

Lindab

YEAR-END REPORT 2000



Year-end report for 2000

- Sales increased by 24 percent to SEK 4,415M (3,569), of which acquisitions were responsible for 10 percent
- Profit, after financial items, amounted to SEK 303M (301) including SPP funds
- The profit has been negatively affected by very high raw material prices
- Spiral-Helix, USA and Tekno Term Climate AB, Sweden acquired in the beginning of 2001

Sales and market

In 2000 consolidated sales amounted to SEK 4,415M (3,569), an increase of 24 percent. During the year volumes increased by 24 percent, of which acquired companies represented 10 percentage units. The strengthening of the Swedish Kronor during the year affected sales negatively by 2 percentage units. Net sales prices went up by 2 percent.

Products representing 82 percent (85) of the sales value were manufactured within the Group.

Sales abroad increased by 17 percent and amounted to SEK 3,170M (2,717), which represented 72 percent (76) of consolidated sales.

These days member companies of the Lindab Group are established in 20 countries and the Ventilation business area is represented in the majority of them. Demand for the various system solutions provided by the business area has been good. An ever growing consciousness of the significance the indoor climate has on health is having an increased impact on demand. Market developments on the individual markets are becoming less and less important. During the year an increased focus on noise in ventilation units has been observed.

The Profile business area is dependent

on the state of the construction industry to a greater extent. There is a tendency towards an ever growing share of system sales, in which customers require total solutions.

During the year Lindab has been able to note a good demand from all of its important markets. In Sweden the construction industry market has remained strong and, during the course of the year, the Group has been able to strengthen its position. The Danish market has also shown first-class demand, primarily during the first half when investments were made to cater for the large-scale gale damage that afflicted the country at the end of 1999. Demand has increased on the Finnish and Norwegian markets. When it regards the EU demand has remained stable in France and the United Kingdom, whereas competition in Germany continued to be fierce.

The weak demand that prevailed in Eastern Europe during the beginning and middle of the year took a turn for the better and we have been able to note an ever improving situation.

The North American market has improved successively and a better acceptance of Lindab's ventilation systems has been observed. Sales on the other markets were influenced by the acquisition of Bartholet, which took place on 1 October 1999.

Profit

The profit, after financial items, amounted to SEK 303M (301). The profit for the year has been positively affected by the refund of SPP funds amounting to SEK 23M. A non-recurring item in the profit for 1999 was the sale of Samesor, a Group company, which provided a capital gain of SEK 12M.

During 2000 the prices of raw materials went up enormously, especially in the case of galvanised steel. Activities have been focussed on compensating for this by the rationalisation of operations and increased prices. The costs incurred by increases in raw material prices which could not be compensated for is estimated to amount to SEK 35M. The profit for the year has been negatively affected by an unsatisfactory earnings trend in Great Britain and Norway.

Depreciation amounted to SEK 170M (142), of which goodwill depreciation represented SEK 22M (15). The high rate of investment during recent years and the companies acquired clarify this increase.

The net interest amounted to SEK -39M (-22). The increased interest cost can be explained by the increasing net liability.

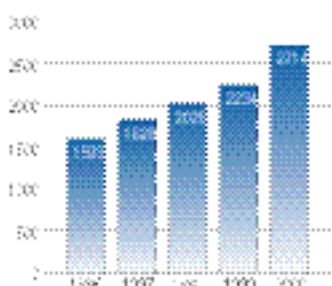
The tax expense for the year amounted to SEK 100M (90). This increase can be explained by increasing non-deductible goodwill depreciation and losses that were not considered.

