

INTERIM REPORT

1 JANUARY – 31 MARCH 2009



1 JANUARY – 31 MARCH 2009 (COMPARED WITH SAME PERIOD A YEAR AGO)

- Net sales rose 14% during the first quarter, to SEK 1,731 million (1,525). For comparable units net sales fell 1%.
- Operating profit before amortisation of intangible assets (EBITA) decreased by 8% to SEK 161 million (175), and the EBITA margin was 9.3% (11.5).
- Profit after tax decreased by 13% to SEK 95 million (109).
- Earnings per share were SEK 2.38 (2.73) for the first quarter.
- The return on operating capital for the last 12 months was 33.2% (38.5).

FINANCIAL DEVELOPMENT

SEK million	2009 Jan-Dec	2008 Jan-Dec	Change	2008/09 Moving 12 mos	2008 Jan-Dec
Net Sales	1,731	1,525	13.5%	6,984	6,778
EBITA *)	161	175	-8.0%	806	820
EBITA margin, %	9.3	11.5		11.5	12.1
Profit after financial items	129	151	-14.6%	670	692
Net profit	95	109	-12.8%	496	510
Earnings per share, SEK	2.38	2.73	-12.8%	12.40	12.75
Return on operating capital, % (12 months)	33.2	38.5		33.2	36.7

*) Operating profit before amortization of intangible assets

CEO's message

We are currently experiencing the most dramatic and complex decline in the global economy since the 1930s. Starting in the real estate and financial sectors in the US in late 2007, the economic downturn has now spread to most industries around the world.

Indutrade has historically been affected less by economic fluctuations than many other companies, mainly owing to the industries and technology areas that we are exposed to. Indutrade has evolved in some respects since the last two economic downturns in the 1990s and 2000s. We have grown considerably, broadened our geographic markets and the market segments in which we work, and we now have a greater share of companies with own products and own production. During the first quarter of this year, Indutrade showed a similar pattern as during the previous economic downturns, which is proof that the strategic orientation we have chosen is right.

Within the Group, the views on the market development are varied. Companies that have the energy sector as their main market are experiencing continued strong growth, while companies that are exposed to commercial vehicles, for example, have been hurt by a significant drop in volume. Indutrade's largest businesses, comprising valves, measuring instruments, filters and pumps for the process industry and the municipal water and wastewater sector, are areas that have only to a minor extent been affected by the recession thus far. The need to repair, maintain and replace consumable parts is constant, regardless of the current state of the overall economy.

Despite considerable currency fluctuations, economic decline and changes in the product and customer mix during the quarter we achieved an EBITA margin of slightly more than 9% and only a slightly lower gross margin.

I am convinced that our decentralised business model, which is based on a clear market presence and clear profit responsibility among the subsidiaries as well as their employees, is the reason for this level of earnings.

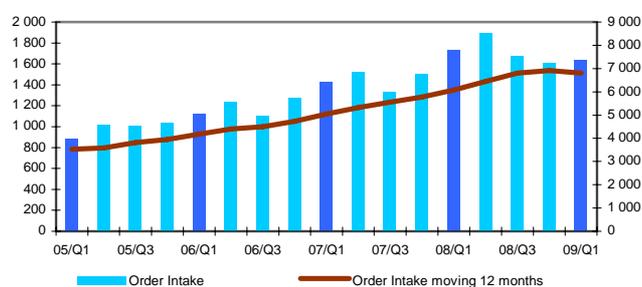
The Indutrade companies that are experiencing lower sales volumes have initiated cost-cutting programmes. We will see the effects of these programmes gradually throughout the rest of the year.

We did not acquire any companies during the quarter. Candidates are out there, but we have chosen to put the acquisition process on hold until we see a stabilisation in the economy and market.

