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Indutrade
INDUSTRIAL COMPONENTS

INTERIM REPORT FOR THE PERIOD JANUARY 1 – SEPTEMBER 30, 2005

- **Net sales rose 7% to SEK 2,763 M (2,579). Adjusted for currency effects and acquisitions, net sales increased by 4% compared with the year-earlier period.**

- **Operating income before amortization of intangible fixed assets (EBITA) rose by 17% to SEK 239 M (205) and the EBITA margin was 8.7% (7.9). Income after financial items increased by 17% to SEK 225 M (192).**

- **Income after tax rose 20% to SEK 162 M (135) and earnings per share amounted to SEK 4.05 (3.38).**

- **The return on operating capital for the most recent 12-month period was 26% (24).**

- **In September 2005, Indutrade signed an agreement to acquire the Swedish technology sales company Satron Instruments Process & Project AB. The company reported net sales of SEK 41 M for the most recent 12-month period.**

- **On October 5, 2005, Indutrade was listed on the O-List of the Stockholm Stock Exchange.**

Indutrade in brief
Indutrade markets and sells components, systems and services with a high-tech content within 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 organization with high technical expertise and solidly developed customer relations. Indutrade's operations are characterized by:

- High-tech products for repeat needs
- Growth through a structured and tried-and-tested acquisition strategy
- Decentralized organization characterized by entrepreneurship

The Group is divided into four business areas: Engineering & Equipment, Flow Technology, Industrial Components and Special Products.

All amounts pertaining to 2004 in this report have been adjusted in accordance with IFRS and are comparable with the outcome for 2005. Figures in parentheses relate to the first nine months of 2004.
Indutrade is a company whose shares have been listed on the O-List of the Stockholm Stock Exchange since October 5, 2005.

NET SALES AND EARNINGS

Net sales during the first nine months of 2005 amounted to SEK 2,763 M (2,597), including acquisitions of SEK 65 M and positive currency effects of SEK 19 M. The gross margin rose by 0.2 percentage points to 32.6%, mainly because project orders generating lower margins declined in relation to other sales. Valves and instruments for the processing industry and cutting tools for the heavy automotive industry were the product areas that performed best during the first nine months of the year. A slightly weaker trend in relation to the year-earlier period was noted for those companies that operate in the fasteners product area.

Order bookings during the first nine months of the year totaled SEK 2,915 M (2,641), representing an increase of SEK 124 M, adjusted for the acquired units.

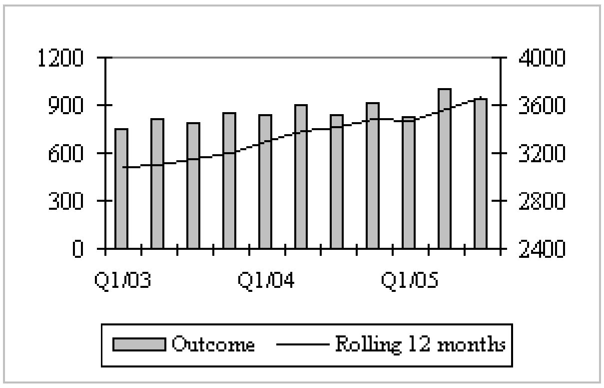
Operating income before amortization of intangible fixed assets (EBITA) totaled SEK 239 M (205) and included SEK 6 M in costs related to the stock-exchange listing. The operating margin before amortization of intangible fixed assets (EBITA margin) rose to 8.7% (7.9). The acquisition of Hanwel Europe B.V. had a positive impact on the consolidated EBITA margin. The financial net amounted to an expense of SEK 8 M (expense: 9), while tax on net income for the period totaled SEK 63 M (57). Income after tax rose by 20% to SEK 162 M (135).

The return on operating capital for the most recent 12-month period increased to 26% (24). Interest-bearing net debt increased by SEK 298 M to SEK 566 M (268) and the net debt/equity ratio was 87% (35).