Sales, by market

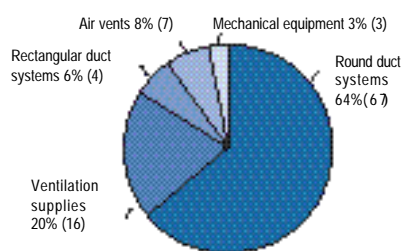
SEK M	2000	Oct-Dec 1999	Change in percent	2000	Jan-Dec 1999	Change in percent
Sweden	374	232	61	1,245	852	46
Other Nordic countries	341	277	23	1,255	1,095	15
EU, except Nordic members	243	229	6	985	921	7
Eastern Europe	185	138	34	539	455	19
USA	72	42	71	262	168	56
Other markets	34	39	-13	129	78	65
Total	1,249	957	31	4,415	3,569	24

	1998	1999	2000
Sales, SEK M	2,025	2,234	2,714
Operating profit, SEK M	202	204	194
Operating margin, percent	10.0	9.1	7.2
Return on capital employed, percent	20	17	13
Investments in fixed assets (gross) SEK M	152	154	164
Average number of employees	1,861	2,052	2,417
of which in Sweden	614	610	759

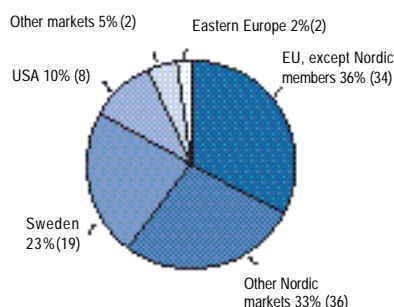
Sales, SEK M



Sales, by product group



Sales, by market



Ventilation business area

2000 will be remembered for the enormous increases in raw material prices which pressed down the margins for the business area whereas, at the same time, Lindab strengthened its position in a number of important markets. Sales increased by 21 percent to SEK 2,714M (2,234) and the operating profit amounted to SEK 194M (204).

Products

Today Lindab is a comprehensive supplier of ventilation systems. The range does not just comprise round duct systems; it also includes rectangular and flat oval duct systems complemented with air distribution accessories and ventilation supplies. The business area also produces and sells machines for the manufacture of round duct systems.

The markets

The market for ventilation systems is growing organically, due to a greater focus on indoor climate and residential environment and, at the same time, a transition is taking place from rectangular duct systems to round ones.

In 2000 increases in volumes were noticeable in the majority of our markets. Volumes in the Swedish market grew by more than 10 percent. An ever increasing share of sales takes place through system sales; which are often designed in our inhouse-developed CADvent calculation program. Increased volumes could be observed in Denmark. Finland proved to be a successively improving market, but competition remains fierce.

Germany was one of the markets hardest hit by the rising steel prices; this due to the fact that sales on this market mainly comprise one-year sales contracts with customers at fixed prices. Sales increases in round duct systems could be noted in France and the United Kingdom.

When it regards Eastern Europe, the business area has now been introduced into the Polish, Czech and Hungarian markets. The rate of growth is high but, however, the business area was subjected to the costs of getting established in these markets in 2000. These days the production of bulky components takes place in all markets where the business area is established.

During 2000 rapid growth has continued in the North American market; which is accepting Lindab's ventilation systems to an ever increasing extent. Today Lindab is established with distribution east of the Mississippi River and with production units in Portsmouth, VA, Tampa, FL and in Skokie and Sibley, IL.

Future prospects

In Sweden the overall market is expected to grow through 2001 which, as far as Lindab is concerned, should result in increased volumes. Full employment prevails in Norway, which can limit the scale of new construction. In Denmark Lindab expects to increase volumes in a relatively unchanged market. The competitive situation is improving in Finland and there are signs of a recovery in the Russian economy; which should benefit the Finnish operation.

The German ventilation market is stable and the volumes in the coming year are expected to increase. However the fierce competitive situation will also remain. Today the market is composed of a large number of competitors. The positive developments in the French market are expected to continue through 2001.

Developments within Eastern Europe will be benefited by EU's ambitions to expand within this area. Foreign investments will increase and the demand for a qualitative indoor climate will increase; which will have a beneficial effect on Lindab. During 2001 a new warehouse and sales office will be built in Estonia.

