

## 2007 Year-end Report

### Record year for Gunnebo Industrier

#### 2007

- Order intake increased by 11.0%, of which 6.9% was organic growth, to SEK 2,093.0 million (1,885.2)
- Net turnover increased by 19.6%, of which 15.1% was organic growth, to SEK 2,064.8 million (1,727.0)
- The operating result increased by 8.4% to SEK 209.6 million (193.4) and the operating margin was 10.2%
- The result after tax increased by 3.8% to SEK 122.4 million (117.9)
- Earnings per share increased by 4.6% to SEK 13.96 (13.35)

#### October-December

- Order intake increased by 12.2%, of which 0.1% was organic growth, to SEK 541.3 million (482.5)
- Net turnover increased by 23.4%, of which 9.7% was organic growth, to SEK 539.1 million (437.0)
- The operating result decreased by 2.8% to SEK 47.8 million (49.2) and the operating margin was 8.9%
- The result after tax decreased by 26.5% to SEK 25.2 million (34.3)
- Earnings per share decreased by 26.0% to SEK 2.88 (3.89)

#### Executive summary

- Continued strong demand is expected during 2008 in all business areas
- Gunnebo Industrier had a record year in 2007 – result, sales, order intake, cash flow and organic growth were the best ever
- A productivity project at the Lifting business area are expected to boost the result in 2008 – the project costs affected the result by SEK -7.5 million for the year and SEK -1.0 million for the fourth quarter
- Acquisitions and divestments affected the operating result by SEK 10.4 million for the year and SEK 3.6 million for the fourth quarter
- Restructuring costs for the Telescopes business unit were SEK -7.5 million, of which SEK -4.5 million in the fourth quarter

#### Dividend

The Board of Directors will propose a dividend of SEK 6.00 (5.50) per share to the annual general meeting.

#### Teleconference for press and analysts

The report will be presented by Christer Lenner, CEO and President, in connection with a teleconference/webcast at 10.00 CET on 19 February. The presentation will be in English. To participate in the teleconference, dial 08 5352 6458 from Sweden and +44 20 7806 1966 from anywhere else. Specify the following code: 9749752. To follow the webcast, go to [www.gunneboindustrier.se](http://www.gunneboindustrier.se) or [www.financialhearings.com](http://www.financialhearings.com)

## Annual general meeting

The 2008 annual general meeting will be held at Gunnebo Industrier's personalhus (Employee Building) in the Gunnebo village, Sweden starting at 17.00 on 8 May. The annual report will be available at [www.gunneboindustrier.se](http://www.gunneboindustrier.se) about mid-April.

# Operations

## The Group

### Order intake and net turnover

Order intake for 2007 rose by 11.0% to SEK 2,093.0 million (1,885.2). Based on order intake for comparable units, the increase consisted of 6.9% organic growth, 6.7% acquisitions and divestments, and -2.6% currency fluctuations.

Order intake during the fourth quarter increased by 12.2% to SEK 541.3 million (482.5). The increase consisted of 0.1% organic growth, 13.3% acquisitions and divestments, and -1.2% currency fluctuations.

Net turnover for 2007 rose by 19.6% to SEK 2,064.8 million (1,727.0). Organic growth was strong during the year. Based on net turnover for comparable units, the increase consisted of 15.1% organic growth, 7.0% acquisitions and divestments, and -2.5% currency fluctuations.

Net turnover during the fourth quarter increased by 23.4% to SEK 539.1 million (437.0). The increase consisted of 9.7% organic growth, 14.7% acquisitions and divestments, and -1.0% currency fluctuations.

### Result

The operating result for 2007 rose by 8.4% to SEK 209.6 million (193.4). The result included depreciation according to plan of SEK 67.6 million (59.6). The 2007 operating margin was 10.2%. Divestment of a production unit in Jokioinen, Finland generated a third quarter capital gain of SEK 5.7 million.

The operating result during the fourth quarter decreased by 2.8% to SEK 47.8 million (49.2). The result included depreciation according to plan of SEK 18.5 million (14.7). The fourth quarter operating margin was 8.9%.