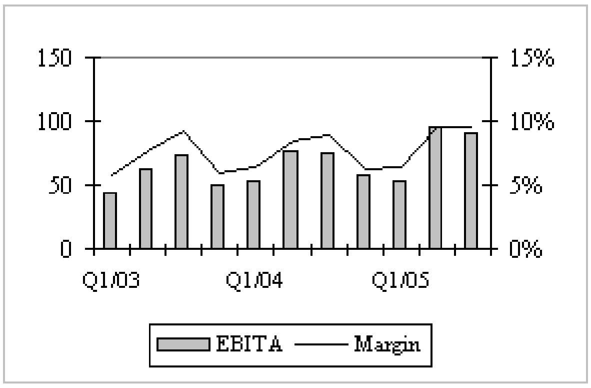
Financial development SEK M	**2005** **Jul-Sept**	2004 Jul-Sept	**2005** **Jan-Sept**	2004 Jan-Sept	2004 Full year	Change in % Jan-Sept 05/04
Net sales	**940**	835	**2,763**	2,579	3,486	7.1%
Sales growth, %	**12.7**	5.5	**7.1**	9.6	9.0	7.1%
EBITA, SEK M	**91**	75	**239**	205	264	16.6%
EBITA margin, %	**9.6**	9.0	**8.7**	7.9	7.6	0.8%,[1)]
Income after financial items, SEK M	**84**	70	**225**	192	243	17.2%
Income after tax, SEK M	**60**	49	**162**	135	168	20.0%
Earnings per share, SEK	**1.50**	1.23	**4.05**	3.38	4.20	20.0%
Return on operating capital, %	**26.4**	24.4	**26.4**	24.4	26.0	2.0%,[1)]
Net debt/equity ratio, %	**87.1**	35.4	**87.1**	35.4	39.8	51.7%,[1)]

1) Change in percentage points

Net sales, SEK M



EBITA, SEK M



DEVELOPMENT IN BRIEF BY BUSINESS AREA

Engineering & Equipment

Engineering & Equipment offers customized niche products, design solutions, after-market service and special processing. The business area's products are primarily flow products, hydraulics, equipment for automotive workshops and transmissions.

Sales rose by 11% to SEK 1,003 M (907), primarily as a result of organic growth within the business area's Finnish operations. EBITA rose by 19%, or SEK 14 M, to SEK 94 M (80). The EBITA margin increased to 9.4% (8.8) due to increased sales volumes.

Flow Technology

Flow Technology offers components and systems for the automatic management, control and supervision of flows. The products mainly comprise valves, pumps and measurement and analytical instruments.

Sales rose by 9% to SEK 713 M (654), entirely due to organic growth. EBITA rose by 12%, or SEK 6 M, to SEK 55 M (49). The EBITA margin increased to 7.7% (7.5) due to increased sales volumes.

Industrial Components

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

Sales grew by 1% to SEK 496 M (489), mainly through acquisitions. EBITA amounted to SEK 36 M (38). The EBITA margin declined to 7.2% (7.8) due to lower profitability at the acquired unit and to a temporary increase in administrative expenses.

Special Products

Special Products offers specially manufactured niche products, design solutions, after-market service, assembly and special processing. The products include temperature sensors, special plastics, tool holders and electrical components.

Sales grew 4% to SEK 568 M (547). The increase was entirely acquisition-related. EBITA increased by 10% to SEK 72 M (65). The EBITA margin rose to 12.6% (11.9), attributable partly to the acquisition of Hanwel and partly to an improvement in gross margins.

FINANCIAL POSITION

Shareholders' equity amounted to SEK 650 M (757) and the equity/assets ratio was 33% (46).

Cash and cash equivalents amounted to SEK 83 M (59), compared with SEK 97 M at the beginning of the year. In addition, there were unutilized credit facilities amounting to SEK 114 M (97). The interest-bearing net debt, following a deduction for cash and cash equivalents, amounted to SEK 566 M (268). The net debt/equity ratio was 87% (35).