Johnny Alvarsson, President and CEO

ORDER INTAKE

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Group performance

ORDER INTAKE AND NET SALES

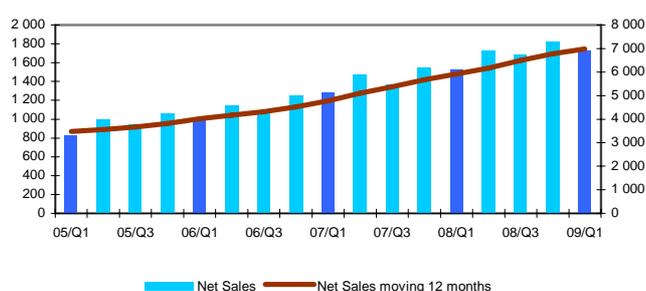
Order intake

Order intake for the period January–March amounted to SEK 1,630 million (1,736), a decrease of 6%. For comparable units, order intake fell 17%, while acquired growth was 4%. Currency movements affected order intake favourably by 7%.

The lower order intake is mainly attributable to lower demand in general in the Finnish market and lower demand for products for the automotive industry and related manufacturing industries.

NET SALES

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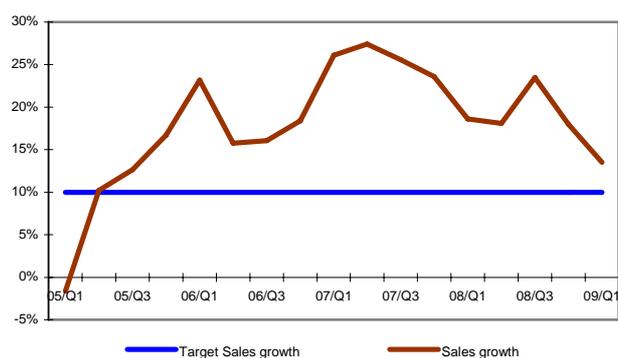


Net sales

Net sales rose 14% during the period, to SEK 1,731 million (1,525). For comparable units, net sales fell 1%, while acquired growth was 6%. The positive currency effect was 9%.

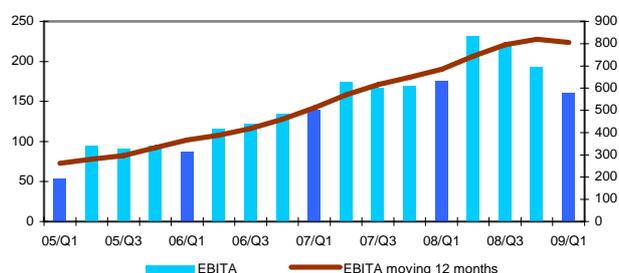
Special Products and Flow Technology are showing continued favourable growth, with increases in net sales for comparable units by 18% and 10%, respectively, while the other business areas are showing a negative trend compared with the same period a year ago as a result of substantially lower demand.

SALES GROWTH

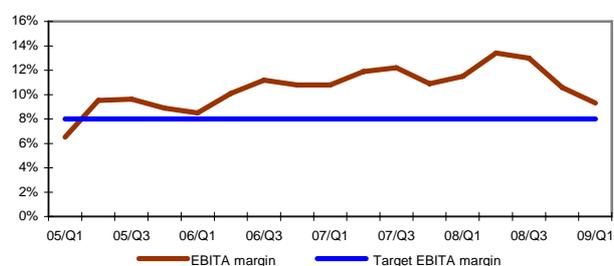


EBITA

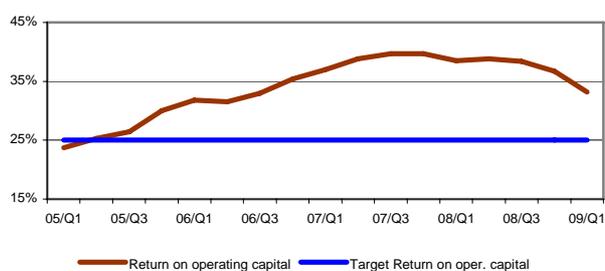
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EBITA-MARGIN



RETURN



EARNINGS AND RETURN

Earnings

During the first quarter the gross margin was 32.5%, a decrease of 0.9 percentage points. The lower gross margin is partly attributable to the weak Swedish krona, which has resulted in higher product costs for the Group's Swedish companies, and a shift toward products with lower margins.