Costs for the productivity project at the Lifting business area affected the result by SEK -7.5 million for the year and SEK -1.0 million for the fourth quarter. Acquisitions and divestments affected the operating result by SEK 10.4 million for the year and SEK 3.6 million for the fourth quarter. The operating result also includes positive changes in volumes, costs for relocation of production to the company's Polish plant and higher raw material costs. The higher raw material costs were partially offset by price hikes.

Restructuring costs for the Telescopes business unit affected the result by SEK -7.5 million for the year and SEK -4.5 million for the fourth quarter.

Financial costs were SEK -32.2 million (-24.7) for 2007 and SEK -12.3 million (-5.5) for the fourth quarter. The higher costs were chiefly due to acquisitions made during the year and higher interest rates.

The result after financial items was SEK 177.4 million (168.7) for 2007 and SEK 35.5 million (43.7) for the fourth quarter. Currency fluctuations affected the result by SEK 2.9 million for 2007 and SEK 4.4 million for the fourth quarter.

### Capital expenditure

The Group's fixed capital expenditure, excluding company acquisitions, amounted to SEK 69.5 million (65.0). This figure corresponds to 102.8% (109.1) of the depreciation level; the investments consisted in broadly equal proportions of capacity investments and replacement and rationalisation investments.

## Liquidity and financial position

The Group's liquid funds amounted to SEK 100.0 million as of 31 December, which may be compared with SEK 70.9 million at the end of 2006. Undrawn agreed lines of credit amounted to SEK 276.0 million.

The net debt was SEK 614.0 million as of 31 December, which may be compared with SEK 413.0 million at the end of 2006. The increase in net debt was due primarily to acquisitions during the year.

The equity ratio was 32.9% as of 31 December, which may be compared with 36.7% at the end of 2006. The debt/equity ratio was 1.1 as of 31 December, which may be compared with 0.9 at the end of 2006.

## Cash flow

Cash flow from continuing operations amounted to SEK 147.5 million (135.6) in 2007. The operative cash flow, after deduction of investments but before interest and paid tax, was SEK 190.3 million (140.6). The divestment of the plant in Jokioinen explains SEK 25.0 million of the increased operative cash flow.

## Acquisitions and divestments

### ***Clark Tracks – Scotland***

Clark Tracks Ltd, a Scottish company that manufactures and sells tracks for forest machines, was acquired in January. Clark Tracks, whose turnover was in the region of SEK 23 million at the time of acquisition, has been integrated into the Traction Systems (formerly Non Skid) business unit, which is part of the Technical Products business area.

### ***Fastening business area's plant in Jokioinen, Finland***

The Fastening business area's plant in Jokioinen was divested to Pintos OY (Finland) in August. Production was relocated from Poland and Sweden. OFA Fastening will continue to actively canvass the Finnish market.

### ***Christiania Spigerverk AS – Norway***

In July, Gunnebo Industrier acquired Christiania Spigerverk AS, a Norwegian group with three subsidiaries in Sweden, namely CS Byggteknik AB, Helsingborg, 3A Byggdelen AB, Stockholm, and 3A Byggdelen AB, Göteborg. Christiania Spigerverk, which had a turnover of NOK 160 million at the time of the acquisition, manufactures and markets a complete product range of fasteners for the building industry and the DIY market.

The acquisition of Christiania Spigerverk, which has 80 employees at operations in Norway and Sweden, strengthens the position and product range of the Fastening business area in the Nordic market. It is expected to boost the business area's turnover by around 40% and generate numerous synergies as a result of the broader product range and lower costs for administration, purchasing, sales and product development.

### ***Emirate Safety Services LLC – UAE***

As one step in the implementation of Gunnebo Industrier's stated policy of establishing itself in the Middle East, the Group acquired Emirate Safety Services LLC (EmiSafe), United Arab Emirates, in June. The acquisition will strengthen the Lifting business area's presence in the Middle East and provide a platform for the Group's future growth in the region. EmiSafe, which has a turnover of around SEK 20 million, has been Lifting's partner and distributor in the Middle East for a number of years. The company is primarily engaged in the sale of lifting equipment, as well as testing and servicing of cranes and lifting equipment. Its customers include the building industry, crane companies, shipyards, harbours, shipping lines and the oil and gas industries.