The decrease in shareholders' equity and the equity/assets ratio, as well as the increase in net indebtedness were due in part to the payment of dividends and Group contributions and the repayment of shareholder contributions to Industrivärden, in a combined amount of SEK 301 M, before the listing on the Stock Exchange. The increase in net indebtedness was partly due to the acquisition of Hanwel Europe B.V. During the spring, the Parent Company established an overdraft facility of SEK 200 M and raised a loan of SEK 130 M.

CASH FLOW

Cash flow from operating activities amounted to SEK 147 M (138). Cash flow after net investments in tangible fixed assets, excluding company acquisitions, amounted to SEK 113 M (118).

INVESTMENTS AND DEPRECIATION
The Group’s net investments, excluding company acquisitions, totaled SEK 34 M (20). Depreciation of tangible fixed assets amounted to SEK 36 M (30).

PERSONNEL
At the end of the period, the number of employees was 1,509 (1,409), compared with 1,422 at December 31, 2004. Between October 1, 2004 and September 30, 2005, a total of 69 employees were added in conjunction with acquisitions.

ACQUISITIONS
In September, an agreement was signed to acquire Satron Instruments Process & Projects AB. Satron’s operations comprise sales in the electronic measurement and control equipment sector for the global process industry, specializing in paper and pulp. The shares were transferred to Indutrade on October 1 and, consequently, the company will be consolidated from this date.

Acquisitions implemented during 2005

Acquisition month	Acquisition	Business Area	Sales, SEK M*	Number of employees
June	Hanwel Europe B.V**.	Special Products	171	61
September	Satron Instruments Process & Project AB	Flow Technology	41	7

*Annual sales and number of employees at the time of the acquisition.
**For the financial effects of the acquisition of Hanwel Europe B.V., refer to the interim report for January 1 – June 30, 2005.

PARENT COMPANY
Indutrade AB’s main duties are responsibility for business development, major acquisitions, financing, business control and analysis. During the first nine months of the year, the Parent Company’s sales, which consisted entirely of the internal invoicing of services, amounted to SEK 4 M (5). The Parent Company’s investments in fixed assets amounted to SEK 1 M (0). The number of employees on September 30 was 7 (8).

ACCOUNTING PRINCIPLES
As of January 1, 2005, Indutrade compiles its financial reports in accordance with the International Financial Reporting Standards (IFRS/IAS, in the format adopted by the European Union, with the exception of the IAS 19 amendment). The ordinance states that all exchange-listed companies within the EU must apply IFRS in their consolidated accounts. The interim report for the first half of 2005 is the first report that the company has issued in accordance with IAS 34, Interim Reporting. The interim report has also been compiled in accordance with RR 31, Interim Reporting for Groups, and with the Annual Accounts Act. Up to the end of 2004, Indutrade applied the Financial Accounting Standards Council’s recommendations and statements. Since the transition to IFRS is reported in accordance with IFRS 1, the transitional date is January 1, 2004, because the comparative year 2004 is also reported in accordance with IFRS. The effects of the transition to IFRS, as presented in this interim report, are preliminary and could be amended, since a review of certain IFRS/IAS recommendations is still under way.

When applying IFRS 1, certain exceptions from the rule of retroactive application are permissible and Indutrade has decided on the following:

- To apply IFRS 3, Business Combinations, in a forward-looking manner as of the transitional date of January 1, 2004.
- On the transitional date, to reset to zero all translation differences, in accordance with IAS 21, Effects of Changed Exchange Rates.
- To apply IAS 39, Financial instruments: Recognition and Measurement, as of January 1, 2005.

The accounting standards that will have the greatest impact on Indutrade’s accounts are IFRS 3, Business Combinations, and IAS 19, Employee Benefits. In addition, IAS 17, pertaining to the accounting of financial leasing agreements, will have a certain effect on the accounts.

IFRS 3 states, among other rules, that goodwill may no longer be amortized according to plan. Instead, an impairment must be posted if the carrying value of an asset exceeds the higher of the net realizable value and a present value calculation of future cash flow and the calculated residual value. Impairment tests are to be conducted continuously, but at least once annually, and any impairment requirement is to be charged against the income statement (IAS 36). Otherwise, the goodwill value remains unchanged. This had a positive impact of SEK 27 M, net, on earnings for the 2004 fiscal year, as a result of the reversal of goodwill amortization in connection with the introduction of IFRS 3 and taking into account the possible impairment requirement.