Operating profit before amortisation of intangible assets (EBITA) was SEK 161 million [175] for the period, a decrease of 8%. The operating margin before amortisation of intangible assets (the EBITA margin) narrowed to 9.3% [11.5%]. The poorer operating margin during the period is mainly a result of the rapidly weakened economy – especially the weakening in the Finnish market and the drop in demand for products for the automotive industry and related manufacturing industries.

In the companies affected by drop in demand, projects are under way to adapt costs to the anticipated delivery volume.

Net financial items amounted to SEK -15 million [-11]. The increase is attributable to borrowings primarily to finance completed acquisitions in 2008. Tax on profit for the period has been calculated at SEK -34 million [-42]. Profit after tax decreased by 13% to SEK 95 million [109]. Earnings per share were SEK 2.38 [2.73].

Return

The return on operating capital for the last 12 months was 33.2% [38.5%]. The return was affected by capital tied up in acquisitions carried out during the past year, consisting 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, equipment for automotive workshops, flow products, transmissions and measuring instruments.

SEK million	2009	2008*	2008/09	2008*
	Jan-March	Jan-March	Moving 12 mos	Jan-Dec
Net sales	420	447	1,873	1,900
EBITA	17	39	167	189
EBITA-margin, %	4.0%	8.7%	8.9%	9.9%

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

Net sales decreased by 6% during the period to SEK 420 million (447). For comparable units, net sales decreased by 19%, while currency movements had a favourable impact on net sales, by 13%.

Demand in Finland, which is the business area's largest market, remained weak during the quarter. The decline in net sales also affected EBITA, which amounted to SEK 17 million (39) for the quarter, corresponding to an EBITA margin of 4.0% (8.7%).

Capacity adaptations are under way to meet the lower demand.

Flow Technology

Flow Technology offers 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	2009	2008	2008/09	2008
	Jan-March	Jan-Dec	Moving 12 mos	Jan-Dec
Net sales	428	378	1,762	1,712
EBITA	40	36	189	185
EBITA-margin, %	9.3%	9.5%	10.7%	10.8%

Net sales for the period amounted to SEK 428 million (378), an increase of 13%. For comparable units, net sales rose 10%, while currency movements had a favourable effect on net sales, by 3%.

EBITA for the quarter was SEK 40 million (36), and the EBITA margin was 9.3% (9.5%). The lower margin is attributable to higher import prices resulting from the weaker Swedish krona.

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, and filters and process technology.

SEK million	2009	2008*	2008/09	2008*
	Jan-March	Jan-March	Moving 12 mos	Jan-Dec
Net sales	323	329	1,395	1,401
EBITA	20	36	134	150
EBITA-margin, %	6.2%	10.9%	9.6%	10.7%

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

Net sales for the period decreased by 2% to SEK 323 million (329). For comparable units, net sales decreased by 11%, while acquired growth was 5%. Currency movements had a favourable effect of 4%.

EBITA for the quarter was SEK 20 million (36), corresponding to an EBITA margin of 6.2% (10.9%). Performance of the business area was affected above all by the drop in demand for products for the automotive industry and related manufacturing industries. The weaker Swedish krona also had a negative impact on the EBITA margin, since it led to higher purchasing prices. The companies in the business area that have been hurt by the drop in demand have initiated cost-cutting programmes.

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	2009	2008	2008/09	2008
	Jan-March	Jan-March	Moving 12 mos	Jan-Dec
Net sales	568	382	1,998	1,812
EBITA	94	75	356	337
EBITA-margin, %	16.5%	19.6%	17.8%	18.6%

Net sales for the quarter rose 49% to SEK 568 million (382). For comparable units, net sales rose 18%, while acquired growth was 18%. Currency movements affected the increase in net sales by 13%.