The American economy is on its way into a weaker phase, which will probably have a negative effect on the total demand. At this point of time Lindab is still a minor actor in the total ventilation market. However, this fact together with the ongoing transition from rectangular ventilation systems to round ones means that Lindab has a continued good growth potential. The trend towards an ever increasing movement towards national accounts means that demands will increase regarding a presence throughout the whole of North America. With respect to this Lindab has now become established in both Texas and Memphis.

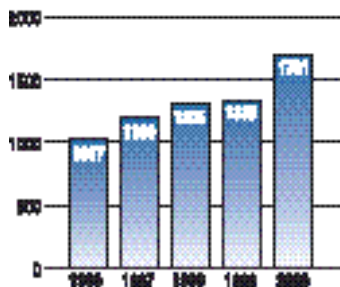
The acquisition of Spiral-Helix will be advantageous for our total mechanical equipment manufacture and the co-ordination benefits will be realised during the course of the year.

	1998	1999	2000
Sales, SEK M	1,305	1,335	1,701
Operating profit, SEK M	105	119	148
Operating margin, percent	8.0	8.9	8.7
Return on capital employed, percent	19	19	21
Investments in fixed assets (gross) SEK M	80	128	116
Average number of employees	794	877	939
of which in Sweden	402	393	473

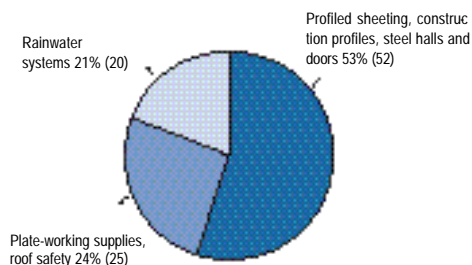
Profile business area

The business area has benefited from a good construction market in several important markets. This, together with a mild winter in the majority of European countries, has contributed towards good volume growth. Sales increased by 27 per cent to SEK 1,701M (1,335) and the operating profit amounted to SEK 148M (119).

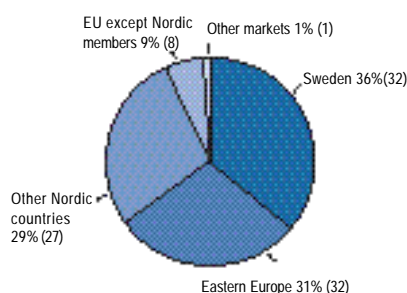
Sales, SEK M



Sales, by product group



Sales, by market



Products

The business area represents a broad range of products, of which the major product areas are roof sheeting and cladding, rainwater systems, up-and-over doors, steel halls and light-weight construction technology. Our greatest strength regarding rainwater systems primarily comprises the function and colour systems which create system solutions that are simple to install and function perfectly in many different environments. These days the door range provides a complete programme for industry and agriculture, exhibition and sport halls and garages. The light-weight construction technology has advanced from just bearing inside walls to, at this point of time, being used for the construction of the total building.

The markets

The trend is that Lindab is more and more becoming a total supplier for many different kinds of buildings and halls with regard to roofs and cladding, rainwater systems, doors and light-weight construction systems. Requirements regarding more effective and efficient purchasing procedures stimulate customers to enquire about complete deliveries.

During the year we have continued developing our sales-supportive calculation program, in which we have established a range of minor applications for different solutions which can be later on combined into a common overall program.

Volumes developed extremely positively in the Swedish, Danish and Norwegian markets in 2000. Volume increases in the Swedish market were primarily due to the strong construction market and the acquisition of Folkebolagen. The Danish market has been benefited by increased investments, partly due to the enormous gale damage inflicted at the end 1999. An improved demand situation brightened things up on the Norwegian market.

Apart from the Nordic member states, Germany is our largest market within the EU but during the course of the year showed signs of slightly declining volumes.