### ***Gunnebo Industries Pty Ltd – Australia***

In June, Gunnebo Industrier raised its equity interest from 70% to 100% in Gunnebo Industries Pty Ltd, its Australian subsidiary, which will be the foundation of the group's ongoing growth in Australia and Oceania. The company has been majority owned by Gunnebo Industrier since 1990. Most of its customers are in the fishing industry, harbours, and the building, offshore and mining industries.

## Employees

The number of employees in the group at the end of the year was 1,505, which may be compared with 1,260 at the end of the previous year.

## Business areas

### Fastening

SEK million	October - December 2007	October - December 2006	Full year 2007	Full year 2006	Full year 2005
Net turnover	144.5	93.9	578.9	442,8	413,5
Operating result	3.6	2.2	44.3	25,7	28,8
Operating margin, %	2.5	2.3	7.6	5,8	7,0

Fastening is a leading manufacturer and innovator of a complete range of high-quality fastening products. It has a position of market leadership in Scandinavia, as well as in Eastern and Central Europe. Fastening's business is concentrated to the summer season, when the building industry is at its most active.

Fastening's result and sales in 2007 were its best ever. Net turnover for 2007 rose by 30.7% to SEK 578.9 million (442.8). The operating result increased by 72.4% to SEK 44.3 million (25.7) and the operating margin was 7.6% (5.8).

Net turnover for the fourth quarter rose by 53.9% to SEK 144.5 million (93.9). The operating result increased by 62.3% to SEK 3.6 million (2.2) and the operating margin was 2.5% (2.3).

The result was affected by higher raw material costs, which were partially offset by price hikes. During 2007, Fastening noted strong growth, especially in Eastern and Central Europe. The divestment of the plant in Jokioinen, Finland and the relocation of production to Poland and Sweden are expected to boost the result in 2008. The divestment generated a capital gain of SEK 5.7 million in the third quarter.

The acquisition in July of Christiania Spigerverk, which has 80 employees at operations in Norway and Sweden, strengthens Fastening's position and product range in the Nordic market. The acquisition is expected to boost the result in 2008. The acquisition is expected to boost the business area's turnover in the region by 40% on a full-year basis, as well as generating synergies as a result of a broader range and lower costs for administration, sales and product development.

As one aspect of the stated policy of expanding in Eastern Europe, the Fastening business area opened a sales office in Moscow in the autumn to strengthen its canvassing of the Russian market.

### Lifting

SEK million	October - December 2007	October - December 2006	Full year 2007	Full year 2006	Full year 2005
Net turnover	226.0	191.5	865.8	768,8	675,8
Operating result	25.1	20.1	86.6	78,3	56,4
Operating margin, %	11.1	10.5	10.0	10,2	8,3

Lifting is one of the largest companies in the world in the product development, manufacture and marketing of complete systems for chain-based lifting components.

Lifting's result and sales in 2007 were its best ever. Net turnover for 2007 rose by 12.6% to SEK 865.8 million (768.8). The operating result increased by 10.6% to SEK 86.6 million (78.3) and the operating margin was 10.0% (10.2).

Net turnover during the fourth quarter increased by 18.0% to SEK 226.0 million (191.5). The operating result increased by 24.9% to SEK 25.1 million (20.1) and the operating margin was 11.1% (10.5).

The result was affected by higher raw material costs, which were partially offset by price hikes. Costs for productivity projects at the Lifting business area affected the result by SEK -7.5 million for the year and SEK -1.0 million for the fourth quarter. The projects are expected to boost the result in 2008. The result also includes costs for relocation of production to the company's Polish plant.

The acquisition of Emirate Safety Services LLC, United Arab Emirates, in June strengthened the business area's presence in the Middle East and provides a platform from which the Group can continue to expand in the region.

