increased by 0.7 percentage points, to 33.3%. During the fourth quarter, the gross margin was 33.0%, an increase of 0.2 percentage points. The improved gross margin is mainly attributable to a greater share of product sales with a higher gross margin.

Operating profit before amortisation of intangible assets (EBITA) was SEK 820 million (650) for the year, an increase of 26%. The operating margin before amortisation of intangible assets (the EBITA margin) increased to 12.1% (11.5). The improved EBITA margin for the year is mainly attributable to an improved gross margin and strong volume development.

Net financial items for the full year totalled SEK -68 million (-31). Net financial items were primarily affected by an increase in borrowings, partly as a result of completed acquisitions, and partly as a result of a need for greater working capital associated with the growth in net sales. Tax on profit for the year is estimated at SEK -182 million (-159). Profit after tax rose 22% to SEK 510 million (419). Earnings per share were SEK 12.75 (10.48).

Operating profit before amortisation of intangible assets (EBITA) was SEK 193 million (169) for the fourth quarter, an increase of 14%, while the operating margin before amortisation of intangible assets (the EBITA margin) was 10.6% (10.9).

Net financial items for the fourth quarter totalled SEK -22 million (-7). The increase in net financial items was affected in part by borrowings to finance completed acquisitions, and in part by a greater need for working capital. The tax expense was SEK -36 million (-39). Profit after tax rose 9% to SEK 119 million (109). Earnings per share for the fourth quarter were SEK 2.98 (2.73).

### Return

The return on operating capital for the last 12 months was 36.7% (39.7). The return was affected by capital tied up in acquisitions carried out during the year, which consisted mainly of manufacturing companies.

## 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 and transmission products.*

SEK million	2008	2007*
	Jan-Dec	Jan-Dec
Net sales	<b>1,900</b>	1,689
EBITA	<b>189</b>	176
EBITA-margin, %	<b>9.9%</b>	10.4%

\*Comparison figures for 2007 have been changed, since two businesses were transferred to the Industrial Components business area as from 1 January 2008.

Net sales for the year rose 12% to SEK 1,900 million (1,689). For comparable units, net sales rose 1%, while acquired growth was 7%. Currency movements had a positive effect of 4% on net sales. EBITA for the year was SEK 189 million (176), corresponding to an EBITA margin of 9.9% (10.4%). A gradually improved EBITA margin during the year was hurt during the fourth quarter by low growth in net sales and a slightly higher level of overheads.

The company KG Enterprise was acquired during the year.

### Flow Technology

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

SEK million	2008	2007
	Jan-Dec	Jan-Dec
Net sales	<b>1,712</b>	1,474
EBITA	<b>185</b>	145
EBITA-margin, %	<b>10.8%</b>	9.8%

Net sales for the full year amounted to SEK 1,712 million (1,474), an increase of 16%. For comparable units, net sales rose 5%, while acquired growth was 10%. Currency movements affected net sales favourably by 1%.

EBITA for the year was SEK 185 million (145), and the EBITA margin was 10.8% (9.8%). The increase in the EBITA margin is mainly attributable to a shift in net sales towards products with higher gross margins.

### Industrial Components

*Industrial Components offers a wide range of technically advanced components and systems for production and maintenance. The main product areas are cutting tools, adhesives and chemical technology, fasteners, automation and filters and process technology.*

SEK million	2008	2007*
	Jan-Dec	Jan-Dec
Net sales	<b>1,401</b>	1,219
EBITA	<b>150</b>	131
EBITA-margin, %	<b>10.7%</b>	10.7%

\*Comparison figures for 2007 have been changed, since two businesses were transferred to the Industrial Components business area as from 1 January 2008.

Net sales during for the year rose 15% to SEK 1,401 million (1,219). For comparable units, net sales rose 6%, while acquired growth was 8%. Currency movements had a positive effect of 1%.

EBITA for the year was SEK 150 million (131), corresponding to an EBITA margin of 10.7% (10.7%).

The companies EssMed, Kabetex and Brinch were acquired during the year.

## Special Products

*Special Products offers specially manufactured niche products, design solutions, aftermarket service and assembly, and special processing. The main product areas are valves, measuring technology, filters and process technology, and hydraulic couplings.*

SEK million	2008	2007
	Jan-Dec	Jan-Dec
Net sales	<b>1,812</b>	1,322
EBITA	<b>337</b>	234
EBITA-margin, %	<b>18,6%</b>	17.7%

Net sales for the year rose 37% to SEK 1,812 million (1,322). For comparable units, net sales rose 10%, while acquired growth was 25%. Currency movements affected the increase in net sales by 2%.