The business area's companies in the Netherlands and Belgium performed well and accounted for most of the business area's organic growth during the quarter.

EBITA was SEK 94 million (75), and the EBITA margin was 16.5% (19.6%). The lower EBITA margin is mainly attributable to a shift toward products with lower margins.

Certain companies in the Special Products business area have been hurt by lower demand and have therefore initiated measures to adapt their capacity.

Other financial information

FINANCIAL POSITION

Shareholders' equity amounted to SEK 1,713 million [1,278], and the equity ratio was 37% [36%].

Cash and cash equivalents amounted to SEK 257 million [168]. In addition, the company has SEK 555 million [139] in unutilised credit facilities. Interest-bearing net debt amounted to SEK 1,101 million [812]. The increase in net debt is mainly attributable to acquisitions carried out in 2008.

The net debt/equity ratio was 64% [64%] at the end of the period.

CASH FLOW

Cash flow from operating activities was SEK -37 million [-11] and was affected by a greater need for operating capital as a result of a high level of invoicing at the end of the quarter. Cash flow after net capital expenditures in property, plant and equipment (excluding company acquisitions) was SEK -56 million [-30].

CAPITAL EXPENDITURES AND DEPRECIATION

The Group's net capital expenditures (excluding company acquisitions) amounted to SEK 19 million [19]. Depreciation of property, plant and equipment totalled SEK 22 million [18]. Capital expenditures in company acquisitions amounted to SEK 79 million [112] and consisted of earn-out payments of SEK 79 million [5] pertaining to previous years' acquisitions.

EMPLOYEES

The number of employees was 3,182 [2,216] at the end of the period, of whom approximately 1,060 were added through companies acquired in 2008.

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 period. The Parent Company's capital expenditures in property, plant and equipment totalled SEK 0 million [0]. The number of employees on 31 March was 8 [8].

RISKS AND UNCERTAINTIES

The Indutrade Group conducts business in 12 countries in northern Europe, the USA and Sri Lanka, through some 100 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 that are described in Indutrade's 2008 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 2008 Annual Report.

RELATED-PARTY TRANSACTIONS

No transactions took place during the period between Indutrade and related parties, which 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 1.1. 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 2008 Annual Report and described under the section "Accounting principles and notes".

Effective 1 January 2009 the Indutrade Group applies IFRS 8 Operating Segments, the amendment to IAS 32 Financial Instruments: Presentation, and IAS 1 R Presentation of Financial Statements. None of these standards has any impact on Indutrade's result of operations or financial position. In addition to these, the amendment of IFRS 2 Share-based Payment and the amendment of IAS Borrowing Costs are to be applied for the first time. IFRS 2 has no effect on the Group, and IAS 23 does not affect the Group at all, since there are currently no assets for which borrowing costs can be capitalised.

The IFRIC 13 and IFRIC 14 interpretations were approved in 2008 for application as from 1 July 2009. IFRIC 13 is not relevant for Indutrade, and IFRIC 14, which provides guidance for IAS 19, has no effect on the Group's result of operations or financial position.

In 2009 the EU is expected to endorse several interpretations and amendments to existing standards. None of these changes are expected to have a material impact on Indutrade when the Group begins applying these following EU endorsement.

FINANCIAL CALENDAR

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, 4 May 2009
Indutrade AB (publ)

Johnny Alvarsson
President and CEO

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 2.10 p.m. on 4 May 2009.