In June, Gunnebo Industrier raised its equity interest from 70% to 100% in Gunnebo Industries Pty Ltd, its Australian subsidiary, which will be the foundation of the group's ongoing growth in Australia and Oceania.

## Technical Products

SEK million	October - December 2007	October - December 2006	Full year 2007	Full year 2006	Full year 2005
Net turnover	168.6	151.6	620.1	515.4	401.6
Operating result	19.1	26.9	78.7	89.4	54.6
Operating margin, %	11.3	17.7	12.7	17.3	13.6

The Technical Products business area consists of three units: Blocks, Telescopic Systems and Traction Systems (formerly Non Skid). Blocks, which develops, manufactures and markets crane blocks, snatch blocks, swivels and swivel systems, pulleys and other products for heavy lifting equipment, has a strong focus on the North American market. Telescopic Systems has a leading position on the European market for telescopic ladders and work platforms, which are marketed under the Telesteps brand name. Traction Systems is a leader in the development, manufacture and marketing of traction products and systems for contractors' machinery and forest machinery, as well as for agricultural and transport vehicles.

The 2007 result and sales for the Blocks and Traction Systems business units were their best ever. Total net turnover for the Technical Products business area rose in 2007 by 20.3% to SEK 620.1 million (515.4). The operating result decreased by 12.0% to SEK 78.7 million (89.4) and the operating margin was 12.7% (17.3).

Net turnover during the fourth quarter increased by 11.2% to SEK 168.6 million (151.6). The operating result decreased by 29.0% to SEK 19.1 million (26.9) and the operating margin was 11.3% (17.7).

The lower operating result, as well as the decrease of the margin from a high level, was due to restructuring costs and other costs in relation with changes in the production and distribution structure at Telescopic Systems. Restructuring costs affected the result by SEK -7.5 million for the year and SEK -4.5 million for the fourth quarter. Piled up this led to a minor loss at Telescopic Systems.

**Blocks** continued its stable, solid performance in 2007 and had its best result and sales ever. The business unit, which enjoyed high capacity utilisation, was favourably affected during the year by the export potential generated by the dollar's depreciation, while currency fluctuations vs. the Swedish krona substantially reduced the result.

The **Telescopic Systems** business unit was affected during the year by more aggressive competition, pressure on prices, lower volumes and a growing number of patent infringements involving higher costs for legal

services. Extensive measures were initiated during the year, whereby the result was affected by restructuring costs.

As a step in adapting to its international customer base, the Non Skid business unit changed its name to **Traction Systems** in early 2008. The business unit continued to perform well during the year and had its best result and sales ever. During the year, Traction Systems successfully integrated Clark Tracks, the Scottish company acquired during the first quarter of 2007.

## Risk factors and uncertainties

The Group and parent company's most significant risk factors and uncertainties include commercial risks in the form of product, liability, raw material, property and environmental risks. Over and above these, Gunnebo Industrier is exposed to various types of financial risk such as financing, liquidity, interest, currency, credit and counterparty risks. More detailed information regarding the Group's risk factors and uncertainties is provided on page 26 and in Note 28 on page 47 of Gunnebo Industrier's annual report for 2006.

## Parent company

The parent company's turnover amounted to SEK 905.7 million (794.2) in 2007. The parent company includes all the Swedish businesses, including the development, production, marketing and sale of Fastening and Lifting products, as well as the sale of Traction System products. In addition, Group functions are concentrated at the head office in the Gunnebo village.

The parent company's result after tax amounted to SEK 105.0 million (33.3). The number of parent company employees at the end of the period was 493, which may be compared with 463 at the end of the previous year.

## Accounting principles

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting principles are unchanged in relation to those applied in 2006. Further information on the accounting principles applied is provided in the annual report for 2006. None of the new IFRS standards or revisions effective from 1 January 2007 have led to any significant change in the group's accounting principles.