EBITA for the year was SEK 337 million (234), and the EBITA margin was 18.6% (17.7%). The margin improvement in 2008 is attributable to a greater share of products with higher gross margins.

The companies Ammertech, Precision Products, Douwes International, Flintec Group and Inkal Industrikalibreringar were acquired during the year.



## Other financial information

### FINANCIAL POSITION

Shareholders' equity amounted to SEK 1,597 million (1,189), and the equity ratio was 36% (36).

Cash and cash equivalents amounted to SEK 223 million (203). In addition, the company has SEK 767 million (275) in unutilised credit facilities. Interest-bearing net debt amounted to SEK 972 million (650).

The net debt/equity ratio at year-end was 61% (55). The increases in net debt and in the debt/equity ratio are mainly attributable to completed acquisitions and a greater need for working capital as an effect of increased growth in net sales.

### CASH FLOW

Cash flow from operating activities was SEK 490 million (399). The positive change is attributable to an improved operating surplus. Cash flow after net capital expenditures in property, plant and equipment (excluding company acquisitions) was SEK 360 million (332).

### CAPITAL EXPENDITURES AND DEPRECIATION

The Group's net capital expenditures (excluding company acquisitions) amounted to SEK 130 million (67). Depreciation of property, plant and equipment totalled SEK 78 million (63), while amortisation of intangible assets amounted to SEK 60 million (41). Capital expenditures in company acquisitions amounted to SEK 276 million (307).

### EMPLOYEES

The number of employees was 3,269 (2,083) at year-end. Approximately 1,119 were added through acquired companies, including approximately 900 in Flintec's production plants in Sri Lanka.

### ACQUISITIONS

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

Month acquired	Acquisition	Business area	Sales/SEK million*	No. of employees*
January	Ammertech BV	Special Products	60	25
	Precision Products Ltd	Special Products	70	56
February	Douwes International BV	Special Products	34	14
March	KG Enterprise Oy	Engineering&Equipment	8	2
	EssMed AB	Industrial Components	60	10
July	Flintec Group AB	Special Products	275	1,000
September	Kabetex Kullager & Transmission AB	Industrial Components	20	8
	Inkal Industrikalibreringar AB	Special Products	3	1
November	Brinch AS	Industrial Components	15	3
			<b>545</b>	<b>1 119</b>

\*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 year-end report.

### 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 1 million (1) in 2008. The Parent Company's capital expenditures in financial assets, consisting of acquisitions of and capital contributions to subsidiaries, amounted to SEK 539 million (182). Capital expenditures in intangible non-current assets amounted to SEK 1 million (-), and capital expenditures in property, plant and equipment totalled SEK 0 million (0). The number of employees on 31 December was 7 (8).

## RISKS AND UNCERTAINTIES

The Indutrade Group conducts business in 12 countries in northern Europe, the USA and Sri Lanka, through some 100 companies. A large number of customers and products in different market segments entails a relatively limited risk exposure. 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 interest rate and 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 year.

## 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 have the new IFRIC 11 and IFRIC 14 interpretations had any impact on Indutrade's result of operations or financial position. IFRIC 12 and 13 are not relevant for Indutrade.

## DIVIDEND

The Board proposes a dividend of SEK 6.40 per share (5.25), for a total dividend payout of SEK 256 million. The proposed dividend is in line with Indutrade's dividend policy to pay, over time, a dividend equivalent to at least 50% of profit after tax.

## FINANCIAL CALENDAR

The 2008 Annual Report will be published in early April 2009. 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 4 May 2009.

The interim report for the period 1 January–31 March 2009 will be published on 4 May 2009.

The interim report for the period 1 January–30 June 2009 will be published on 4 August 2009.

The interim report for the period 1 January–30 September 2009 will be published on 3 November 2009.

Stockholm, 13 February 2009  
Indutrade AB (publ)

Johnny Alvarsson  
President and CEO

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

## Further information

For further information, please contact:

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

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## 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 8 a.m. on 13 February 2009.