IAS 19 mainly affects Indutrade's reporting of pensions. Initially, in connection with its introduction on January 1, 2004, it had a negative effect on shareholders' equity (after taking deferred tax into account) of SEK 15 M, net. In addition, by the end of 2004, Indutrade had exercised the possibility of reporting the total effect of actuarial gains and losses pertaining to pensions directly against shareholders' equity, after taking into account deferred income tax and payroll tax (net negative effect of SEK 13 M). A prerequisite for recognizing the actuarial gains and losses is that the EU approves the IAS 19 amendment. If this is not amended, the amount concerned will be reversed.

Financial leasing agreements pertaining mainly to vehicles, which had previously been reported as operational leasing, are reported as financial leasing in accordance with IAS 17. The change affects both assets and interest-bearing liabilities by approximately SEK 30 M, and also requires a reclassification of leasing charges as depreciation and financial expense.

In accordance with IAS 39, the market value of financial derivatives must be assessed continuously. The Group hedges its purchases of foreign currency, primarily through sales in the same currency as the purchasing currency and through currency clauses. Currency forward contracts are also used to a certain extent. Indutrade does not intend to apply hedge accounting, which could give rise to a certain amount of volatility in both the income statement and the balance sheet. This volatility will not affect the Group's cash flow. At the end of September 2005, the Group had outstanding currency forward contracts in an amount corresponding to SEK 3 M in order to reduce the future currency risk in GBP and of SEK 1 M to cover the risk in USD. A market valuation of these contracts gave rise to a positive impact on the income statement of SEK 0.1 M.

The other new standards have either no impact or only a marginal impact on the Indutrade Group's earnings and financial position.

Indutrade is exposed to a translation risk when the net assets of foreign subsidiaries are converted into the currency (SEK) used by the Group. The Group stopped hedging this risk during the third quarter of 2004.

The effect of the above new standards on the consolidated financial statements and on Indutrade's earnings and financial position, both initially in 2004 and continuously for the 2004 and 2005 fiscal years, and of the other changes in the accounting principles resulting from the introduction of IFRS, are presented on pages 7-12 of this interim report.

OTHER INFORMATION

Initial Listing of Indutrade

Until October 4, Indutrade was a wholly owned subsidiary of AB Industrivärden. The Board of Directors of Industrivärden decided at the end of April to implement a diversification of ownership and an initial public listing of the Indutrade shares. This was done on October 5, 2005, when the company was listed on the O-List of the Stockholm Stock Exchange.

Incentive program

The Board of Directors of Indutrade, in cooperation with Industrivärden, has approved an incentive program aimed at senior Indutrade executives. The aim of the program is to promote the management's long-term participation in and commitment to the company. The annual cost to the company will, on average, amount to approximately SEK 3 M per year over a four-year period.

Nomination Committee for election of Board of Directors
At the Extraordinary General Meeting held in June 2005, it was decided that representatives of the largest shareholders, as well as the Chairman of the Board, will constitute the Nomination Committee for the period prior to the next Annual General Meeting. The chairman of the Nomination Committee will be a representative for the largest shareholders.

In accordance with this, the following people have been appointed as members of the Nomination Committee: Carl-Olof By, Industrivärden, who is also Chairman of the Nomination Committee, Fredrik Lundberg, L E Lundbergföretagen, Peter Rudman, Nordea Fonder, Robert Vikström, Handelsbankens Pensionsstiftelse and Handelsbankens Pensionskassa, Jan Andersson, Robur Fonder and Bengt Kjell, Chairman of the Board of Indutrade.

Information about how to contact the Nomination Committee is available on Indutrade's website, www.indutrade.se.

Stockholm, November 8, 2005

Johnny Alvarsson
President and CEO

This report is unaudited.

Further information
For further information, please contact:
Johnny Alvarsson, President and CEO, tel. +46 8 703 03 00, or visit the Indutrade website: www.indutrade.se.