## Calendar and contacts

### Calendar

- Annual General Meeting in Gunnebo on 8 May 2008
- Interim report January-March 2008 on 8 May 2008
- Interim report January-June 2008 on 14 August 2008
- Interim report January-September 2008 on 12 November 2008

## Contacts

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## About Gunnebo Industrier

Gunnebo Industrier AB is an international group of industrial companies that is active in 15 countries and has around 50 major distributors/agents worldwide. The group is engaged in the development, manufacture and marketing of chain and lifting components, fastening systems for the building industry, blocks/systems for heavy lifting, traction products and telescopic ladders. The business is conducted through the Fastening, Lifting and Technical Products (which comprises the Blocks, Telescopic, and Traction Systems business units) business areas. Gunnebo Industrier markets well-known products in established segments, and is the leader in each product and/or market area. Annual turnover amount to more than SEK 2 billion, and the group has around 1,500 employees.

Gunnebo, 19 February 2008

Board of Directors

Gunnebo Industrier AB

This report has not been subject to examination by the company's auditors.

Consolidated Income Statement		Oct - dec		Full year	Full year
SEK million		2007	2006	2007	2006
Net turnover		539,1	437,0	2064,8	1 727,0
Costs for goods sold		-371,7	-297,8	-1435,1	-1 184,1
<b>Gross operating profit</b>		<b>167,4</b>	<b>139,2</b>	<b>629,7</b>	<b>542,9</b>
Sales and administration costs		-123,1	-90,3	-440,6	-349,0
Other operating income and costs <sup>2</sup>		3,5	0,3	20,5	-0,5
<b>Operating profit</b>		<b>47,8</b>	<b>49,2</b>	<b>209,6</b>	<b>193,4</b>
Operating margin		8,9%	11,3%	10,2%	11,2%
Financial items, net		-12,3	-5,5	-32,2	-24,7
<b>Profit after financial items</b>		<b>35,5</b>	<b>43,7</b>	<b>177,4</b>	<b>168,7</b>
Taxes		-10,3	-9,4	-55,0	-50,8
<b>Net profit for the year<sup>1</sup></b>		<b>25,2</b>	<b>34,3</b>	<b>122,4</b>	<b>117,9</b>
<sup>1)</sup> Attributable to the parent company shareholders		25,2	34,1	122,4	117,1
<sup>1)</sup> Attributable to minority interest		-	0,2	-	0,8
<sup>2)</sup> Of which non-recurring: SEK 5.7 million divestment of the Finnish plant in the third quarter of 2007 As of 2007, includes rental income of SEK 7.7 million that was previously reported as net sales					
Earnings per share (8 770 909 shares), SEK		2,88	3,89	13,96	13,35

Consolidated Balance Sheet		Full year	Full year
SEK million		2007	2006
Intangible fixed assets		258,3	88,1
Tangible fixed assets		400,5	370,5
Financial fixed assets		11,1	14,6
Inventories		546,2	455,8
Current receivables		352,7	294,8
Liquid assets		100,0	70,9
<b>Total assets</b>		<b>1 668,8</b>	<b>1 294,7</b>
Equity		548,7	474,6
Interest-bearing long-term liabilities		718,9	490,6
Non-interest-bearing long-term liabilities		57,8	50,6
Non-interest-bearing current liabilities		343,4	278,9
<b>Total equity and liabilities</b>		<b>1 668,8</b>	<b>1 294,7</b>

Change in Equity		Full year	Full year
SEK million		2007	2006
Equity has been changed during the period:			
At the start of the period		474,6	399,9
Dividend		-48,2	-30,9
Translation differences		8,6	-16,4
Effect of cash flow hedging		-2,4	4,1
Change in minority interest		-6,3	-
Profit for the period		122,4	117,9
<b>At the end of the period<sup>1</sup></b>		<b>548,7</b>	<b>474,6</b>