Further information

For further information, please contact:

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

This report will be commented upon on the Web at the following links:

- <http://www.indutrade.se>
- <http://www.stockontv.se/start.aspx>

INDUTRADE CONSOLIDATED INCOME STATEMENT

- CONDENSED

	2009	2008	2008/09	2008
SEK million	Jan-March	Jan-March	Moving 12 mos	Jan-Dec
Net Sales	1,731	1,525	6,984	6,778
Cost of goods sold	-1,169	-1,016	-4,673	-4,520
Gross profit	562	509	2,311	2,258
Development costs	-12	-5	-39	-32
Selling costs	-316	-278	-1,207	-1,169
Administrative expenses	-88	-69	-318	-299
Other operating income and expenses	-2	5	-5	2
Operating profit	144	162	742	760
Net financial items	-15	-11	-72	-68
Profit after financial items	129	151	670	692
Income Tax	-34	-42	-174	-182
Net profit for the period attributable to equity holders of the parent company	95	109	496	510
<i>Operating profit includes:</i>				
Amortisation of intangible assets	-17	-13	-64	-60
Depreciation of property, plant and equipment	-22	-18	-82	-78
Operating profit before amortisation/impairment of intangible assets (EBITA)	161	175	806	820
Earnings per share for the period ¹⁾	2.38	2.73	12.40	12.75

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	95	109	496	510
Other comprehensive income				
Income and expenses reported directly against equity				
Actuarial gains/losses	-	-	-1	-1
Tax on actuarial gains/losses	-	-	0	0
Exchange rate differences on foreign operations	21	-20	150	109
Other comprehensive income for the period, net of tax	21	-20	149	108
Total comprehensive income for the period	116	89	645	618

BUSINESS AREA PERFORMANCE

	2009	2008*	2008/09	2008*
Net sales, SEK million	Jan-March	Jan-March	Moving 12 mos	Jan-Dec
Engineering & Equipment	420	447	1,873	1,900
Flow Technology	428	378	1,762	1,712
Industrial Components	323	329	1,395	1,401
Special Products	568	382	1,998	1,812
Parent company and Group items	-8	-11	-44	-47
	1,731	1,525	6,984	6,778

	2009	2008*	2008/09	2008*
EBITA, SEK million	Jan-March	Jan-March	Moving 12 mos	Jan-Dec
Engineering & Equipment	17	39	167	189
Flow Technology	40	36	189	185
Industrial Components	20	36	134	150
Special Products	94	75	356	337
Parent company and Group items	-10	-11	-40	-41
	161	175	806	820

	2009	2008*	2008/09	2008*
EBITA margin, %	Jan-March	Jan-March	Moving 12 mos	Jan-Dec
Engineering & Equipment	4.0%	8.7%	8.9%	9.9%
Flow Technology	9.3%	9.5%	10.7%	10.8%
Industrial Components	6.2%	10.9%	9.6%	10.7%
Special Products	16.5%	19.6%	17.8%	18.6%
	9.3%	11.5%	11.5%	12.1%

*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

SEK million	2009	2008	2008
	31 March	31 March	31 Dec
Goodwill	579	412	574
Other intangible assets	590	415	599
Property, plant and equipment	555	412	554
Financial assets	51	41	52
Inventories	1,204	992	1,207
Accounts receivable, trade	1,199	911	1,102
Other receivables	166	157	100
Cash and cash equivalents	257	168	223
Total assets	4,601	3,508	4,411
Equity	1,713	1,278	1,597
Long-term borrowings and pension liabilities	692	363	705
Other non-current liabilities	427	238	373
Short-term borrowings	666	617	490
Accounts payable, trade	536	465	584
Other current liabilities	567	547	662
Total equity and liabilities	4,601	3,508	4,411

CHANGE IN GROUP EQUITY

Attributable to equity holders of the parent company

SEK million	2009	2008	2008
	Jan-March	Jan-March	Jan-Dec
Opening equity	1,597	1,189	1,189
Total comprehensive income for the period	116	89	618
Dividend	- ¹⁾	-	-210 ²⁾
Closing equity	1,713	1,278	1,597

¹⁾ Proposed dividend 2009 SEK 6.40 per share.

²⁾ SEK 5.25 per share.