Financial calendar

Year-end report 2005	February 13, 2006
2005 Annual Report	April 2006
Annual General Meeting	April 27, 2006
Interim report, January–March 2006	April 27, 2006

INDUTRADE GROUP'S INCOME STATEMENT

SEK M	**2005 Jul-Sept**	2004 Jul-Sept	**2005 Jan-Sept**	2004 Jan-Sept	2004 Jan-Dec
Net sales	**940**	835	**2,763**	2,579	3,486
Cost of goods sold	**-639**	-564	**-1,863**	-1,743	-2,367
Gross income	**301**	271	**900**	836	1,119
Development costs	**-3**	-2	**-9**	-8	-11
Selling costs	**-164**	-148	**-523**	-492	-677
Administrative expenses	**-46**	-48	**-132**	-135	-175
Other operating income and expenses	**-1**	0	**-3**	0	0
Operating income	**87**	73	**233**	201	256
Net financial items	**-3**	-3	**-8**	-9	-13
Income after financial items	**84**	70	**225**	192	243
Tax	**-24**	-21	**-63**	-57	-75
Net income for the period*	**60**	49	**162**	135	168
Amortization of intangible fixed assets	**-4**	-2	**-6**	-4	-6
Impairment of intangible fixed assets	**-**	-	**-**	-	-2
Depreciation of tangible fixed assets	**-13**	-9	**-36**	-30	-40
Operating income before amortization of intangible fixed assets (EBITA)	**91**	75	**239**	205	264
*Effect on net income of the introduction of IFRS					
Reported income in accordance with former accounting principles		41		112	141
Effect of fact that goodwill is no longer amortized:					
Cost of goods sold		5		16	20
Selling costs		3		7	9
Effect of goodwill impairment		-		-	-2
Income for the period in accordance with IFRS		49		135	168
Earnings per share for the period 1)	**1.50**	1.23	**4.05**	3.38	4.20

1) Net income for the period divided by 40,000,000 shares

BUSINESS AREAS

SEK M	**Net sales**					**EBITA**				
	2005 July-Sept	2004 July-Sept	**2005 Jan-Sept**	2004 Jan-Sept	2004 Jan-Dec	**2005 July-Sept**	2004 July-Sept	**2005 Jan-Sept**	2004 Jan-Sept	2004 Jan-Dec
Engineering & Equipment	**325**	296	**1,003**	907	1,238	**32**	32	**94**	80	102
Flow Technology	**247**	213	**713**	654	869	**24**	19	**55**	49	53
Industrial Components	**157**	153	**496**	489	668	**12**	14	**36**	38	49
Special Products	**218**	180	**568**	547	735	**29**	24	**72**	65	91
Parent Company and Group items	**-7**	-7	**-17**	-18	-24	**-6**	-14	**-18**	-27	-31
Indutrade Group	**940**	835	**2,763**	2,579	3,486	**91**	75	**239**	205	264

KEY DATA

	2005 Sept	2005 Jan-June	2005 Jan-Mar	2004 Full year	2004 Jan-Sept
Net sales, SEK M	**2,763**	1,823	828	3,486	2,579
Sales growth, %	**7.1**	4.5	-1.25	9.0	9.6
EBITA, SEK M	**239**	148	53	264	205
EBITA margin, %	**8.7**	8.1	6.4	7.6	7.9
Operating capital, SEK M	**1,216**	1,208	1,006	990	1,025
Return on operating capital, % (12 months)	**26.4**	25.3	26.5	26.0	24.4
Interest-bearing net debt, SEK M	**566**	614	259	282	268
Net debt/equity ratio, %	**87.1**	103.4	34.7	39.8	35.4
Equity/assets ratio, %	**33.3**	31.0	43.9	43.3	46.1
KEY DATA PER SHARE [1]					
Earnings per share, SEK	**4.05**	2.55	0.88	4.20	3.38
Shareholders' equity per share, SEK	**16.25**	14.85	18.68	17.70	18.90
Cash flow from operating activities per share, SEK	**3.68**	2.15	0.70	6.68	3.45

[1] Calculated on 40,000,000 shares, which corresponds to the number of shares outstanding at September 30, 2005.