<sup>1)</sup> At the end of the period the minority interest amounts to -

5,9

Cash Flow Analysis	Oct - dec		Full year	Full year
SEK million	2007	2006	2007	2006
Cash flow from current operations before changes in operating capital	37,1	50,3	183,8	189,5
Changes in operating capital	58,9	12,6	-36,3	-53,9
<b>Cash flow from current operations</b>	<b>96,0</b>	<b>62,9</b>	<b>147,5</b>	<b>135,6</b>
Net investments	-13,1	-21,8	-44,4	-61,6
Acquisition and disposal of subsidiaries	-2,2	0,0	-197,2	1,1
<b>Cash flow from investment activities</b>	<b>-15,3</b>	<b>-21,8</b>	<b>-241,6</b>	<b>-60,5</b>
Changes in interest-bearing receivables and liabilities	-74,6	-30,5	169,2	-9,7
Dividends to shareholders, group contributions	0,0	-0,1	-48,2	-30,9
<b>Cash flow from financing activities</b>	<b>-74,6</b>	<b>-30,6</b>	<b>121,0</b>	<b>-40,6</b>
Cash flow for the period	6,1	10,5	26,9	34,5
Liquid assets at the start of the period	93,4	60,7	70,9	38,9
Translation differences on liquid funds	0,5	-0,3	2,2	-2,5
<b>Liquid assets at the end of the period</b>	<b>100,0</b>	<b>70,9</b>	<b>100,0</b>	<b>70,9</b>

Operative Cash Flow	Oct - dec		Full year	Full year
SEK million	2007	2006	2007	2006
Cash flow from current operations	96,0	62,9	147,5	135,6
Repayment of tax paid and net financial items affecting cash	28,9	16,3	87,2	66,6
Net investments	-13,1	-21,8	-44,4	-61,6
<b>Operative cash flow</b>	<b>111,8</b>	<b>57,4</b>	<b>190,3</b>	<b>140,6</b>

Key Ratios and other information	Full year	Full year
	2007	2006
Return on capital employed, %	18,9	20,5
Return on equity, %	24,2	27,5
Gross margin, %	30,5	31,4
Operating margin before depreciation, %	13,4	14,6
Operating margin, %	10,2	11,2
Profit margin, %	8,6	9,8
Capital turnover rate, times	1,8	1,8
Equity ratio, %	32,9	36,7
Interest cover, times	6,5	9,0
Debt/equity ratio, times	1,1	0,9
Foreign net turnover, %	78	77
Order intake, SEK millions	2 093,0	1 885,2
Capital employed, SEK millions	1 267,6	965,2
Net debt, SEK millions	614,0	413,0
Capital expenditure, SEK millions	69,5	65,0
Depreciation, SEK millions	67,6	59,6
Average number of employees	1394	1241

Data Per Share	Full year	Full year
	2007	2006
Earnings per share, SEK	13,96	13,35
Equity per share, SEK	62,60	53,40
Cash flow per share, SEK	16,80	15,50
Number of shares	8 770 909	8 770 909

Net Turnover By Market SEK million	Full year 2007		Full year 2006	
Sweden	450	22%	392	23%
Rest of Nordic region	426	21%	318	18%
Rest of Europe	532	26%	459	27%
North America	467	22%	398	23%
Other markets	190	9%	160	9%
<b>Group total</b>	<b>2 065</b>	<b>100%</b>	<b>1 727</b>	<b>100%</b>

Quarterly Data SEK million	2005 Q4	2006 Q1	Q2	Q3	Q4	2007 Q1	Q2	Q3	Q4
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#### Consolidated income statement

Net turnover	402,2	421,9	452,8	415,3	437,0	485,2	515,2	525,3	539,1
Gross operating profit	126,2	123,7	146,1	133,9	139,2	138,9	163,6	159,8	167,4
Operating profit	43,8	32,9	55,3	56,0	49,2	42,8	58,0	61,0	47,8
Profit after financial items	39,7	28,1	46,9	50,0	43,7	37,9	52,6	51,4	35,5
Net profit for the year	26,8	17,6	32,5	33,5	34,3	25,1	36,3	35,8	25,2

#### Key ratios, %

Gross margin	31,4	29,3	32,3	32,2	31,9	28,6	31,8	30,4	31,1
Operating margin	10,9	7,8	12,2	13,5	11,3	8,8	11,3	11,6	8,9