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## INDUTRADE CONSOLIDATED INCOME STATEMENT

## - CONDENSED

SEK million	2008	2007	2008	2007
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net Sales	1,829	1,549	6,778	5,673
Cost of goods sold	-1,226	-1,041	-4,520	-3,826
<b>Gross profit</b>	<b>603</b>	508	<b>2,258</b>	1,847
Development costs	-12	-6	-32	-20
Selling costs	-324	-282	-1,169	-972
Administrative expenses	-86	-69	-299	-250
Other operating income and expenses	-4	4	2	4
<b>Operating profit</b>	<b>177</b>	155	<b>760</b>	609
Net financial items	-22	-7	-68	-31
<b>Profit after financial items</b>	<b>155</b>	148	<b>692</b>	578
Income Tax	-36	-39	-182	-159
<b>Net profit for the period attributable to equity holders of the parent company</b>	<b>119</b>	109	<b>510</b>	419
<i>Operating profit includes:</i>				
Amortisation of intangible assets	-16	-14	-60	-41
Depreciation of property, plant and equipment	-22	-18	-78	-63
Operating profit before amortisation/impairment of intangible assets (EBITA)	<b>193</b>	<b>169</b>	<b>820</b>	<b>650</b>
Earnings per share for the period <sup>1)</sup>	<b>2.98</b>	2.73	<b>12.75</b>	10.48

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

**Income and expenses reported directly against equity**

Actuarial gains/losses	-1	-1	-1	6
Exchange rate differences on foreign operations	82	15	109	24
Tax on items reported directly against equity	0	0	0	-2
<b>Total income and expenses reported directly against equity</b>	<b>81</b>	14	<b>108</b>	28
Profit for the period	<b>119</b>	109	<b>510</b>	419
<b>Total reported income and expenses for the period</b>	<b>200</b>	123	<b>618</b>	447



## BUSINESS AREA PERFORMANCE

	2008	2007*	2008	2007*
<b>Net sales, SEK million</b>	<b>Oct-Dec</b>	Oct-Dec	<b>Jan-Dec</b>	Jan-Dec
Engineering & Equipment	<b>475</b>	463	<b>1,900</b>	1,689
Flow Technology	<b>454</b>	437	<b>1,712</b>	1,474
Industrial Components	<b>362</b>	324	<b>1,401</b>	1,219
Special Products	<b>545</b>	337	<b>1,812</b>	1,322
Parent company and Group items	<b>-7</b>	-12	<b>-47</b>	-31
	<b>1,829</b>	1,549	<b>6,778</b>	5,673

	2008	2007*	2008	2007*
<b>EBITA, SEK million</b>	<b>Oct-Dec</b>	Oct-Dec	<b>Jan-Dec</b>	Jan-Dec
Engineering & Equipment	<b>33</b>	40	<b>189</b>	176
Flow Technology	<b>43</b>	43	<b>185</b>	145
Industrial Components	<b>29</b>	32	<b>150</b>	131
Special Products	<b>98</b>	61	<b>337</b>	234
Parent company and Group items	<b>-10</b>	-7	<b>-41</b>	-36
	<b>193</b>	169	<b>820</b>	650

	2008	2007*	2008	2007*
<b>EBITA margin, %</b>	<b>Oct-Dec</b>	Oct-Dec	<b>Jan-Dec</b>	Jan-Dec
Engineering & Equipment	<b>6.9%</b>	8.6%	<b>9.9%</b>	10.4%
Flow Technology	<b>9.5%</b>	9.8%	<b>10.8%</b>	9.8%
Industrial Components	<b>8.0%</b>	9.9%	<b>10.7%</b>	10.7%
Special Products	<b>18.0%</b>	18.1%	<b>18.6%</b>	17.7%
	<b>10.6%</b>	10.9%	<b>12.1%</b>	11.5%

\*Comparison figures for Engineering & Equipment and Industrial Components have been changed. Two businesses which earlier were accounted for in Engineering & Equipment are part of Industrial Components as from 1 January 2008.

## INDUTRADE CONSOLIDATED BALANCE SHEET

## - CONDENSED

<b>SEK million</b>	<b>2008</b>	2007
	<b>31 Dec</b>	31 Dec
Goodwill	575	378
Other intangible assets	598	364
Property, plant and equipment	554	388
Financial assets	52	43
Inventories	1,207	936
Accounts receivable, trade	1,102	859
Other receivables	100	100
Cash and cash equivalents	223	203
<b>Total assets</b>	<b>4,411</b>	3,271
Equity	1,597	1,189
Long-term borrowings and pension liabilities	705	470
Other non-current liabilities	373	198
Short-term borrowings	490	383
Accounts payable, trade	584	470
Other current liabilities	662	561
<b>Total equity and liabilities</b>	<b>4,411</b>	3,271