Eastern Europe, which represents about

a third of the sales of the business area, showed an ever increasing demand as the year went on. Hungary, which comprises the base for the Eastern European operation, has shown good volume growth. In spite of the macro-economic difficulties that have afflicted Rumania, with powerful depreciations and an extremely high rate of inflation, growth has been good. During the year a new production and sales unit was erected in Zagreb, Croatia.

Folkebolagen, which was acquired in 2000, has strengthened the business area in the Swedish market. As of the turn of the year 2000/2001 the company has been incorporated in the Lindab operation.

Future prospects

To a certain extent the sales of the business area are steered by the construction market, but they are also influenced by the introduction of new products. The prerequisites for continued good growth are deemed to be good in 2001.

The market situation in Sweden seems to continue to be positive; the new marketing organisation has resulted in the increased appearance of system sales within the light-weight construction technology and steel hall segments. The acquisition of Folkebolagen will contribute towards both volume and profit growth.

In Norway an ever improving demand situation is noticeable. However full employment may perhaps limit growth.

Partly due to its unique safety and environmental features, the door programme is winning over a great deal of the market. The patented pinch guard is expected to become an EU requirement. Lindab's sheet-metal rainwater system is gaining increased acceptance thanks to its good environmental characteristics. Both the German and Danish markets will benefit from increased volumes within the door and rainwater segments.

Good growth is predicted for Eastern Europe. During the course of the year a new production and sales unit will be established in Rumania this to cope with the increased sales volumes.

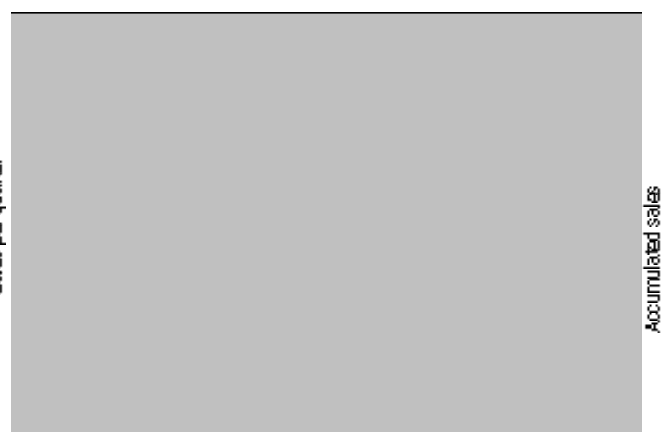
Consolidated income statement

SEK M	1998	1999	2000
Sales	3,330	3,569	4,415
Cost of goods sold	-2,415	-2,586	-3,276
Gross profit	915	983	1,139
Selling expenses	-351	-366	-452
Administrative expenses	-240	-279	-339
Research and development costs	-23	-22	-26
Other operating income	10	18	34
Other operating expenses	-4	-11	-14
Operating profit	307	323	342
Interest income	10	7	10
Interest expenses	-34	-32	-52
Other financial income and expenses	2	3	3
Profit after financial items	285	301	303
Taxes	-79	-90	-100
Net profit	206	211	203

Profit per quarter after financial items,
12 months rolling, SEK M



Sales per quarter,
12 months rolling, SEK M



Summarised consolidated balance sheet

SEK M	31 Dec 98	31 Dec 99	31 Dec 00
Assets			
Intangible fixed assets	112	105	175
Tangible fixed assets	964	1,139	1,406
Financial fixed assets	44	41	47
Stock	661	585	811
Accounts receivable	429	494	651
Other receivables	62	68	91
Cash and bank	149	152	89
Total assets	2,421	2,584	3,270
Equity and liabilities			
Equity	1,134	1,256	1,307
Provisions	176	175	201
Long-term liabilities	593	621	1,086
Current liabilities	518	532	676
Total equity and liabilities	2,421	2,584	3,270

Key figures

	1998	1999	2000
Profit per share, SEK ¹⁾	8,60	8,80	8,53
Cash flow per share, SEK ²⁾	3,17	16,75	5,48
Equity per share, SEK ¹⁾	47,23	52,35	55,05
Return on capital employed, percent	20	18	16
Return on average equity after tax, percent	20	18	16
Equity/assets ratio, percent	47	49	40

1) Number of shares after repurchase, weighted average 23,738,649 (24,000,000).