INDUTRADE CONSOLIDATED CASH FLOW STATEMENT

- CONDENSED

SEK million	2009	2008	2008/09	2008
	Jan-March	Jan-March	Moving 12 mos	Jan-Dec
Cash flow from operating activities				
before change in working capital	96	139	576	619
Change in working capital	-133	-150	-112	-129
Cash flow from operating activities	-37	-11	464	490
Net capital expenditures in non-current assets	-19	-19	-130	-130
Company acquisitions and divestments	-79	-112	-243	-276
Change in other financial assets	0	0	0	0
Cash flow from investing activities	-98	-131	-373	-406
Net borrowings	165	109	187	131
Dividend paid out	-	-	-210	-210
Cash flow from financing activities	165	109	-23	-79
Cash flow for the period	30	-33	68	5
Cash and cash equivalents at start of period	223	203	168	203
Exchange rate differences	4	-2	21	15
Cash and cash equivalents at end of period	257	168	257	223

KEY DATA

	2009	2008	2008/09	2008
	Jan-March	Jan-March	Moving 12 mos	Jan-Dec
Net sales, SEK million	1,731	1,525	6,984	6,778
Sales growth, %	13.5	18.6	18.1	19.5
EBITA, SEK million	161	175	806	820
EBITA margin, %	9.3	11.5	11.5	12.1
Operating capital, SEK million	2,814	2,090	2,814	2,569
Return on operating capital, % (12 months)	33.2	38.5	33.2	36.7
Interest-bearing net debt, SEK million	1,101	812	1,101	972
Net debt/equity ratio, %	64.3	63.5	64.3	60.9
Equity ratio, %	37.2	36.4	37.2	36.2
Key ratios per share ¹⁾				
Earnings per share, SEK	2.38	2.73	12.40	12.75
Equity per share, SEK	42.83	31.95	42.83	39.93
Cash flow from operating activities per share, SEK	0.93	-0.28	11.60	12.25

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

No acquisitions were made during the first quarter of 2009.

Effect of completed acquisitions 2008

SEK million		Net sales	EBITA
Company	Business area	Jan-Mar	Jan-Mar
KG Enterprise Oy	Engineering & Equipment	0	0
EssMed AB, Kabetex Kullager & Transmission AB and Brinch AS	Industrial Components	16	0
Douwes International BV, Flintec Group AB and Inkal Industrikalibreringar AB	Special Products	66	3
Effect on Group		82	3

PARENT COMPANY INCOME STATEMENT

- CONDENSED

SEK million	2009	2008	2008/09	2008
	Jan-March	Jan-March	Moving 12 mos	Jan-Dec
Net sales	-	-	1	1
Gross profit	-	-	1	1
Administrative expenses	-9	-10	-38	-39
Other income and expenses	1	-1	0	-2
Operating profit	-8	-11	-37	-40
Financial income/expenses	-12	-3	-31	-22
Profit from participation in Group companies	-	-	453	453
Profit after financial items	-20	-14	385	391
Appropriations	-	-	-14	-14
Income Tax	-	-	-62	-62
Net profit for the period	-20	-14	309	315
Depreciation of property, plant and equipment	0	0	-1	-1

PARENT COMPANY BALANCE SHEET

- CONDENSED

SEK million	2009	2008	2008
	31 March	31 March	31 Dec
Intangible assets	1	-	1
Property, plant and equipment	2	2	2
Financial assets	1,514	1,054	1,514
Current receivables	681	594	615
Cash and cash equivalent	15	24	18
Total assets	2,213	1,674	2,150
Equity	828	729	848
Untaxed reserves	14	0	14
Non-current liabilities	470	177	495
Non-current provisions	202	23	199
Current provisions	15	25	87
Current interest-bearing liabilities	594	635	396
Current noninterest-bearing liabilities	90	85	111
Total equity and liabilities	2,213	1,674	2,150

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 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 (per year across a business cycle) to grow 10%, reach an 8% EBITA margin and return on operating capital of 25% across a business cycle.

Indutrade is listed on Nasdaq OMX Stockholm.