## CHANGE IN GROUP EQUITY

<b>SEK million</b>	<b>2008</b>	2007
	<b>Jan-Dec</b>	Jan-Dec
<b>Opening equity</b>	<b>1,189</b>	<b>892</b>
Translation effects	109	24
Actuarial pension effects	-1	6
Tax effect on actuarial pension effects	0	-2
Net profit for the period	510	419
Dividend	-210 <sup>1)</sup>	-150 <sup>1)</sup>
<b>Closing equity</b>	<b>1,597</b>	<b>1,189</b>

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

## INDUTRADE CONSOLIDATED CASH FLOW STATEMENT

- CONDENSED

<b>SEK million</b>	<b>2008</b>	2007
	<b>Jan-Dec</b>	Jan-Dec
Cash flow from operating activities		
before change in working capital	<b>619</b>	526
Change in working capital	<b>-129</b>	-127
<b>Cash flow from operating activities</b>	<b>490</b>	399
Net capital expenditures in non-current assets	<b>-130</b>	-67
Company acquisitions and divestments	<b>-276</b>	-307
Change in other financial assets	<b>0</b>	1
<b>Cash flow from investing activities</b>	<b>-406</b>	-373
Net borrowings	<b>131</b>	203
Dividend paid out	<b>-210</b>	-150
<b>Cash flow from financing activities</b>	<b>-79</b>	53
Cash flow for the period	<b>5</b>	79
Cash and cash equivalents at start of period	<b>203</b>	119
Exchange rate differences	<b>15</b>	5
<b>Cash and cash equivalents at end of period</b>	<b>223</b>	203

## KEY DATA

	2008	2008	2008	2008	<b>2008</b>	2007
	Jan-March	April-June	Jul-Sep	Oct-Dec	<b>Jan-Dec</b>	Jan-Dec
Net sales, SEK million	1,525	1,733	1,691	1,829	<b>6,778</b>	5,673
Sales growth, %	18.6	18.1	23.3	18.1	<b>19.5</b>	25.6
EBITA, SEK million	175	232	220	193	<b>820</b>	650
EBITA margin, %	11.5	13.4	13.0	10.6	<b>12.1</b>	11.5
Operating capital, SEK million	2,090	2,182	2,486	2,569	<b>2,569</b>	1,839
Return on operating capital, % (12 months)	38.5	38.8	38.4	36.7	<b>36.7</b>	39.7
Interest-bearing net debt, SEK million	812	958	1,089	972	<b>972</b>	650
Net debt/equity ratio, %	63.5	78.3	78.0	60.9	<b>60.9</b>	54.7
Equity ratio, %	36.4	33.7	32.0	36.2	<b>36.2</b>	36.3
<b>Key ratios per share <sup>1)</sup></b>						
Earnings per share, SEK	2.73	3.75	3.30	2.98	<b>12.75</b>	10.48
Equity per share, SEK	31.95	30.60	34.93	39.93	<b>39.93</b>	29.73
Cash flow from operating activities per share, SEK	-0.28	2.58	3.25	6.70	<b>12.25</b>	9.98

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 January–September 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), in EssMed AB, Flintec Group AB, Kabetex Kullager & Transmission AB, Inkal Industrikalibreringar AB (Sweden) and Brinch AS (Norway).

### 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. The Norwegian company Brinch AS, in the same type of business as EssMed, has annual sales of approximately SEK 15 million. The company is consolidated in the Group as from 1 November 2008. Kabetex specialises in customised transmission solutions, with annual sales of approximately SEK 20 million. The company is consolidated in the Group as from 1 September 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.

The Flintec Group has annual sales of approximately SEK 275 million and roughly 1,000 employees, of whom most (approx. 900) work at Flintec's two manufacturing units in Sri Lanka. In addition, the company has sales and design companies in the USA and the UK, and sales companies in Sweden and Germany. Flintec manufactures and markets measuring technology products.

Ammertech and Precision Products are consolidated in the Group as from 1 January 2008, Douwes as from 1 February 2008, and the Flintec Group as from 1 July 2008. Inkal Industrikalibreringar AB is a calibration laboratory with temperature as its core business. Annual sales amount to approximately SEK 3 million. The company is consolidated in the Group as from 1 October 2008.