2) Cash flow before investments according to cash flow statement divided by number of shares.

Net liability and cash flow

The consolidated net liability - the difference between interest-bearing liabilities and liquid funds - amounted to SEK 1,056M (524), of which SEK 52M (47) was allocated for pensions. The interest-bearing liabilities increased by SEK 469M to SEK 1,145M (676).

During the year the net cash flow was SEK -532M (-3). The consolidated liquid funds amounted to SEK 89M (152). Liquid funds, including unutilised overdraft facilities,

amounted to SEK 734M (998), of which SEK 485M (693) pertained to the parent company.

The major company acquisitions, the high rate of investment and the repurchase of own shares have had a negative effect on the cash flow.

The year's investments, including company acquisitions, amounted to SEK 474M (354), which can be compared with the depreciation, which amounted to SEK 170M (142).

Equity

The consolidated equity increased to SEK 1,307M (1,256). The equity/assets ratio amounted to 40 percent (49).

	SEK M
Equity, 1 Jan 2000	1,256
Net profit	203
Dividend	-72
Repurchase of own shares	-96
Conversion differences	16
Equity, 31 Dec 2000	1,307

Cash flow statement

SEKM	1998	1999	2000
Current operations			
Operating profit	307	323	342
Depreciation	124	142	170
	431	465	512
Interest received	12	10	13
Interest paid and other financial items	-34	-32	-52
Tax paid	-75	-88	-87
Cash flow from current operations before change in working capital	334	355	386
Change in working capital			
Increase (-)/decrease (+) in stock	-167	76	-226
Increase (-) in receivables	-33	-68	-184
Increase (+)/decrease (-) in operating liabilities	-58	39	153
Cash flow before investments	76	402	129
Investments			
Goodwill	-14	-17	-98
Property, machines, equipment and patent rights	-232	-282	-280
Change in corporate composition	-18	-55	-96
Sales of property	20	-244	-354
Cash flow after investments	-168	48	-345
Dividend	-36	-48	-72
Repurchase of own shares	-	-	-96
Other items	-11	-3	-19
Net from year's operations	-215	-3	-532
Change in interest-bearing liabilities	165	6	469
Change in liquid funds	-50	3	-63

Investments

The rate of investment remained high in 2000. The investments, excluding company acquisitions, amounted to SEK 280M (282); of which SEK 162M (172) represented machines and equipment and SEK 118M (110) property. The greatest individual investments were production premises in Switzerland and the erection and extension of production and warehousing premises in Sweden, Denmark and Croatia.

The company acquisitions during the year have resulted in investments in machines and fittings amounting to SEK 96M (55). The acquisitions in the period have also resulted in an increase of goodwill of SEK 98M (17).

Company acquisitions

In 2000 Lindab acquired two companies. On 1 January Scandab AB was acquired. The company, which operates within the environmental sector, develops, stocks and sells systems for the transportation of flock, dust, etc. The operation does not include manufacture, but will reinforce the Lindab-*Transfer* product area.

On 8 May Lindab made a public offer for Folkebolagen, a company listed on the OM Stockholm Stock Exchange; and the offer was accepted by 99.8 percent of the shareholders. On 13 September Lindab requested the compulsory redemption of the remaining outstanding shares. The acquisition contributes towards the strengthening of the Profile business area's position in the Swedish market. The profit influence was marginal in 2000 but will make a positive contribution in 2001. The company is estimated to turn over about SEK 560M on a yearly basis.