INDUTRADE GROUP'S BALANCE SHEET

SEK M	**2005 Sept 30**	2004 Sept 30	2004 Dec 31
Goodwill	**237**	168	156
Other intangible fixed assets	**44**	5	15
Tangible fixed assets	**288**	249	277
Financial fixed assets	**31**	18	18
Inventories	**620**	575	556
Accounts receivable	**574**	500	461
Other current assets	**76**	67	56
Cash and cash equivalents	**83**	59	97
Total assets	**1,953**	1,641	1,636
Shareholders' equity	**650**	757	708
Long-term interest-bearing liabilities	**410**	133	175
Long-term noninterest-bearing liabilities	**32**	29	24
Current interest-bearing liabilities	**239**	194	112
Interest-bearing liabilities to Group companies	-	-	92
Accounts payable	**295**	261	263
Other current noninterest-bearing liabilities	**327**	267	262
Total shareholders' equity and liabilities	**1,953**	1,641	1,636

CHANGE IN GROUP EQUITY

SEK M	**2005 Jan-Sept**	2004 Jan-Sept	2004 Jan-Dec
Opening shareholders' equity according to former accounting principles	**708**	688	688
Effect of new accounting principles *	-	-15	-15
Opening shareholders' equity	**708**	673	673
Repayment of shareholder contribution	**-159**	-50	-50
Dividend	**-50**	-	-
Group contributions paid	-	-	-92
Tax effect on Group contributions paid	-	-	26
Actuarial pension effects	**-22**	-	-13
Translation differences	**11**	-1	-4
Net income for the period	**162**	135	168
Closing shareholders' equity	**650**	757	708

***Effect of new accounting principles on January 1, 2004**		
Effect of introduction of pension reporting (RR 29)	-15	-15

RECONCILIATION OF SHAREHOLDERS' EQUITY BASED ON FORMER ACCOUNTING PRINCIPLES WITH SHAREHOLDERS' EQUITY ACCORDING TO IFRS

SEK M	2004 Jan 1	2004 Sept 30	2004 Dec 31
Shareholders' equity according to former accounting principles	688	734	694
Effect of goodwill no longer being amortized (IFRS 3)	-	23	29
Effect of goodwill impairment (IAS 36)	-	-	-2
Effect of introduction of pension reporting (RR 29)	-15	-	-
Actuarial pension effects (IAS 19)	-	-	-13
Adjusted shareholders' equity according to IFRS	**673**	**757**	**708**

INDUTRADE GROUP'S CASH FLOW STATEMENT

SEK M	**2005 Jan-Sept**	2004 Jan-Sept	2004 Jan-Dec
Cash flow from operating activities before change in working capital	**218**	192	251
Change in working capital	**-71**	-54	16
Cash flow from operating activities	**147**	138	267
Net investment in fixed assets	**-34**	-20	-24
Company acquisitions and divestments	**-142**	-7	-14
Change in other financial fixed assets	**-8**	-2	2
Cash flow from investing activities	**-184**	-29	-36
Net borrowing	**320**	-75	-157
Paid-out dividend, Group contribution and shareholder contribution	**-301**	-144	-144
Cash flow from financing activities	**19**	-219	-301
Cash flow for the period	**-18**	-110	-70
Cash and cash equivalents at beginning of period	**97**	168	168
Exchange-rate differences	**4**	1	-1
Cash and cash equivalents at end of period	**83**	59	97