Acquired assets in Ammertech BV, Douwes International BV, Precision Products Ltd., KG Enterprise Oy, EssMed AB, Flintec Group AB, Kabetex Kullager & Transmission AB, Inkal Industrikalibreringar AB and Brinch AS.

*Preliminary purchase price allocation*

**SEK million**

Purchase price, incl. earn-out payment **553**

Acquired assets	Book value	Fair value adjustment	Fair value
Goodwill	-	162	162
Agencies, trademarks, customer relations, licences, etc.	16	257	273
Property, plant and equipment	106	-	106
Financial assets	7	-	7
Inventories	97	-	97
Other current assets	110	-	110
Cash and cash equivalents	24	-	24
Deferred tax liability	-4	-39	-43
Interest-bearing loans and pension liabilities	-113	-	-113
Other operating liabilities	-70	-	-70
	<b>173</b>	<b>380</b>	<b>553</b>

Agencies, customer relations, licences etc. will be amortised over a 10-year period. The acquisition of the Flintec Group accounts for 70 percent of goodwill and other intangible assets.

**Cash flow impact**

Purchase price, incl. earn-out payment	553
Purchase price not paid out	-263
Cash and cash equipment in acquired companies	-24
Earn-out payments pertaining to previous years' acquisitions	10
<b>Total cash flow impact</b>	<b>276</b>

## Effect of completed acquisitions 2008 and 2007

SEK million Company	Business area	Net sales		EBITA	
		Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec
Labkotec Oy, Elra AS, Recair Oy and KG Enterprise Oy	Engineering & Equipment	10	123	1	24
Axelvalves AB, SAV-Danmark Trading A/S, Sigurd Sørum AS, MWS Ventil Service AB, Palmstierna Svenska AB and International Plastic System Ltd.	Flow Technology	0	149	0	29
AluFlex System AB, EssMed AB, Kabetex Kullager & Transmission AB and Brinch AS	Industrial Components	33	98	2	10
Carrab Industri AB, Ammertech BV, Douwes International BV, Precision Products Ltd., Flintec Group AB and Inkal Industrikalibreringar AB	Special Products	118	326	14	45
<b>Effect on Group</b>		<b>161</b>	<b>696</b>	<b>17</b>	<b>108</b>
Acquisitions carried out in 2007		8	303	1	56
Acquisitions carried out in 2008		153	393	16	52
<b>Effect on Group</b>		<b>161</b>	<b>696</b>	<b>17</b>	<b>108</b>

If the acquired units had been consolidated as from 1 January 2008, net sales for the year 2008 would have amounted to SEK 6,952 million, and EBITA would have been SEK 844 million.

## PARENT COMPANY INCOME STATEMENT

## - CONDENSED

SEK million	2008	2007	2008	2007
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	1	1	1	1
<b>Gross profit</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Administrative expenses	-9	-10	-39	-39
Other income and expenses	-1	1	-2	1
<b>Operating profit</b>	<b>-9</b>	<b>-8</b>	<b>-40</b>	<b>-37</b>
Financial income/expenses	-9	-1	-22	-3
Profit from participation in Group companies	292	279	453	427
<b>Profit after financial items</b>	<b>274</b>	<b>270</b>	<b>391</b>	<b>387</b>
Appropriations	-14	0	-14	0
Income Tax	-74	-78	-62	-69
<b>Net profit for the period</b>	<b>186</b>	<b>192</b>	<b>315</b>	<b>318</b>
Depreciation of property, plant and equipment	-1	-1	-1	-1

## PARENT COMPANY BALANCE SHEET

## - CONDENSED

SEK million	2008	2007
	31 Dec	31 Dec
Intangible assets	1	-
Property, plant and equipment	2	2
Financial assets	1,514	959
Current receivables	615	567
Cash and cash equivalent	18	9
<b>Total assets</b>	<b>2,150</b>	<b>1,537</b>
Equity	848	743
Untaxed reserves	14	0
Non-current liabilities	495	296
Non-current provisions	199	34
Current provisions	87	4
Current interest-bearing liabilities	396	378
Current noninterest-bearing liabilities	111	82
<b>Total equity and liabilities</b>	<b>2,150</b>	<b>1,537</b>

## DEFINITIONER

<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.
<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 assets</b>	Goodwill, agencies, trademarks, customer lists, licences and leaseholds.
<b>Interest-bearing net debt</b>	Interest-bearing liabilities, 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.

This report will be presented as follows:

- at the following links:  
<http://www.indutrade.se>  
<http://www.stockontv.se/start.aspx>

## 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.