In January 2001 we acquired the machine manufacturing operation of Spiral-Helix, USA. This acquisition will complement Lindab's operation in its Group company Spiro S.A., which produces machines for the manufacture of round ventilation ducts. Spiral-Helix' annual turnover is expected to be SEK 75M. The company has 35 employees.

On 6 February 2001 we reached an agreement regarding the acquisition of Tekno Term Climate AB of Gothenburg, Sweden. Tekno Term develops, manufactures and sells products and system solutions for indoor climate; an area that will well complement the Lindab Comfort Division within the Ventilation business area. In 2000 Tekno Term had a turnover of SEK 120M and employed 60 people. The acquisition

is being financed by the own shares repurchased by Lindab, whereupon the net liability will not be affected by the acquisition.

Personnel

The average number of employees in the Group in 2000 amounted to 3,356 (2,929), of which 1,232 (1,003) were employed in Sweden. The number of employees at the end of the year was 3,541 (3,004). Adjusted for acquisitions and disposals this is an increase of 249 compared with December 1999.

The profit bonus for employees comprised SEK 12M (10), of which SEK 8M (7) went to Swedish Group companies.

Share data

In accordance with the decision of the shareholders at the Annual General Meeting Lindab has repurchased some of its own shares. The mandate stipulated by the Annual General Meeting amounted to a total of 960,000 shares representing 4 percent of the total number. In the beginning of 2001 this mandate had been utilised in full. The average rate for the repurchase was SEK 99.88, and in total the shares cost SEK 95.9M. The total number of shares outstanding after the repurchase amounted to 23,040,000.

The Board of Directors has, however decided to propose again to the Annual General Meeting that the Board, until the next Annual General Meeting, is authorised to determine, if it proves suitable, the acquisition of our own shares, but at the most that number of shares that represents 5% of the total shares of the Company. Any acquisitions can take place either through the stock exchange or through offers to shareholders. The price shall correspond to the market price prevailing at the point of time of the acquisition. It is also proposed to authorise the Board, until the next Annual General Meeting, to dispose of the acquired shares. The aim of any acquisitions of our own shares is to adapt the Company's capital structure to its capital requirements from time to time and to thus contribute towards increased shareholder value and use the acquired shares for financing in conjunction with company acquisitions.

The profit per share has been calculated on a weighted average of the number of shares, which has been calculated as 23,738,649 (24,000,000). The profit after full taxes amounted to SEK 8.53 (8.80). Equity per share amounted to SEK 55.05

(52.35). At the end of the year the stock exchange rate was SEK 100 (98).

The outstanding synthetic option programme has not affected the profit for the year.

Proposed dividend

The Board and Managing Director propose that the dividend for 2000 should be SEK 3.00 (3.00) per share. Wednesday 2 May 2001 is proposed as reconciliation date to receive a dividend. The dividend will be distributed through the auspices of the Swedish Securities Register Centre (VPC) on Monday 7 May 2001.

Outlook for 2001

Growth within the Group will continue. Provided a stable raw-material market an improved profit is expected.

Nomination of Board members

Prior to the Annual General Meeting and in order to activate and facilitate procedures regarding the nomination of the Members of the Board and the presentation of proposals regarding fees, the Board has appointed the Chairman, Svend Holst-Nielsen, as contact person for these matters. Shareholders are invited to present any proposals/points of view to the Chairman; Svend Holst-Nielsen, Lindab AB, SE-269 82 Båstad, by 15 March 2001 at the latest.

Annual General Meeting

The Annual General Meeting will be held in Grevie on 26 April 2001 at 1 p.m.

Grevie, 16 February 2001
LINDAB AB (publ)
The Board

For further information, see Lindab's web site www.lindab.com

The year-end and interim reports are also published on Lindab's web site www.lindab.com

The reports will be available in Swedish, Danish and English and can be ordered from the address below

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
DENVER, COLORADO