ANNUAL ACCOUNTS FOR 2004 RECALCULATED IN ACCORDANCE WITH IFRS

SEK M	Note	Acc. to 2004 Annual Report	Adjustment acc. to IFRS	According to IFRS 2004
Consolidated balance sheet				
Intangible fixed assets	1	144	27	**171**
Tangible fixed assets	2	247	30	**277**
Other financial fixed assets	3	12	6	**18**
Inventories		556	-	**556**
Accounts receivable		461	-	**461**
Other current assets		56	-	**56**
Cash and cash equivalents		97	-	**97**
Total assets		1,573	63	**1,636**
Shareholders' equity	4	694	14	**708**
Provisions	3,5	100	-100	**-**
Long-term interest-bearing liabilities	2,3,5	50	125	**175**
Long-term noninterest-bearing liabilities	5	-	24	**24**
Current interest-bearing liabilities		112	-	**112**
Interest-bearing liabilities to Group companies		92	-	**92**
Current noninterest-bearing liabilities		525	-	**525**
Total shareholders' equity and liabilities		1,573	63	**1,636**

Note 1

Effect of goodwill no longer being amortized continuously (IFRS 3)	29
Effect of goodwill impairment (IAS 36)	-2
	27

Note 2

Effect of financial leasing being booked as fixed assets and interest-bearing liabilities (RR 6:99)	30

Note 3

Effect of actuarial losses on pension liability (IAS 19)	19
Deferred income tax asset attributable to actuarial losses	6

Note 4

Effect of goodwill no longer being amortized continuously	29
Effect of goodwill impairment	-2
Effect of actuarial losses on pension liability	-19
Deferred income tax asset attributable to actuarial losses	6
	14

Note 5

Pension liability reclassified as long-term interest-bearing liabilities	76
Provisions for taxes and other provisions reclassified as long-term noninterest-bearing liabilities	24
	100

OPENING BALANCE, JAN 1, 2004 RECALCULATED ACCORDING TO IFRS

SEK M

Consolidated balance sheet	Note	Acc. to 2003 Annual Report	Adjustment acc. to FRS	Acc. to IFRS, Jan 1, 2004
Intangible fixed assets		171	-	**171**
Tangible fixed assets	1	266	27	**293**
Other financial fixed assets	2	13	7	**20**
Inventories		567	-	**567**
Accounts receivable		422	-	**422**
Other current assets		58	-	**58**
Cash and cash equivalents		168	-	**168**
Total assets		1,665	34	**1,699**
Shareholders' equity	3	688	-15	**673**
Provisions	4	97	-97	**-**
Long-term interest-bearing liabilities	1,2,4	225	107	**332**
Long-term noninterest-bearing liabilities	4	-	39	**39**
Current interest-bearing liabilities		94	-	**94**
Interest-bearing liabilities to Group companies		94	-	**94**
Current noninterest-bearing liabilities		467	-	**467**
Total shareholders' equity and liabilities		1,665	34	**1,699**

Note 1

Effect of financial leasing no longer being booked as fixed assets and interest-bearing liabilities (RR 6:99)	27

Note 2

Effect of introduction of pension reporting (RR 29)	22
Deferred income tax asset attributable to introduction of pension reporting	7

Note 3

Effect of introduction of pension reporting (RR 29)	- 22
Deferred income tax asset attributable to introduction of pension reporting	7
	-15

Note 4

Pension liability reclassified as long-term interest-bearing liabilities	58
Provisions for taxes and other provisions reclassified as long-term noninterest-bearing liabilities	39
	97

DEFINITIONS

Return on operating capital	EBITA as a percentage of average operating capital
Gross margin	Gross income as a percentage of net sales for the period.
EBITA	Operating income before amortization of intangible fixed assets
EBITA margin	EBITA as a percentage of net sales for the period
Intangible fixed assets	Such assets as goodwill, licenses, patents and trademarks.
Tangible fixed assets	Buildings, land, machinery and equipment
Net investments	Purchases minus sales of intangible and tangible fixed assets excluding items included in the acquisition and divestment of subsidiaries and operations.
Net debt/equity ratio	Interest-bearing net indebtedness divided by shareholders' equity
Operating capital	Interest-bearing net indebtedness and shareholders' equity
Earnings per share	Net income for the period divided by the number of shares outstanding.
Interest-bearing net debt	Interest-bearing liabilities including pension liability minus cash and cash equivalents.
Equity/assets ratio	Shareholders' equity as a percentage of total assets