#### Net turnover per business areas

Fastening	89,5	97,5	127,0	124,4	93,9	111,4	143,5	179,5	144,5
Lifting	173,8	198,9	202,4	176,0	191,5	220,1	222,2	197,5	226,0
Technical Products	138,9	125,5	123,4	114,9	151,6	153,7	149,5	148,3	168,6
Group total	402,2	421,9	452,8	415,3	437,0	485,2	515,2	525,3	539,1

#### Operating profit per business areas

Fastening	2,6	-1,6	10,8	14,3	2,2	1,6	14,5	24,6	3,6
Lifting	20,4	15,8	23,0	19,4	20,1	20,3	24,0	17,2	25,1
Technical Products	20,8	18,7	21,5	22,3	26,9	20,9	19,5	19,2	19,1
Group total	43,8	32,9	55,3	56,0	49,2	42,8	58,0	61,0	47,8

#### Operating margin per business areas, %

Fastening	2,9	-1,6	8,5	11,5	2,3	1,4	10,1	13,7	2,5
Lifting	11,7	7,9	11,4	11,0	10,5	9,2	10,8	8,7	11,1
Technical Products	15,0	14,9	17,4	19,4	17,7	13,6	13,0	12,9	11,3
Group total	10,9	7,8	12,2	13,5	11,3	8,8	11,3	11,6	8,9

Parent Company Income Statement		Oct - dec	Full year	Full year
SEK million		2007	2006	2006
<b>Net turnover</b>		222,8	198,5	794,2
<b>Gross operating profit</b>		38,1	43,4	199,4
<b>Operating profit</b>		5,5	8,7	53,9
<b>Profit after financial items</b>		10,4	19,8	79,0
<b>Profit before tax</b>		10,8	-28,7	30,5
<b>Net profit for the year</b>		10,9	-16,5	33,3

Of the parent company's net turnover for 2007, MSEK 258.6 MSEK (211.0) comprised sales to Group companies, while purchases from Group companies amounted to MSEK 105.2 MSEK (61.6).

Parent Company Balance Sheet		Full year	Full year
SEK million		2007	2006
Fixed assets		744,1	502,5
Current receivables		411,6	381,0
<b>Total assets</b>		<b>1 155,7</b>	<b>883,5</b>
Equity		241,4	188,2
Untaxed reserves		87,5	87,9
Long-term liabilities and provision		642,2	458,9
Current liabilities		184,6	148,5
<b>Total equity and liabilities</b>		<b>1 155,7</b>	<b>883,5</b>

The parent company's total liquid funds, including the unutilised portion of bank overdraft facilities granted, were SEK 248.1 million at the end of the period. Investments in January-December were SEK 28.3 million (10.0).

## Acquisitions

**Clark Tracks** was part of the group with net turnover of SEK 27.0 million and an operating result of SEK 4.1 million in 2007. The preliminary market evaluation of acquired net assets yields goodwill of SEK 16.4 million. Adjusted for liquid funds in Clark Tracks, the acquisition reduced cash flow by SEK 29.8 million.

In June, Gunnebo Industrier raised its equity interest in **Gunnebo Industries Pty Ltd**, its Australian subsidiary, from 70% to 100%. The acquisition yielded goodwill of SEK 2.8 million and reduced cash flow by SEK 9.1 million.

**Emirate Safety Services** (EmiSafe) in the United Arab Emirates is part of the group as of 1 July with net turnover of SEK 10.7 million and an operating result of SEK 1.5 million. The preliminary market evaluation of acquired net assets yields direct paid goodwill of SEK 12.6 million. Adjusted for liquid funds in the acquired company, the acquisition reduced cash flow in 2007 by SEK 14.6 million.

**Christiania Spigerverk**, a Norwegian group, is part of the group as of 1 July with net turnover of SEK 98.6 million and an operating result of SEK 4.0 million. The preliminary market evaluation of acquired net assets yields goodwill of SEK 102.1 million and other intangible assets of SEK 35.6 million. Adjusted for liquid funds in the acquired group, the acquisition reduced cash flow during the period by SEK 143.6 million.